



## City of Coffee City Economic Development Corporation

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### **Economic Development Corporation Minutes For October 26, 2021**

1. Meeting was called to order at 1:06 PM.
2. Roll call was made. The following were in attendance:  
Pam Drost, Vicki Castleberry, Jan Daughtery, GeoJan Wright, and Tom McBride. A quorum was present.

#### **3. Update on Community Center HVAC project.**

Pam Drost announced that we had received bids on the HVAC project from Evans Air Conditioning, Strickland Air Conditioning and Ace Air Conditioning, and that we should submit these as sealed bids to the City Council for approval. Pam Drost said that if there is any discussion about these bids, we need to discuss it in executive session so as not to circumvent the privacy of the bids. Tom McBride wanted more discussion.

The Board closed the meeting to the public at 1:07 PM for executive session per Local Government Code Chapter 551.087 (Deliberation regarding economic development negotiations)

The meeting was reconvened at 1:36 PM

Action as a result of the executive session:

Tom McBride made the motions that we seal the 3 bids from the air conditioning companies for the HVAC project and submit them to the City Council for their next meeting with a philosophy statement as to why we are trying to accomplish this work. Vicki Castleberry made the second. Motion carried unanimously.

#### **4. Discuss and Act upon obtaining a realtor to help in any new land Acquisition.**

Pam Drost said one of the issues the city council brought up was that we did not have a realtor in our corner to help guide us and protect our interest. She said she was not opposed to getting a realtor for future needs, but felt that in the case of the Allstate Property, there was no need for any further negotiations with the property owner because she had made it very clear on several occasions what her bottom line would be and what her intentions were to do with the property if she could not sell it for her bottom line.

GeoJan Wright stated she agreed with Pam, that in this particular case, having a realtor handle the transaction would only add to the bottom line cost. She also made the point that Ray Ver Hey made mention that a realtor would help with getting surveys etc. and GeoJan stated a survey, etc. would not be necessary for this financial situation and again would only add to the cost. Ms. Wright also stated that a councilman in their capacity of being a realtor, could offer their expertise free of charge but that has not happened, and that as a councilman, you should want to assist your City and EDC in providing any support in any form without consideration of payment. She also state she would say no on a realtor.

Pam Drost also added that there is already bad blood between the Allstate owner and Ray Ver Hey. Vicki Castleberry added also with the EDC and the City Council and would not be a good fit right now.

Tom McBride said that he thought Ray Ver Hey actually gave us some very good points and he understands that since he is a realtor, he understands his push back on this. He also added he didn't think there should be any additional costs because a realtor would share the commission of the seller's realtor. He went on to state that for future acquisitions he would like to see us have a realtor, but for the most part did not feel like we were getting very positive feedback from the City Council.

Pam Drost said that Riley Standifer thought we should put storage buildings in on that property ourselves, but she told Riley that the EDC would get that money and it would not be sales tax producing....to which he replied that would be good money. She also said that it would take another big investment to put storage buildings in there.

GeoJan Wright stated that at some point and time the Council was going to have to look at the sales tax income because she has noticed a decline in the

income. She said she had told Riley Standifer that we need to be more concerned about bringing in sales tax more so than about the price we are paying for the property on a hard corner. She also stated that people overpay for property all the time, but if we can be creative enough, do the food court, find the septic system, lease out the building, there are a lot of things we can do to offset the payment for that piece of property and also if CEFCO was willing to pay that much for the property, then somebody else might as well, or even a portion of it.

Jan Daughtery asked about the building that the EDC used to own and it is not getting used and that bothers her. GeoJan said that there is only one office space that is not being rented...they have the Massage place and Amped Up Nutrition.

GeoJan stated that she thinks it would be a good idea to go ahead and engage a realtor to start looking into some properties. Pam Drost said it should not be anyone on the City Council nor the EDC. Tom McBride asked if we could use a local agent (United Country) but someone other than Ray Ver Hey. GeoJan Wright suggested Burns Commercial Properties

GeoJan Wright made the motion that moving forward with any new land acquisition we should engage a realtor to act as our fiduciary, one to be decided at a future date. Tom McBride made the second. Motion carried unanimously.

**5. Discuss and Act upon the best use of any new land acquisition.**

Need to still discuss things with Katie, doesn't look like Kilo's is going to be a go. GeoJan made a motion to table this item until we get further instructions from the City Council. Tom McBride made the second. Motion carried unanimously.

