

Vergas

Comprehensive Plan

2036



Acknowledgements

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|----------------------------|---|
| Steering Committee | Mayor Julie Bruhn Michael Dufrane Paul Haarstick Patrick Hollister LeeAnn Felix Robert Jacoby Paul Pinke Joy Summers |
| City Clerk | Julie Lammers |
| City Council | Bruce Albright Julie Bruhn Logan Dalgren Natalie Fischer Paul Pinke |
| Planning Commission | Bruce Albright Van Bruhn Robert Jacoby Paul Pinke Neil Wothe |

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This comprehensive plan represents a significant community effort by the residents and leaders of Vergas who worked together to develop a vision and solutions for the community.

Thank you to everyone who participated in the development process of this plan and contributed your local knowledge and guidance. These pieces of wisdom were invaluable in the planning process.



Executive Summary

Overview

In 2021, the City of Vergas launched a process to develop its first comprehensive plan. The plan's creation was intended to develop a clear vision, accompanied by specific strategies driven by community input and previous planning efforts. The City of Vergas, the Planning Commission, and the City Council agreed to facilitate an inclusive and transparent process, providing plenty of opportunities for community involvement.

Key themes of the plan

While the plan covers 6 topics, community input identified the following overarching themes that they would like to focus on in the next fifteen years:

- Transportation and Parking
- Housing
- Business Development

Chapter Structure

Each chapter includes the following sections: Topic overview, the current state, relevant community survey findings, trends, and specific goals, strategies, and actions to guide future growth, conservation, and development of the City of Vergas. The goals, strategies, and actions were developed from direct stakeholder input and refined using feedback from the Steering Committee.

Previous Planning Efforts

This is the first comprehensive plan for the City of Vergas. The 2022 Comprehensive Plan incorporates content from Vergas' 2019 Capital Improvement Plan and 2020 Housing Study, as well as the Otter Tail County Long-Range Strategic Plan.

Implementation

Each planning topic has specific goals and strategies to support implementation. Appendix X outlines specific projects and programs stemming from community input that may not have fit easily into the existing topic sections.



Introduction

Situated in the northwest corner of Otter Tail County in what many Minnesotans know as 'lake country', the City of Vergas comprised about 350 residents as of 2020. Vergas is located approximately 60 miles east of Fargo-Moorhead and makes the center of a 'wheel' of Perham, Detroit Lakes, and Pelican Rapids. The city serves as a bedroom community, with many residents working in surrounding communities, and offers a tight-knit community atmosphere, outdoor recreational opportunities, and public events.

Founded back in 1903, and at the time known as the Village of Altona, Vergas' historical roots lie in the establishment of the Soo Line Railroad, which still has its mark on the town's footprint. Early settlers, mostly veterans of the Civil War and immigrants from Germany, Poland, Russia, and Scandinavian countries, made Vergas their home.

Historically, Vergas was home to a variety of industries and small business owners, ranging anywhere from blacksmithing to meat markets to hotels and lumbering. Today, the three largest employment drivers include

1. construction,
2. retail trade, and
3. arts, entertainment and recreation.

Vergas is the home of the world's largest Loon, a destination for visitors locally and statewide, and speaks to the importance of the creative economy for the community.

The major highways that serve



Satellite image of the City of Vergas

courtesy of Esri: wcif.maps.arcgis.com

Vergas include Otter Tail County Roads 4, 17, 35 and 60. The closest State Highways are MN TH10 to the east and MN TH59 to the west. The City of Vergas comprises 991 acres, 351 parcels of land, and three parcels of lake. It thrives off the reach it has beyond the city's limit, to the surrounding lake residents, such as Long Lake and Lawrence Lake, as well as the seasonal fluctuations of those residents--often homeowners in the Twin Cities and Fargo-Moorhead.

Vergas is well-known for the community's high level of civic engagement, hosting public events throughout the year for residents (year-round and seasonal) to contribute to the lively spirit of the seasons. As the COVID-19 pandemic continues to drive the out-migration of urban dwellers to rural places across the state of Minnesota,

the demand for development in and around Vergas will likely continue, given that certain basic services, such as broadband, are made available. This makes Vergas well-positioned to capitalize on this trend and increase its tax-base, number of local business owners, and civically-engaged residents.

The comprehensive plan is intended to guide the City of Vergas as it continues to make decisions regarding the future of growth and development and will be the first in the city's history. The time taken to ground the vision in the needs and interests of the community will not only allow the City to access funding and grants for development projects but serve as a key foundation and roadmap to help decisionmakers keep the community's values front and center.

A comprehensive plan is an expression of the community's vision for the future and a strategic map to reach that vision. Comprehensive planning is an important tool for cities to guide future development of land to ensure a safe, pleasant, and economical environment for residential, commercial, industrial, and public activities.

A comprehensive plan sets forth a vision and goals for a city's future and provides the overall foundation for all land use regulation in the city. State law encourages all cities to prepare and implement a comprehensive municipal plan. Under state law, a city planning commission or department is tasked with creating the city's comprehensive plan.

The planning process generally follows three key steps:

- 1. *A community takes stock of where it is today.*
- 2. *The community generates a shared vision and goals for what the city will be like in the future.*
- 3. *The city develops a set of specific strategies to achieve that vision over time.*

This plan offers a roadmap for the City of Vergas to prioritize future development decisions and identifies a set of specific goals and strategies to address these issues that align with the community's vision for the future. The comprehensive plan should be considered a living document that the city can amend and update as needed. These amendments may occur following regular reviews or can occur as changes are identified. To amend the plan, changes should be identified and then presented to the Planning Commission for approval.



Process



Steering Committee

In August 2021, the City of Vergas began the planning process by nominating members of the community to participate in a Comprehensive Planning Steering Committee. The role of the steering committee was to build consensus and support regarding the topics, approaches, and policies outlined in the comprehensive plan project. The steering committee worked with West Central Initiative, city staff, and other local leaders while engaging the public for input throughout the duration of the project. The steering committee also provided recommendations to the Planning Commission and City Council on the drafting and adopting the Comprehensive Plan.

The steering committee, City staff, and West Central Initiative facilitated two public meetings and six focus groups from October 2021 to February 2022. They also distributed a community survey for 30 days in January and February.



Focus Groups

From January to February 2022, the Steering Committee hosted 7 focus groups, taking place in a variety of formats and focusing on both narrow target audiences and the broader public. Approximately 87 people were engaged through this process.



Youth

Conversations and cocoa at the ice rink on Long Lake



Land Use and Built Form

Facilitated conversation at Planning Commission Meeting



Housing

Facilitated Conversation at Vergas Housing Redevelopment Authority



Economic and Business Development, Broadband, Tourism, Parks and Open Spaces

Rotating table activity with Community Club and Public at Vergas Event Center



Transportation

Facilitated conversation and mapping activity at Vergas Lions Club Meeting



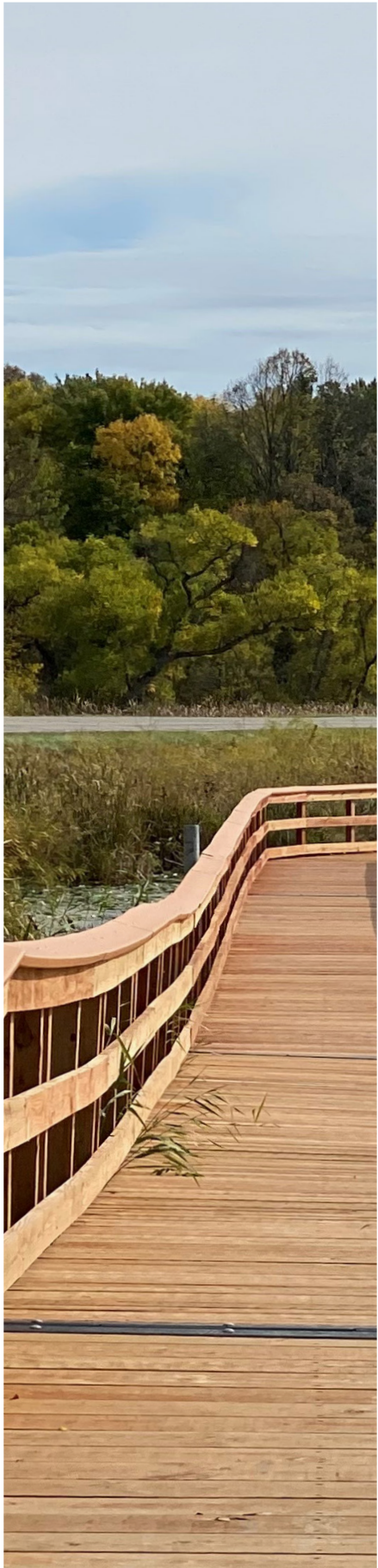
Seasonal residents and retired residents

Virtual Meeting via Zoom



Assisted living residents

Informal conversation at Vergas Assisted Living





Community Survey

From January 7th-February 28th, 2022, residents, visitors, and surrounding township residents were invited to participate in the comprehensive plan community survey, asking questions across all areas of the community to seek input on specific challenges, opportunities, and priorities for the City. Both paper and online surveys were available and promoted in the local paper, on the social media pages of local businesses, and in the City's newsletter. Seventy-seven people participated in the survey (52 online and 25 print). A summary of the survey results can be found on the City's Comprehensive Plan webpage, and salient findings are integrated into the plan where appropriate.

