

# OTTER TAIL COUNTY - MINNESOTA

## 2022 Community Growth Partnership Grant Application

### GENERAL INFORMATION

**Project Name:** City of Vergas Redevelopment Project

**Project Type:** Planning Activity ☐ Commercial Rehabilitation ☐ Affordable Housing ☐ Redevelopment ☒

**Applicant City/Township:** Vergas, MN

**Application /Project Contact:** Josh Hanson

**Contact Email Address:** josh@spankysstonehearth.com

**Phone Number:** 218-234-1685

**Authorized Official(s) for Execution of Contract (name and title):** \_\_\_\_\_

**How much funding is being requested?** \$ 9,800

Please provide a brief statement summarizing the proposal that will be reviewed as part of the approval process. Also include in the summary where this project is in the process (i.e., City process, site control, etc.).

This proposal is to request grant funding for the demolition of standing structures that are past their useful life on lots within the City of Vergas. This is the next step in developing these lots to provide up to four single family homes. Currently, lending institutions would like to see more cleanup before funding is secured.

### I. PRE-DEVELOPMENT PLANNING ACTIVITY GRANT QUESTIONS

- Describe the planning activity for which funds are being requested and how this planning work will advance the potential for an affordable housing or redevelopment project. Attach any work proposals from consultants and/or contractors who would be completing the planning activity.
- Leverage: List all other funding sources and uses for the planning activity.

Source of Funds	Amount	Committed	Pending
	\$		
	\$		
	\$		
	\$		
<b>Total:</b>	\$ <b>\$0.00</b>		
Itemized Use of Funds/Expenses	Amount	Funding Source	
	\$		
	\$		
	\$		
	\$		
<b>Total:</b>	\$ <b>\$0.00</b>		

## II. COMMERCIAL REHABILITATION GRANT QUESTIONS

1. Describe the rehabilitation program for which funds are being requested. Who will administer the program? Is this an existing program? Please attach proposed program guidelines.
2. Describe how the proposed project will benefit the community or area in which it is located, including direct and indirect employment benefits, effects on the tax base (if any), and benefits to other businesses.
3. Leverage: List all sources and uses of funding for the Commercial Rehabilitation Program.

Source of Funds	Amount	Committed	Pending
	\$		
	\$		
	\$		
	\$		
<b>Total:</b>	<b>\$ \$0.00</b>		

Itemized Use of Funds/Expenses	Amount	Funding Source
	\$	
	\$	
	\$	
	\$	
<b>Total:</b>	<b>\$ \$0.00</b>	

## III. AFFORDABLE HOUSING AND REDEVELOPMENT PROJECT GRANT QUESTIONS

**Project site address(es):** First Lot/City Lot: 310 Lake Street W, Vergas, MN 56587

Second Lot: Parcel # 82-000-50-0034-000 (no address yet)

**Acreage of site:** 29 total acres **Number of parcels:** 2

**Is the Project site publicly or privately owned?** Publicly Owned        Privately Owned X

**Current Project site owner(s):** JRMH Holdings and the City of Vergas

**Current appraised or assessed value of the site:** Vergas lot- Assessment market value \$61,400 - Taxable market value \$36,800. Parcel #82-000-50-0034-000 Assessment market value \$46,500 - Taxable market value \$46,500

**Projected appraised or assessed value of the site after development/  
redevelopment** (Attach the appraisal or assessor's current and projected values.):

\$40,000 per each of the 4 Vergas City lots and between \$30,000-\$100,000 for the  
4 lots on parcel #82-000-50-0034-000

1. Describe the Project and attach location map, photos, and current and projected site plans. Maps should include property boundaries for project.

See attached for both parcels.

2. Describe the Activities that are part of the Project.

Clearance for redevelopment including demolition, hauling, asbestos and metal testing, and leveling a building pad.

3. Describe the current condition of the site. Are there existing structures present? Are the structures vacant?

There are currently existing, vacant structures on both parcels including a trailer house and sheds. Sites contain debris and heavy machinery that needs to be cleared.

4. Is demolition of slum and blight or other structures an Activity of the Project?

Yes ☒ No ☐

5. Environmental Benefits: Has the redevelopment area been found or suspected to be contaminated?

Yes ☐ No ☒

6. Does the redevelopment plan require the cleanup of contaminated soils, hazardous waste or materials?

Yes ☐ No ☒

**If yes**, please describe information on the type of cleanup, what measures have been taken to address the contamination, consultant reports, and/or Response Action Plan.

7. Describe positive environmental impacts of the rehabilitation/expansion/new construction.

Clearing unused and outlived structures and debris will make way for new growth and clear the lots of potentially hazardous rotting material.

8. Economic Benefits: Project the number of new jobs created after redevelopment.

Total retained jobs = 0 FTEs. Total new jobs = 20 FTEs.

9. Describe how the Project will make more efficient/productive use of the site.

Building four new single family homes will create curb appeal and expand the residential community of Vergas. Currently, the sites are not being utilized and contain slum and blight.

10. Describe how the Project will benefit the community or area in which it is located.

This project will provide a much needed housing opportunity for new families to move to Vergas. Therefore, expanding the community and benefiting the local economy.

11. Leverage: Itemize all funding sources for the Project and the Activities identified as part of the Project.

Source of Funds	Amount	Committed	Pending
JRMH Holdings	\$ Undetermined		
	\$		
	\$		
	\$		
<b>Total:</b>	<b>\$ \$0.00</b>		

Itemize Project expenses for each Activity. *Be as detailed as possible.*

Project Activities/Expenses	Costs	Funding Source
Demo, hauling, and landfill fees of shed structures	\$ 3,300	JRMH Holdings
Demo, hauling, and landfill fees of condemned trailer home and heavy machinery	\$ 6,500	JRMH Holdings
	\$	
	\$	
<b>Total:</b>	<b>\$ 9,800</b>	

12. List other sources of funds requested or considered but not obtained for the Project and explain why they were not obtained, to the best of your knowledge. (The purpose of this question is to ensure all funding sources have been explored.)

Current funding will derive from developer JRMH Holdings. Funding has been requested from local banks but is not ensure yet. Lending institutions would prefer to see additional progress and clean up before funding is secured.

13. If the project includes property acquisition, clearance, and/or construction activities, describe how owners, tenants, and businesses will be temporarily or permanently relocated. *Attach relocation plan, if applicable.*

No tenants will be displaced during this project.

14. Readiness to Proceed. Please provide detailed project timeline with all actions, phases, and anticipated dates for completion.

See attached.

15. Please indicate whether any of the following entitlement or due diligence actions are required or have been completed for the Project:

Zoning approval or variances Yes ☐ No ☐ If **yes**, Status: \_\_\_\_\_

Environmental review Yes ☐ No ☐ If **yes**, Status: \_\_\_\_\_

Market or feasibility study Yes ☐ No ☐ If **yes**, Status: \_\_\_\_\_