**6. Discuss and Act upon financing options for land acquisition**

GeoJan Wright asked if the city council had to approve our financing. Pam Drost told her no, that they approve the project.....but they want this information before they will approve the project.

Three scenarios were discussed.

a) \$582,187.50 full amount, no money down for 120 months, pmt of \$5,716.19

- b) \$200,000.00 down, finance \$382,187.50 for 120 months, pmt of \$3,752.50
- c). \$382,187.50 for 60 months, pmt of \$6,927.01

The interest rate is 3.349%

Tom McBride asked if we put \$200K down, what would that leave in our account. GeoJan Wright said about \$290K

Pam Drost stated that right now I do not see the City Council approving it. Riley Standifer wants us to work on the CCCC and he is in favor of abolishing the EDC altogether. Ray Ver Hey has stated that it is too overpriced. She was not sure where Chuck Jones was on this issue, but felt he was more against it than for it.

Tom McBride stated that after the last Council Meeting he did not feel any enthusiasm from the Council at all.

Pam Drost suggested we put the proposition before the Council one more time, and if they turn it down, then it is on them. All we can do is try.

They gave us some parameters, but I will have to read there minutes as to what they all were. One was to have a realtor, the other was a commitment from a business to go in there...which is totally unrealistic. Timing is of the essence in purchasing a property sometimes and it is in this case. It will take months to get commitments from other businesses.

GeoJan Wright made the motion for Pam Drost to give the financing options to the City Council, Tom McBride made the second, Motion carried unanimously.

#### **7. Discuss, Act upon and prepare a proposal to present to the City Council for any land acquisition, the use of the land and financing options.**

Pam Drost will prepare something for the City Council again for the purchase of the Allstate Property, to include a drawing from GeoJan Wright for food truck placement, etc., along with the financing options. Our Plan is to establish a food truck venue first, along with renting the existing Allstate building and then Phase 3 would be to potentially build something in the vacant space or sell it off separately. Vicki Castleberry also suggested the possibility of making that part of the property for a park.

GeoJan Wright made the motion to present another proposal to the City Council with the 3 phases, drawing and financing. Vicki Castleberry made the second. Motion carried unanimously.

## **8. Discuss Advertising Release Form**

- a) need written policy
- b) duration of advertising
- c) fee schedule
- d) other

Pam Drost said the attorney was supposed to be working on a form, but we have not heard from him...She will contact him tomorrow. GeoJan Wright has come up with a form.

There was much discussion about the scrolling sign and how long or how often it plays. GeoJan Wright suggested we advertise for free for those businesses that produce sales tax, and those that produce HOT tax, and for Non-Profits, such as churches.

If the EDC charges others, (others not in the above 3 mentioned categories), it is possible that the EDC may have to pay something to Tx.Dot. This will need to be investigated. Then the EDC can determine if they need a fee schedule.

GeoJan Wright said she did get Micah Wolfe, from Lake Palestine Resort to sign a form and now his business is being advertised. She also explained in some detail how she has set up the information to advertised on a Monthly basis, so then at the end of each month, she can draw whatever information into the next month

It was decided that a written policy could be drawn from the first paragraph from the Advertising Release Form.

There was discussion about the EDC owning 2 signs, but the city secretary has been given the responsibility of making any changes on the sign in front of the Community Center. Jan Daughtery asked that if that sign is used for Coffee City business, then they should be paying the EDC for its use, because the EDC has to pay for everything they use.

## **9. Discuss and Act upon purchasing a Brother DS-940DW (Duplex and Wireless) Document Scanner for \$154.99 plus taxes, shipping, delivery, etc.**

It was discussed that providing documents for auditors was labor intensive and that a scanner would lessen this load. It would also be a great way to have a backup for our paper files. It would also be very helpful in how documents get downloaded or uploaded for the website.

Jan Daughtery made the motion to purchase the above scanner. Tom McBride made the second. Motion passed unanimously.

**10. Adjourn Meeting**

Vicki Castleberry made the motion to adjourn. Jan Daughtery made the second. Motion passed unanimously.

Submitted by: Jan Daughtery

Approved on: November 1, 2021

Signed by: Pam Drost  
Pam Drost, EDC President