Public and Open House Style Meetings

October Open House

In October 2021, the Comprehensive Plan Steering Committee hosted its first public engagement activity as an open house-style meeting at Billy's Bar downtown. The Vergas HRA sponsored a meal from Billy's, and large boards were placed throughout the restaurant to collect feedback on the following questions:

- What do you like?
- What do you not like?
- What do you want more of?
- What do you want less of?
- What are your big ideas for the future of Vergas?
- How do you want to be engaged in the Comprehensive Plan?



June Public Meeting

On June 16th, the Steering Committee hosted its final informal public engagement activity, which was held in conjunction with Otter Coffee's live music and food trucks on Main Street. Draft goals and strategies were printed on large paper and shared with the community for feedback to 1) Illustrate to residents and visitors how feedback from the public meetings were incorporated into the plan and 2) Solicit feedback on the goals and strategies for improvements or changes that could then be incorporated into the final draft.



Final Draft

The Comprehensive plan was approved and adopted by the City of Vergas on [insert date] during the regular meeting. A copy of the signed resolution can be viewed at right.

Adoption Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERGAS, MINNESOTA, APPROVING THE ADOPTION OF THE 2022 COMPREHENSIVE PLAN

WHEREAS, the City Council has designated as one of the duties of the Planning Commission to write and revise its Comprehensive Plan when it finds need to do so; and

WHEREAS, the Planning Commission determined that it would be in the interest of the City and its residents to invest in developing the City's first Comprehensive Plan; and

WHEREAS, the Planning Commission, with the assistance from Staff, and West Central Initiative began the process of creating the Comprehensive Plan in 2021; and

WHEREAS, after reviewing the proposed document and taking public testimony, the Planning Commission recommended approval of the adoption of the Comprehensive Plan.

NOW THEREFORE, BE IT RESOLVED, that the Vergas City Council has reviewed the proposed 2022 Comprehensive Plan on **DATE** and does hereby approve its adoption.

Adopted by the City Council of the City of Vergas, Minnesota, this _____ day of _____, 2022.

Councilperson 1 _____

Councilperson 3 _____

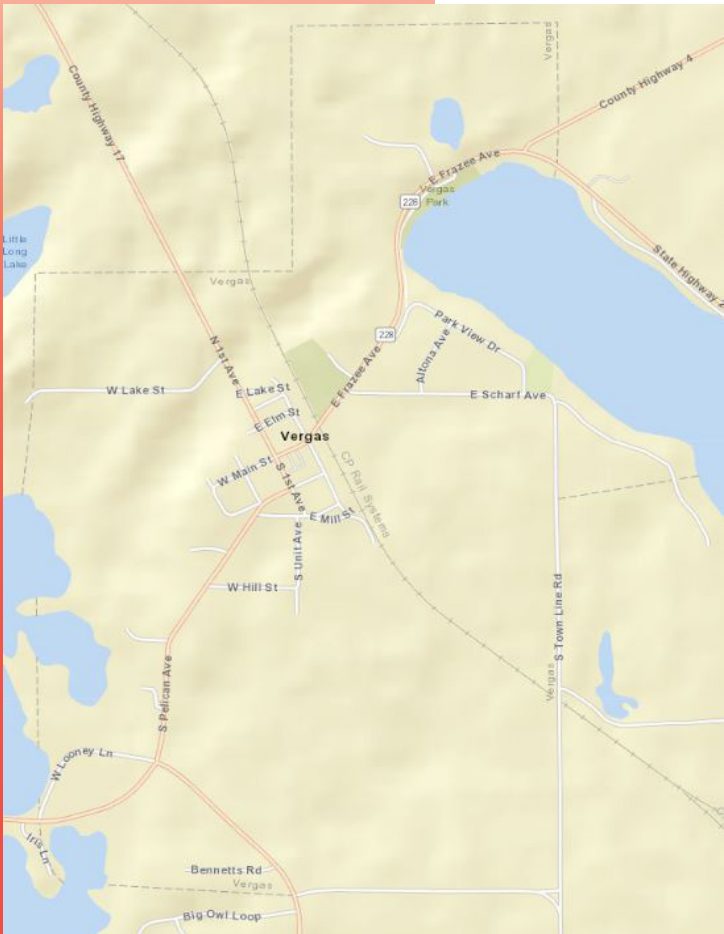
Councilperson 2 _____

Councilperson 4 _____

Julie Bruhn, Mayor

ATTEST: Julie Lammers, City Clerk

Community Profile



Street map of the City of Vergas with municipal borders outlined, courtesy of Esri: wcif.maps.arcgis.com

While Vergas is the home of “The World’s Largest Loon”, just over 350 individuals also call the town home. A quarter of the population is over 65 years of age and 20 percent is age 18 or younger. This close-knit community includes 155 households with a median household income of \$45,625 annually (ACS, 2019).

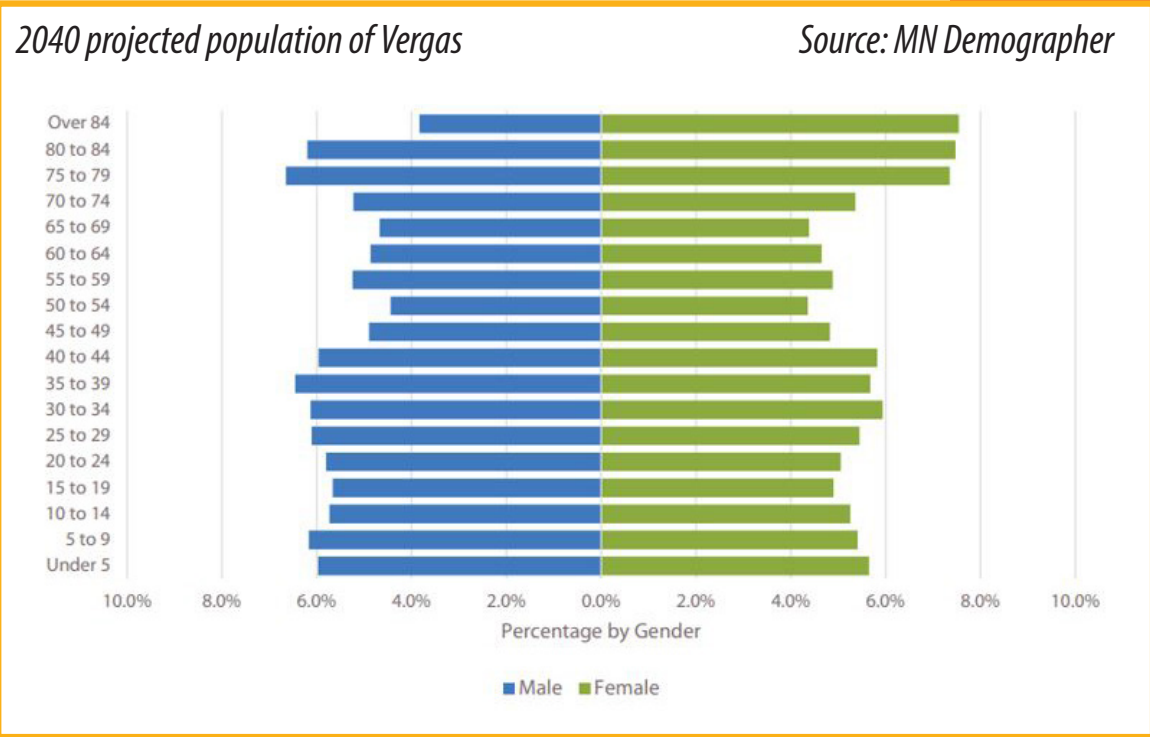
Locals note, “It’s a great place to visit, and an even better place to live!” This rings true, as many residents choose to live in Vergas and commute to surrounding cities for work. Vergas is also a regional and statewide destination for its many lakes, its public swimming beach, the giant loon in Long Lake Park, and the many unique events that take place over the course of the year: Looney Days, the Hairyman Run, Maple Syrup Festival, Small Town Christmas, and Vergas Day of Play, just to name a few. In fact, these events were cited many times by residents and visitors at the public meetings and focus groups held to gather more input on the topic of tourism and seasonal residency.

