

No. LF011007-08 – Johnson said he asked staff to take a look at annexation of the commercial and retail businesses on Highway 44. There is a fair amount of business that is occurring in this location, and the city is not enjoying any sales tax receipts from it. There is no cost to City to annex this. He said this could help our community grow and help with some of the City's funding shortfalls. Elkins said there are four different areas that staff would recommend taking a look at that is primarily commercial. She suggests as a first step to direct staff to meet with the property owners to see if they would be willing to consider voluntary annexation. Staff would then report back to the Council and if they are willing, staff will proceed. If not, the Council could decide if they want to consider a forced annexation. Johnson moved to request staff to meet with the property owners in each area along South Dakota Highway 44 to see if they would be willing to consider voluntary annexation and bring a report back to this Committee. Second by Hurlbut. Kooiker said the City needs to consider the Copperfield issue where there are people who have been annexed into the City and they are not receiving direct City services. He said he is afraid we are creating unnecessary work because unless there are benefits, the property owners will not be interested in annexing into the City. He does not believe this advances the City's relationship with Rapid Valley. To him it looks like it is a tax grab with the sole purpose being to increase tax revenue for 2007 to meet estimates. He thinks further discussion is warranted, and this will be seen as unnecessarily antagonistic. Johnson said this would be for commercial and retail businesses and would not include residential for the most part. He said it has nothing to do with meeting 2007 projections for sales tax. This idea was brought by him to the Mayor over a year ago. He said it does not make sense to have a revenue generator and walk past it. If you serve the people in the community, to broaden the tax base makes sense. It is something that does not cost a whole lot of money in services to provide but allows additional revenue. Kooiker said he thinks there is a scramble at City Hall to try to figure out what to do about the loss of nearly a percentage point. Alderman Schumacher said for clarification Johnson did mention in his initial statement that this could be used to fill some shortfalls. Okepkie said this makes sense not only from a City perspective but from the people doing business there as far as providing an extra layer of security in the form of police and fire protection. After further discussion, a vote was taken and the motion carried with Kooiker voting "no."