



Voters may decide whether Cabela's gets land for free

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By Scott Aust, Journal staff

RAPID CITY -- Part of the Cabela's incentive package approved by the Rapid City Council two weeks ago may be forced to a public vote if organizers of a referendum can gather enough signatures.

On June 18, the council approved agreements with Cabela's that included \$2 million in economic development funds and 30 acres of land where the visitor information center is located north of Interstate 90 near Exit 61.

The giant outdoor outfitter plans to build an 80,000-square-foot store less than a mile west of the visitor center land. Foursquare Properties, Cabela's land development partner, is building a 700,000-square-foot open-air retail center on 70 acres near Dyess Avenue and East Mall Drive.

Fred Weishaupl, a retired engineering and land development consultant, and about a dozen supporters have organized a referendum drive to force the land giveaway part of the agreement to a vote.

"We just feel that the giveaway is not necessary," Weishaupl said. "Cabela's picked Rapid City for a reason. I know Cabela's and some of the larger people always threaten to pull out. I don't personally take too kindly to threats, but it's a tactic used."

Weishaupl said he is not opposed to Cabela's or to the \$2 million in economic development funds, but he is opposed to giving away the land and visitor center to Cabela's.

"They seem to want to give away the farm, the keys to the machinery and all of the cows," he said.

The group says the visitor center should be maintained as a separate building, not forced into a smaller space inside a retail business, he said.

Cabela's has agreed to spend up to \$500,000 to provide 5,000 square feet of space inside the store for a new visitor information center that would be leased by the city for \$1 per year for 30 years, with four five-year renewal options. The current visitor center building has 12,500 square feet of space.

To be successfully referred, at least 5 percent of the city's registered voters must sign petitions. Weishaupl said about 2,000 signatures are needed, but he hopes to get between 2,500 and 3,000 by the deadline later this month.

The city has recent experience with referendums. Last year, opponents of Wal-Mart successfully referred a city council zoning decision to a public vote.

But in June, city voters upheld the council's decision by a landslide to rezone property on U.S. Highway 16 to allow Wal-Mart to build a second supercenter.

Eventually, however, Wal-Mart had to back away from that site because of difficulties getting access agreements with adjacent property owners for a reverse access road and is now considering property farther north on Highway 16.

Weishaupl thinks the two issues are different enough - a zoning change versus giving away land - that there would be a different result at the ballot box.

"This has nothing to do with Cabela's. This has to do with giving away 30 acres of land that's worth ... somewhere in the neighborhood of \$5 million to \$6 million," he said.

Weishaupl bases his estimate of the value on the \$8 million Foursquare Properties paid for 70 acres of land to the west that Cabela's will build on.

Add in the \$4 million invested in the visitor center building already, and "that's a \$10 million package," he said.

Alderman Bill Okrepkie hopes people understand the benefits that Cabela's and the Foursquare development will bring to the city, and what the city will lose if the agreements are referred.

For \$2 million and some land, the city will be getting additional sales tax and property tax revenue, as well as a tourist attraction that could bring in more than 1 million visitors per year, he said.

"This is a golden opportunity to have another retail outlet to give us another choice and a reason to come to Rapid City and enjoy our community," he said.

Right now, the visitor center land is not generating any tax revenue. Okrepkie said the city intends to create a tax-increment-financing district for the development in that area that will recover not only the \$2 million but also the value of the 30 acres.

"The money will come back to us. All of it," he said.

The Foursquare development, which includes more than Cabela's, may generate up to \$3.9 million a year in additional sales tax revenue for the city.

Okrepkie said the city relies on sales taxes, so increasing that revenue source is the only way for the city to do more to address infrastructure issues.

"It's the sales tax that's going to make it for us as a city. That's what's going to provide the funding so we can work on our infrastructure," he said. "But if we don't do the deal, then Cabela's may go away."

City Attorney Jason Green said Monday he has not researched whether the Cabela's agreements are referable or not, but the test will be whether the council's decision was an administrative act or a legislative act.

Legislative acts, such as approving an ordinance or resolution, are referable. Administrative acts, such as supervising a program or setting employee salaries, are not.

Green said he won't research the issue until there is a petition presented.

The deadline for submitting a referendum petition is 20 days after publication of the council's decision. Minutes of the June 18 city council meeting are scheduled to be published on July 6, which would give petition circulators until 5 p.m. July 26 to turn them in to the city finance office.

If successfully referred, state law indicates the election would be at the next annual municipal election or the next general election, whichever comes first. However, within 10 days of receiving petitions, the city council can order a special election to speed up the process. In that case, the election would occur not fewer than 30 days later.

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