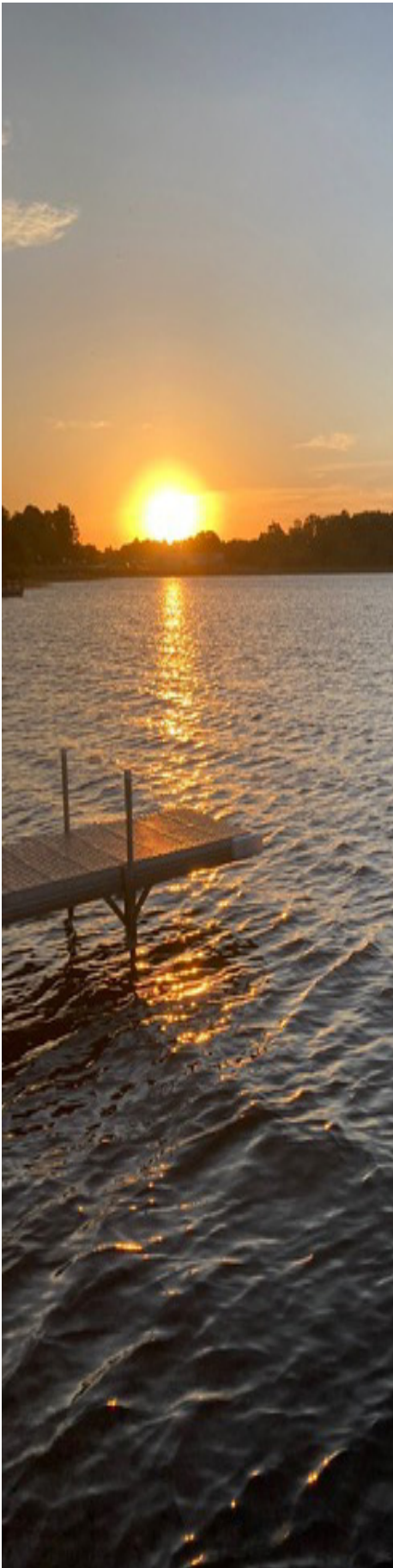
The cost of living in Otter Tail County is \$47,196. The county’s unemployment rate is lower than the state average and hovers slightly above 5%. When considering the workforce, 91% of individuals in the area hold a high school diploma and 61% are college educated (MN DEED, 2020).

Health Care and Social Assistance (20.75%), Manufacturing (18.1%), and Retail Trade (11.7%) are the largest industries. Health Care and Social Assistance, Accommodation and Food Services, and Retail Trade are the industries with the highest number of vacancies. (MN DEED, 2020).



Otter Tail County is no stranger to the age-wave affecting Greater Minnesota, with more deaths than births regarding natural population. There is a slight increase in growth coming from immigration. (MN DEED 2020). The population pyramid (below) projected for Otter Tail County in 2040 illustrates that the largest age segments of the population are expected to fall at age 75 and above, representing a significant demand for services supporting these age groups.





Goals, Strategies, & Actions

The following goals, strategies, and actions draw from a combination of the survey, feedback from two public meetings and eight focus groups held from October 2021-May 2022, a public comment period and public hearing, and feedback solicited from regional stakeholders.

Goals

The goals for the comprehensive plan were developed using public input and comment. The steering committee reviewed and revised the goals to ensure that they were appropriate for the City of Vergas. The purpose of the goals is to serve as guidelines for the comprehensive plan and were intentionally designed to be broad and encompassing of the community’s vision for the future.

Strategies

The strategies, which are nested under each of the goals, describe a plan of action toward the goals. They take into consideration the underlying values, principles, and/or context for each goal.

Actions

The actions, nested under each of the strategies, are designed to provide more specific guidance for project-related items, personnel needs, and defining specific department’s responsibilities, more clearly articulating how to achieve each goal

Land Use & Built Form

Overview

This section describes where new housing, workplaces, and retail establishments may locate in the city to achieve the plan goals. The city may utilize a combination of policies and maps to guide development decisions. The land use maps included in this section allow developers and city personnel to make decisions regarding proposals for new construction or developments and will be a useful tool as Vergas explores the ideal locations for additional housing units and retail establishments. These maps take into consideration public engagement activities related to housing to ensure that Vergas has options throughout the city. Furthermore, these recommendations outline ways to support employment growth and ensure that land is available for living-wage jobs close to where people live. Land use maps related to parks and open space are included in a separate section, with the understanding that there may be overlap in these respective areas.

Community Input

Since land use is the physical development of the city, it overlaps with most sections of the plan. Thus, the physical aspects were noted in the following sections that will provide for improvements to take place in their respective domain. Maintaining the rural aesthetic and feel, however, was an overarching theme informing land use, aesthetics, and the physical domain. In focus group discussions, community members understood change as something inevitable and the planning commission specifically noted land-use strategies as a way for change to happen, “in a meaningful and organized way.”

Housing

Survey and focus group results indicate a strong need for single-family, detached housing and affordable (not subsidized) rental housing. Most focus group respondents also see a need for single-level housing for seniors looking to transition from a larger family home.

Parks & Recreation

As a town known for its residential offerings, seasonal living, and tourism, the physical parks and community spaces of Vergas are of the utmost importance. Residents expressed support for expanding the park on Long Lake and developing sports fields for activities intended for all ages.

Economic & Business Development

Focus group respondents communicated a need for retail and commercial spaces for owners to rent. They noted the lack of opportunity in the downtown area for start-ups that do not have the ability to own and build their own property. This, in return, discourages potential businesses that respondents also indicated a need for within the community. Land use as it pertains to parking also presents a challenge to several topics within the plan and poses a barrier for businesses specifically when centered around the downtown area. Residents expressed that the lack of parking discourages business activity, limits residents with limited mobility, and poses a safety issue when the town hosts some of its largest festivals and events.

Land Use & Built Form

Current State

The input from public engagement demonstrates that zoning restrictions are not the barrier to further development of the city. Rather, when viewing the zoning map with focus group discussions in mind, there is a clear need to extend city limits and expand to make way for the future developments expressed above. The physical geography limits expansion in the downtown area to some extent as water poses a barrier while also adding to the attractiveness of the area. Development, then, will need to come in the form of negotiating with landowners while also working with legal counsel to broaden the city's geographical base.

Any outward expansion, of course, would be a slow process and rely on the capacity of sewer and water systems to accommodate more households and businesses. The City is currently exploring how to update these systems while keeping the cost of public utilities affordable (See Appendix A).

Trends

Several nearby towns were built between lakes, like Vergas, and have focused on annexing shoreline properties over the course of decades to expand their limits. They slowly increased their city's footprint by providing city services, creating a mutually beneficial arrangement. This strategy allowed for the cities to expand and develop gradually while not overloading its systems.

Notably, the relationship between built structures and the natural environment has gone through a transformation in the past four decades. Society is evolving to appreciate the integration between natural features and man-made structures—a sentiment that many rural residents have valued over time. For example, cities look towards the installation of natural playgrounds, and seek power technology through the environment in the form of solar panels and windmills. Zoning, traditionally a clear-cut practice known for black and white decisions, needs to respond to this shift in thinking to accommodate the contemporary needs of cities.



GOAL: Land use and built form decisions support and celebrate the existing character of the town.

Strategies

- Encourage land uses that strengthen Vergas' reputation as a family-friendly, safe place with a small-town charm
- Limit land uses that allow for big box stores, chains, large processing plants, or other developments that have short-term gains and long-term losses of community character and environmental protection
- Ensure that any land use involving light industrial developments has a plan for maintenance and accessibility
- Encourage or offer tax incentives for parking for new construction

Action

- Explore above- and underground parking.
- Continue to have a Vergas representative participate in the Frazee-Vergas Positive Community Norms Coalition

GOAL: Capitalize on in-fill opportunities and direct growth to new areas where infrastructure is planned to be cost-effective and sustainable

Strategies

- When considering expansion options, prioritize expansion that follows a set of guidance developed through a growth and management plan
- Investigate annexing shorelines across bodies of water when landowners are favorable to the request

Action

- Develop tiered system for expansion based on Vergas' sewer and water capacity, EMS services, and other public services and facilities.



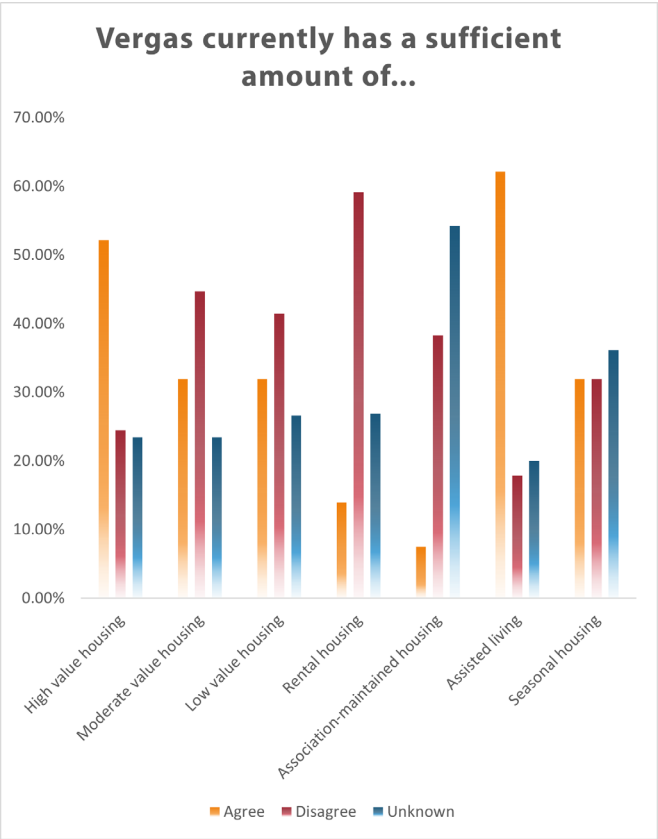
Housing

Community Input

The 2019 Housing Study found that many respondents indicated they intend to live in Vergas for the rest of their lives, or at least until a major life event instigates a move. This may mean that there will be very little turnover in the existing housing stock. However, at some point in time, between ten and fifteen years from now, there will likely be a major turnover in existing housing stock ownership.

Additionally, 81% of those survey indicated that the City of Vergas should be working with developers to create additional residential options.

The graph below demonstrates respondents’ impression that Vergas is lacking in rental housing. It will be important for Vergas in the next fifteen years to use existing and future land use plans to identify the ideal locations for future apartment developments.



Overview

In a community that prides itself on being an exceptional place to live, whether residents work there or not, safe and affordable housing is a foundational element for the well-being of Vergas’ residents. The topic of housing aims to investigate the availability of housing within a community alongside the needs of current and future residents. Housing--whether it be apartments, condos, single homes, etc.--provides a foundation for stability and the opportunity to become rooted in community. This section strives to assess the type and amount of housing available, measured against what residents need.

Current State

In 2020, the City of Vergas contracted with KLJ engineering to develop a housing plan, outlining the projections for housing needs in the coming 15 years. Findings of this plan’s community survey indicated that residents felt high taxes, utilities, or housing prices were a barrier to moving to Vergas. The study recommended a comparison between Vergas housing, tax, and utility costs in other nearby cities to rank Vergas’ competitiveness. The comprehensive plan sought to create this comparison, the full results of which can be found in Appendix A. It includes Vergas’ utility rates (water, sewer), waste collection and recycling, storm water fees, and property taxes for homes with a value of \$250,000 and \$400,000 against 11 other communities: Candor, Dora, and Hobart Townships, Pelican Rapids, Perham, Audubon, Callaway, Frazee, Underwood, Ottertail, and Battle Lake.

The key finding from this evaluation is that the property taxes in both brackets (homes valued at 250K and 400K) are most closely aligned with the property taxes in Perham, Pelican Rapids, and Battle Lake--communities significantly larger, and additional community amenities. For example, both Perham and Pelican Rapids have a swimming pool. Perham is home to a large community center with an indoor walking track, several gyms for open play, and space for large sports competitions. Vergas’ largest comparable asset is Long Lake and the public swimming beach, which is a destination for residents across the area due to the limited number of public access areas on the lakes. It is worth considering what has made these communities attractive places to live aside from recreational opportunities. For example, Battle Lake prides itself on being a strong arts community, and Perham and Pelican Rapids both have a strong industry base in food processing. Similarly, Vergas can capitalize on existing assets to develop its own regional reputation, distinct from surrounding communities.

Trends

The following goals and strategies take into account the significant increase in demand for housing in the region as a result of the COVID-19 pandemic. Described as the Rural Rebound Movement, or the Great American Migration of 2020, people have been moving from urban areas to rural places across the country. In fact, in an article published by Greater Fergus Falls in early 2021, it states “Bankrate reported that the number of mortgages obtained for homes in non-urban areas increased by 36% in 2020” (Greater Fergus Falls, 2021). This represents a significant uptick in the demand for rural homes and potential for Vergas to shift the trends that were predicted as part of the housing study completed in 2020.

The rate of inflation and housing market behavior coming out of the first year of the pandemic created an increasingly competitive environment for buying and selling houses. Property taxes in Otter Tail County rose 10%-30% in the year 2021 alone while the price of housing and home improvement projects continues to rise.

Overall, the following goals related to housing seek to address the concerns and needs highlighted by the housing study and public engagement to serve as a framework for future development decisions and ensure that both housing supply and choice are increased.

GOAL: Identify affordable housing lots that can be developed within the next five years.

- Strategies
- Develop partnerships with Otter Tail County to share county-level resources with local developers and future residents via existing incentives and initiatives
 - Conduct and inventory and promote lots available

- Action
- Utilize City website by adding housing resources comparable to neighboring cities

GOAL: Provide high efficiency, low-cost water, sewer, and energy

- Strategies
- Improve education available for residents related to water and energy conservation
 - Encourage a culture that celebrates and normalizes responsible landscaping
 - Explore renewable energy sources
 - Communicate local and regional existing resources available to residents (ex. Compost, recycling)

- Action
- Add Clean Energy Resource Teams to the City website
 - Increase awareness of environmentally friendly and sustainable home improvement options
 - Consider sponsoring a local garden tour, highlighting residents using native plants and grasses
 - Conduct a solar site assessment to identify solar capacity for downtown businesses

Transportation

Overview

The goals, strategies, and actions included in this section work to support a more walkable, bikeable, and transit-friendly community. They are intended to achieve outcomes that increase equity in Vergas’ transportation system, address climate change and reduce carbon emissions, improve human health through improved air quality and increases in active travel, and enabling the movement of people, goods, and services across the community.

Current State

Vergas’ main transportation network is comprised of its municipal street system, the two highways that bisect the community, and the railroad line. Highway 4 cuts diagonally north-south through Vergas, Highway 17 intersects Highway 4 from the northwest, and the railroad runs parallel to Highway 17 to the north. The highways serve as two primary thoroughfares through the community, not only for residents and visitors, but also significant industrial traffic.

In recent years, the approval of regional trail expansions is likely to increase the attractiveness of Vergas as both a destination for recreation and a place to live. This includes both the Pelican Rapids to Perham Trail in Otter Tail County and the Heartland Trail in Becker County. See Appendix C for an outline of resources available for expanding trail connections.

Trends

he Minnesota Department of Transportation (MnDOT) is taking a holistic approach to developing the state’s means of transportation in both urban and rural areas. Its “Complete Streets” program seeks to encourage the health and well-being of not only Minnesotans, but also their economy and environment. To do so, MnDOT factors in the following:

- Community context
- Topography
- Road function
- Traffic speed
- Freight volumes
- Pedestrian and bicyclist demand

Options that may or may not be selected, depending on each project’s unique situation, could include:

1. Paved shoulders
2. Sidewalks
3. Bicycle lanes
4. Pedestrian refuge medians
5. Truck mountable curbs in roundabouts
6. Signal retiming
7. Updated striping
8. Bus stop access

Community Input

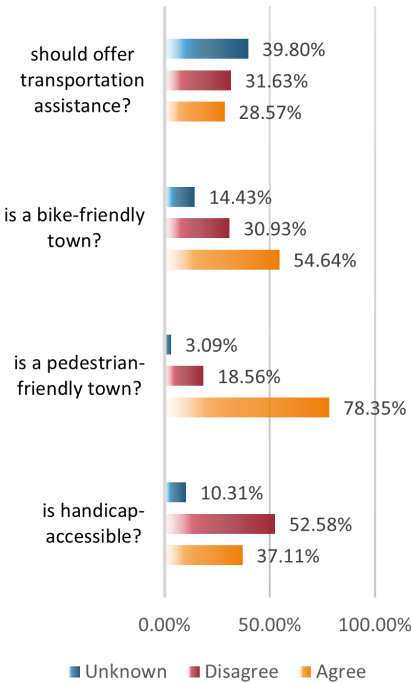
Two major concerns the community survey revealed include limited downtown parking and the train blocking traffic. Given existing parking limitations, the survey asked participants to indicate how far they would be willing to walk from their downtown destination. 58% of respondents indicated 2 blocks, and 42% indicated 1 block.

Other survey results (see graph at right):

- There is ***no clear consensus*** on whether the city should offer transportation assistance
- More than half of respondents ***agreed*** that Vergas is bike-friendly
- More than half of respondents ***disagreed*** that Vergas is handicap-accessible

Focus group participants highlighted two areas of interest: Increasing safety through sidewalks and trails, and using trails to support recreational activities and active transportation. In discussions, participants stressed the lack of sidewalks within city limits and how this poses a challenge for pedestrians around town. Support for investing in trail systems in and around the City of Vergas found support from the motivations of increasing the safety of bicyclists, and maintaining and attracting the biking community to boost recreational activity and tourism. Ultimately, focus group participants were in favor of keeping bikers away from highways and on designated trails.

Do you believe Vergas...



GOAL: Make Vergas accessible for all modes of transportation and for people of all abilities

Strategies

- Identify key places across the city that can improve handicap-accessibility
- Communicate and market existing transportation services (Ex. Neighbor to Neighbor)
- Identify additional locations for downtown parking
- Construct handicapped parking spots and sidewalks along County Road 4
- Explore the advantages and disadvantages of rerouting Highway 4 through downtown to reduce through-traffic on Main Street
- Explore options for reducing stopped trains and subsequent stopped traffic
- Promote programs that promote ridesharing networks and services

Action

- Conduct an ADA audit or other type of evaluation to identify the key areas for improvement across the city.
- Create short reference guide for residents and visitors describing local and regional transportation options (example: veteran services transportation)
- Work with the Planning Commission to determine if vacant or undeveloped property could serve as space for new parking lots, and potential for diagonal parking
- Contact Canada Pacific to explore moving the exchange back

GOAL: Increase connectivity between Vergas and regional trails

Strategies

- Connect Vergas to the Pelican Rapids-to-Perham Trail.
- Connect Vergas to the Heartland Trail.
- Construct a multi-use path from downtown Billy’s Corner Bar & Grill to the Veterans Memorial.

Action

- Consult with entities like MnDOT, the DNR, WCI, and PartnerSHIP 4 Health about pursuing grants for planning and infrastructure for a trail connection
- Work with Otter Tail County to pursue grant funding to connect the Heartland Trail along County Road 4.
- Add multi-use path to the update of the 2019 Capital Improvement Plan to ensure that it is included in a future city budget

Business & Economic Development

Overview

Economic and Business Development refers to the growth of resources within a community through more business activity, increasing job opportunities and workforce development. Historically, conversations surrounding economics and businesses begin and end with money. This section takes into account the increasing awareness of diversity, equity, inclusion, and healthy communities, and the impact that investing in these target areas has on sustainable development.

The character of Vergas as a bedroom community, in which many residents commute to surrounding towns for work, creates a unique foundation for economic and business development in the city. The service industry is key in terms of providing and creating jobs for residents, and seasonal tourism elevates the importance of these businesses.

Current State

Based on the plan’s community survey results, only a quarter of Vergas residents work in the city. Therefore, to fully assess the economic viability of the community it is helpful to step back and look towards the county-level indicators on the state of economic development.

Pre-Pandemic Information: WCI Otter Tail County Snap Shot

In Spring of 2022, Otter Tail County (OTC) tracked 1,000+ current job openings, projecting an additional 320 jobs added in the next 3 years by the leading industries. They also predicted a 1,300-person reduction in available in the next decade due to an aging population and skill gap. OTC Works Workforce Strategy addresses these economic challenges, informing goals and strategies in this comprehensive plan.

GOAL: Maintain the small business atmosphere

Strategies

- Advertise local businesses regionally
- Review and update city laws and ordinances that support small business owners

Action

- Work with neighboring Chambers of Commerce to advertise and access resources
- Collaborate with the Community Club to identify opportunities and resources to market regionally
- Submit stories, ads and updates to surrounding local papers
- Invest in enhancing the City’s website
- Preserve existing protections within city laws and ordinances
- Explore state and federal incentives for small businesses, especially those making positive impact in nearby communities

Trends

The Minnesota Association of Development Organizations (MADO) has identified four cornerstones for strong and healthy communities: Human Capital, Economic Competitiveness, Community Resources, and Foundational Assests. By investing in the four cornerstones, Vergas can create the conditions necessary for a successful economy resilient enough to withstand future challenges.

Opportunities for Human Capital:

- Population and workforce expansion through immigration
- Investment in talent retention and attraction
- Utilizing retirees’ knowledge and experience
- Marketing quality of life and economic opportunity
- Entrepreneur training
- Develop and implement college and career awareness programs

Opportunities in Economic Competitiveness:

- Support societally and environmentally aware entrepreneurs/businesses
- Challenge the business perception of state government by eliminating the unnecessary (e.g. delays, regulations, taxes) and providing assistance to offset business costs
- Increase awareness of the benefits of business in Vergas
- Broaden access to start-up capital to encourage innovation and investment
- Explore cost sharing and collaborative opportunities with surrounding small cities (e.g. marketing)
- Capitalize on bio-energy to expand and create businesses
- Utilize workforce centers and technology/business incubators

Opportunities in Community Resources:

- Empowering and encouraging new and emerging leadership
- Place-making through arts and culture
- Expand on tourism opportunities
- Promote livability, public spaces, and identity
- Community preservation and enhancement
- Healthy communities

Opportunities in Foundational Assets:

- Expand broadband/fiber footprint in Greater MN
- Identify partnerships and resources to maximize infrastructure investment
- Develop public/private partnerships to identify solutions for housing challenges
- Shared services/resources and intergovernmental cooperation

GOAL: Invest in human capital

Strategies

- Invest in local childcare options
- Create opportunities for socializing, connecting, and creative placemaking year-round
- Provide opportunities for retirees to utilize their knowledge and experience and increase social connection

Action

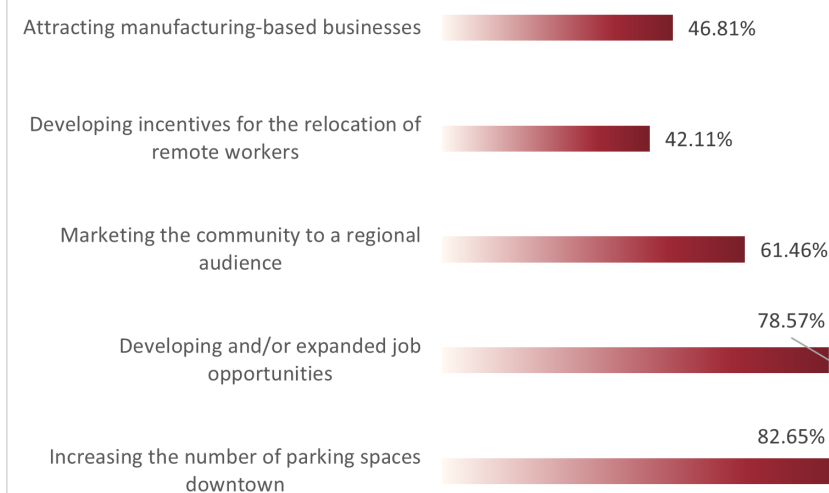
- Connect with Otter Tail County Early Childhood Coordinator to identify needs and resources
- Improve marketing of existing community activities, from small socializing opportunities to large events
- Identify gaps in existing community programming and recruit volunteers to host one-off and recurring events
- Explore development of spaces for families to recreate and youth-specific activities
- Identify and invite volunteers to join planning and implementation projects

Community Input

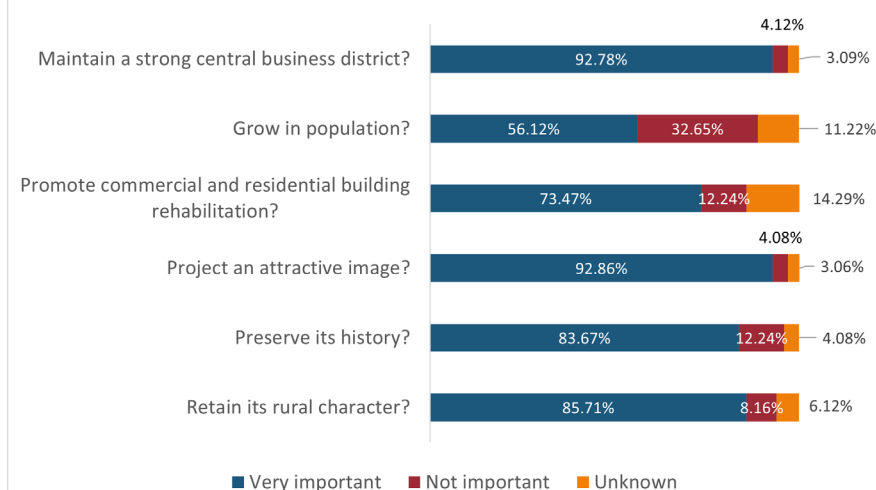
When asked about economic and business development, residents almost exclusively focused on expanding opportunities in the service industry and retail, alongside exploring the sector of light manufacturing. Above all, residents prioritize maintaining the rural character of Vergas, and at the same time see a need to make the city more attractive and family friendly by adding services such as a car wash and more restaurants, and possibly more job opportunities through light manufacturing. To bring these new businesses to town, most focus group participants agreed that the city should focus on developing new spaces in which businesses could operate.

Vergas residents understand the need to grow population to boost the city's economy. Like many cities in west central Minnesota, the community is concerned about suitable options for housing and childcare to create new jobs and attract new residents.

Do you believe the community should focus its energy, talents, and dollars on the following economic development outcomes in the next five years?



How important is it for Vergas to...



Economic activity typically triples in the summer for Vergas, largely due to the influx of seasonal residents and visitors from the surrounding townships. Survey data from the 2020 housing study supports this claim, finding that out of 115 respondents, 103 said they live in their residence year-round, and 12 said they use it seasonally. This creates economic challenges, as it can be difficult to sustain certain employment opportunities year-round, retain seasonal employees from year-to-year, and ensure that businesses are generating enough revenue during peak seasons to sustain themselves financially year-round.

GOAL: Prioritize business development that provides daytime and evening activities for residents

Strategies

- Create more opportunities to recruit local businesses, especially where gaps in existing services exist
- Increase awareness of state and regional resources for small business owners and entrepreneurs

Action

- Work in partnership with Vergas EDA to integrate public feedback into business development and expansion strategies
- Host a business & entrepreneurship fair in partnership with Otter Tail County with targeted outreach based on survey results and public input
- Leverage partnerships with existing programs, such as SCORE business mentors, MN DEED, West Central Initiative, the Vergas Community Club, the West Central Small Business Development Center, Women Venture, and Otter Tail County Small Business Coaching.

GOAL: Develop and expand job opportunities

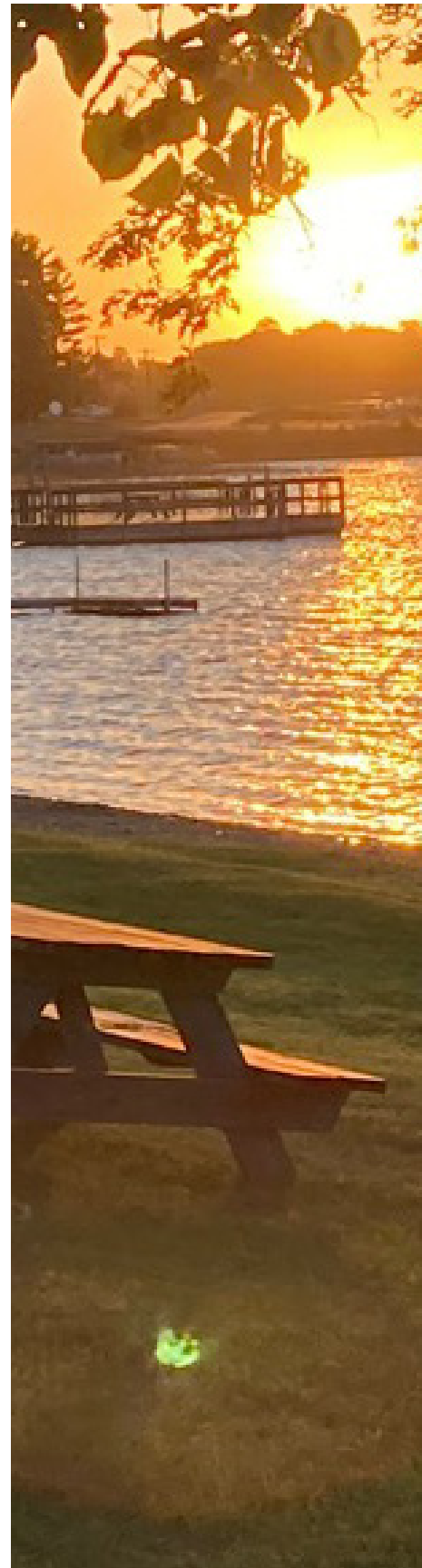
Strategies

- Maintain and increase the number of visitors
- Pursue opportunities for light manufacturing
- Support digital entrepreneurs and remote workers

Action

- Advertise businesses and recreational opportunities, and events regionally
- Pursue and invest in trail development
- Cultivate more year-round attractions and events
- Identify land available for development and purchase
- Offer the Event Center as coworking space by appointment
- Maintain and develop broadband capabilities
- Connect with neighboring communities to participate in county-wide networking opportunities (host pre-existing groups for a meeting)

Public Services & Facilities

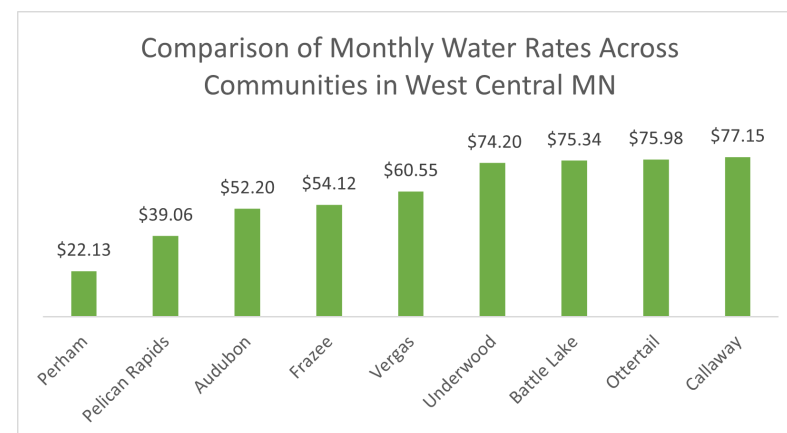


Overview

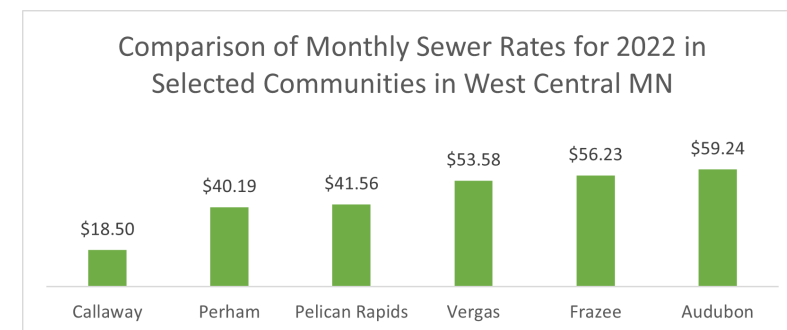
Public services and facilities refer to the infrastructure – both hardware and capital assets, such as broadband, street maintenance, stormwater management, that supports the community. For the purposes of this plan, we include both local and regional services such as the bookmobile through the regional library system, transportation assistance, cellular service, and other public utilities. Effective planning around public services and facilities not only considers current demand for services, but also anticipates changes driven by development, consumer demand, demographic changes, and other factors.

Current State

As described in the Housing Section, this plan undertook a comparison of the three surrounding townships around Vergas and several cities across the region that represent Vergas' competitors for future residents. The water and sewer rates comparison is discussed in this section. Due to the nature of water and sewer rates in townships, creating an equal comparison of residents in city limits versus out of city limits is fraught with challenges. Therefore, townships were described as 'variable' in the original calculations and are not reflected in the graph below.



Looking at all of the communities included in this comparison, Vergas falls in the mid-range of monthly water rates, with the lowest monthly rate at \$22.13 in Perham and the highest at \$77.15 in Callaway.

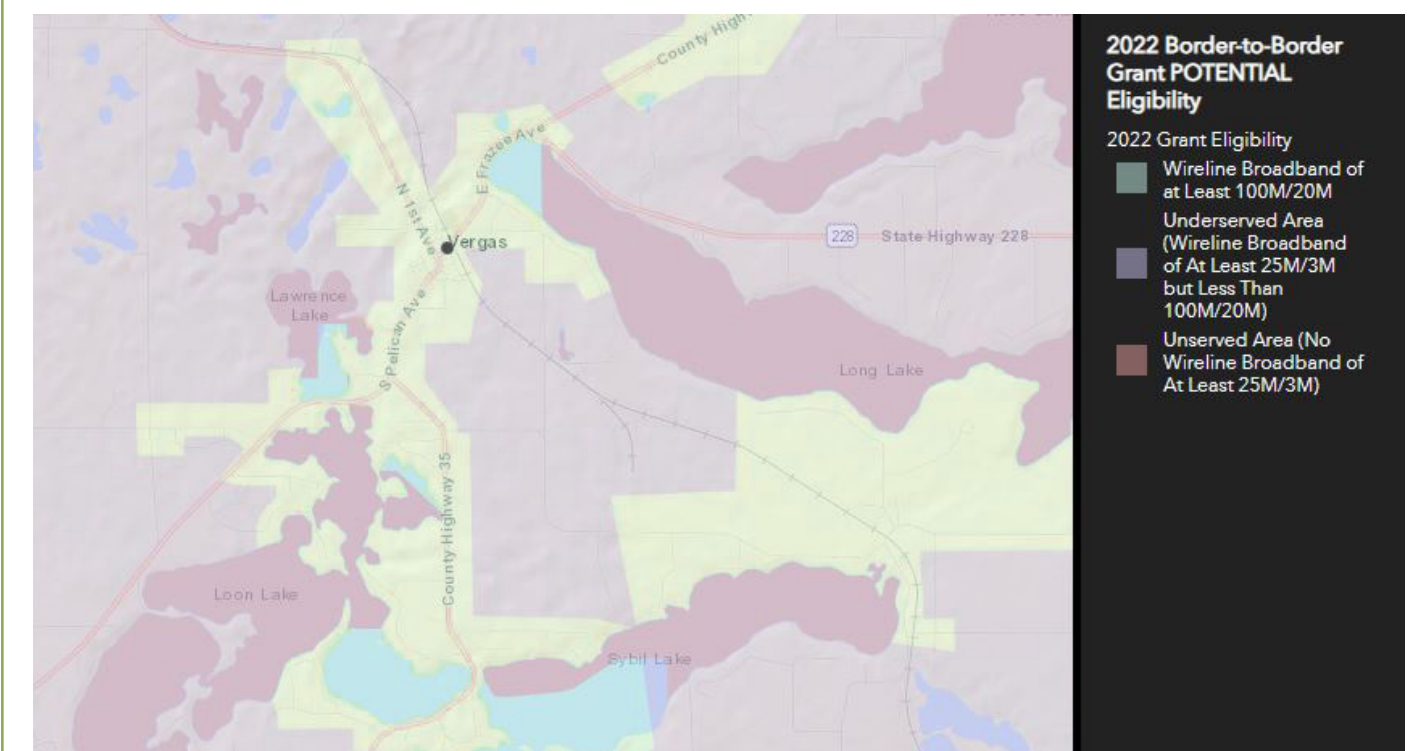


Note: Dora, Candor, and Hobart Townships have such variable septic tank annual costs that they were excluded from this comparison, as well as Ottertail, because it does not have a central sewer system and requires residents to use septic tanks.

Current State - Broadband

Internet connectivity is a major barrier to economic growth. Vergas is served by Arvig, a regional broadband provider, which currently has a monopoly on the market. At the county level, Otter Tail County continues to make investments in broadband access. Vergas is one of 10 locations in the county that recently installed a Smart Room for the public to access wi-fi and virtual meeting technology, located at the Event Center. The Viking Regional library system also has hotspots available for the public to check out for temporary use, which can be accessed via the Bookmobile, which visits the community on a regular basis. The Viking Library System's bookmobile stops at the Vergas Municipal Building every other Thursday from 1:15 pm - 2:15 pm.

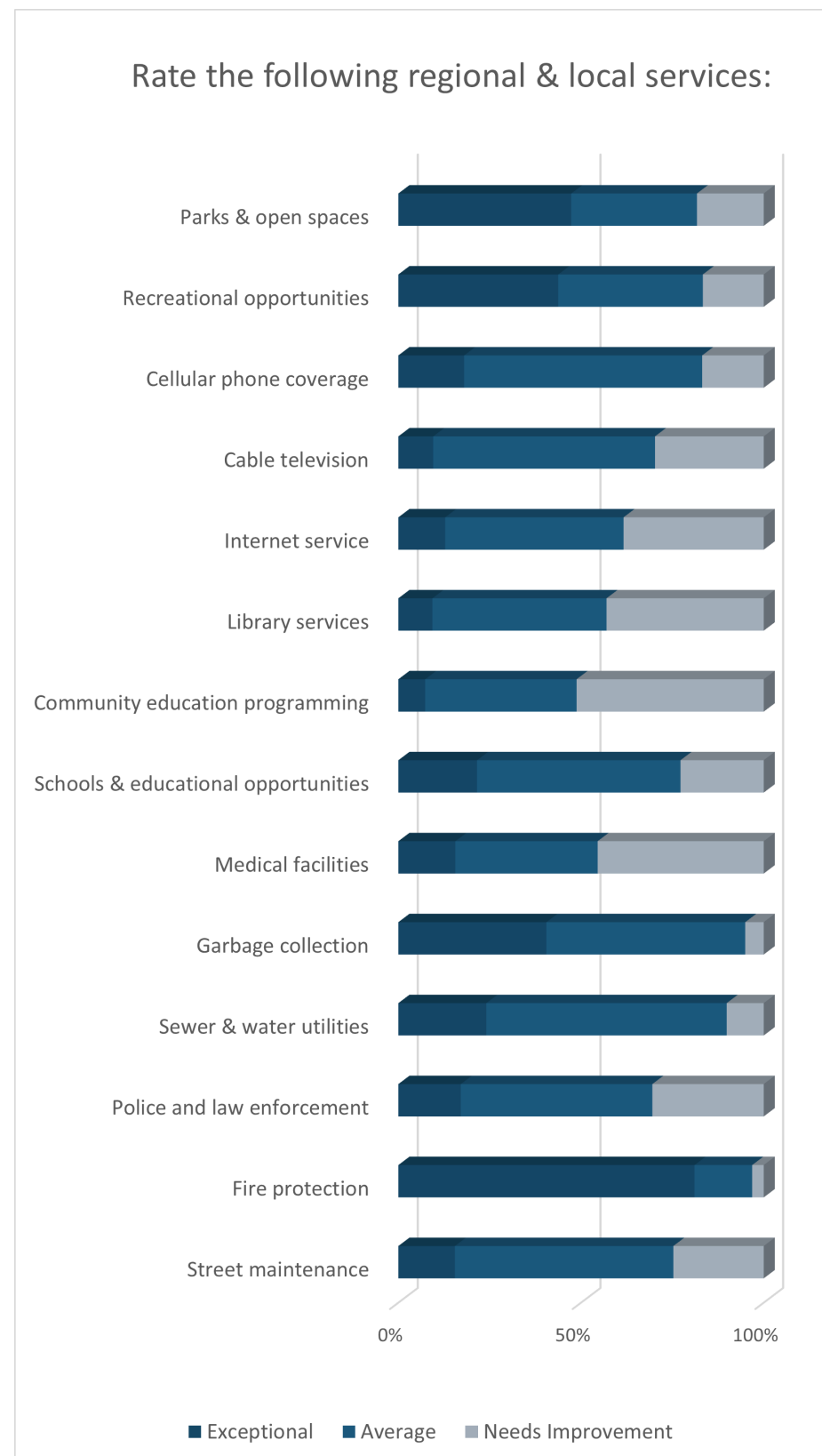
The Minnesota Office of Broadband created an interactive GIS mapping tool that outlines broadband availability, (see map below). While most of the city limits are covered by Cable, Vergas represents a dead zone with regards to fiber optic cable. These areas, represented in purple below, are deemed "underserved" and are potentially eligible for the Minnesota Border-to-Border Grant.



To view the map in its entirety, visit the Esri site at <https://gis.connectednation.org/portal/apps/webappviewer/index.html?id=a2d243ccf7e547eba2ec0d5c80c80917>

Community Input

One question in the community survey covered both local and regional services, asking participants to rate them as average, exceptional, or needs improvement. These findings are highlighted below. It is important to note that the City of Vergas staff and its residents, unless actively engaged in regional and state-level planning efforts, may not have much control over regional services. During the writing process, these survey results were shared with respective stakeholders to ensure transparency and offer an opportunity for them to engage with Vergas residents directly, should they choose to do so.



GOAL: Maintain adequate public facilities and services to meet the health, safety, education, and leisure needs of all Vergas residents

Strategies

- Prioritize infrastructure investment based on existing facilities with deficiencies first, replacement and retrofitting of facilities second, and future facility needs third
- Engage in strategic partnerships to ensure that Vergas is identified as a community for investment in fiber optic cable to increase broadband access
- Conduct a needs assessment to understand more about the barriers and opportunities to improve residents' access to medical facilities (transportation access, awareness, etc.)

Trends

The Otter Tail County Long Range Strategic Plan 2040 points to significant efforts underway to address public infrastructure for its residents with the forecasted population and economic growth in mind. At the county level, planners work to increase quality infrastructure access for all with a commitment to fiscal responsibility.

Specifically, transportation and solid waste have their own master plans to ensure resilient and efficient systems within the county. Solid waste management is exploring the "Towards a Zero Landfill" initiative. Otter Tail County also follows their Local Wastewater Management Plan (2014) with efforts to increase wellhead protection and the capacity of septic systems.

GOAL: Ensure highest quality standards and services for public safety given Vergas' existing resources and staff capacity

Strategies

- Ensure safety of navigation throughout city streets and sidewalks
- Make Long Lake Park a desirable location for recreation year-round

Action

- Review, update, and publicize the city's planning and zoning maps to accurately indicate which city sidewalks are to be maintained by the city vs. residents
- Renovate and upgrade the public restroom facilities at Long Lake Park
- Explore opportunities to work with rental company for non-motorized watercraft
- Consider snowshoe rental companies

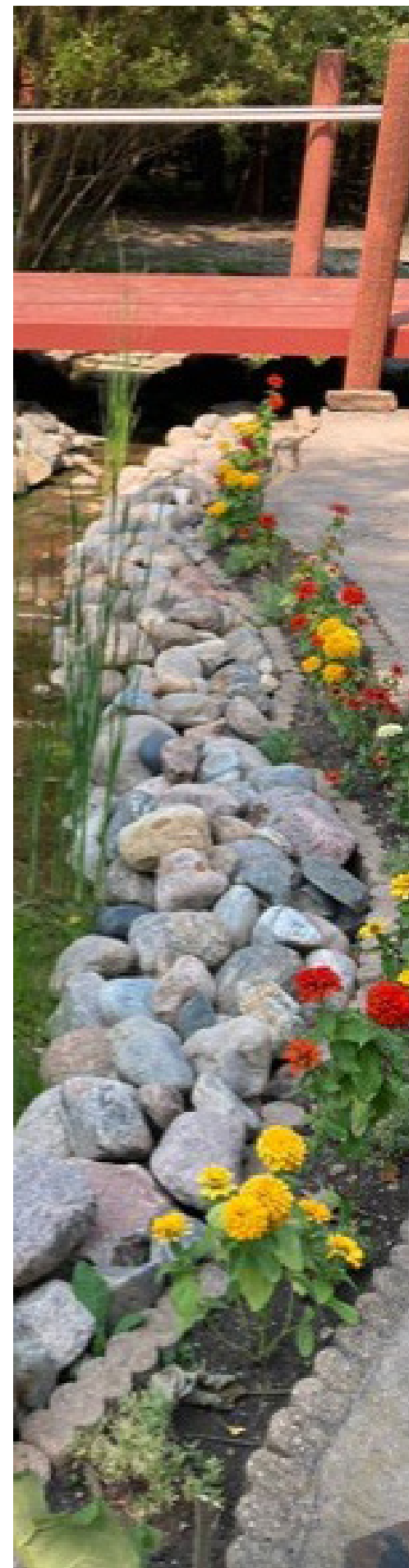
GOAL: Ensure that services and facilities allow residents and visitors of 55 years or older to age in place.

Strategies

- Ensure safety of navigation throughout City's streets and sidewalks
- Work to develop a full spectrum of transitions in senior housing needs, from accessibility options to access to services and skilled nursing

Action

- Utilize city website by adding housing resources comparable to neighboring cities.



Parks & Open Spaces

Overview

The parks & open spaces section of the comprehensive plan focuses on improving opportunities for residents to increase their physical and social well-being within the community. This encompasses parks, state- and federally-owned land, and other open spaces along with community-wide events and activities.

Current State

Several stakeholders are collaborating to design and recreate Long Lake Park, one of the most popular outside spaces in the town. The city's 2019 Capital Improvement Plan outlined this project, and the Parks and Rec Board is currently overseeing the design process with students from North Dakota State University.

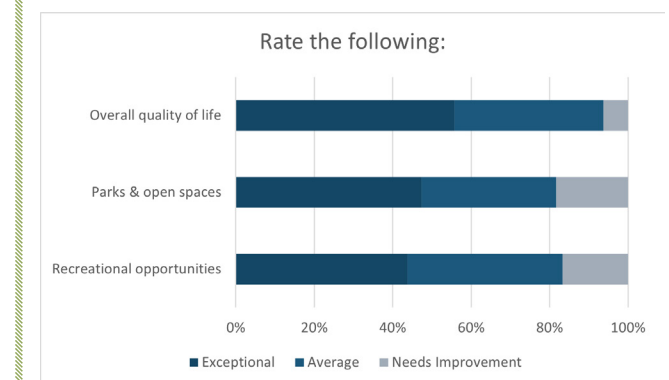
Trends

Minnesota's park usage has increased, in line with national trends of park usage as a result of the COVID-19 pandemic. Sales of annual state park permits hit 125,281 through the first half of 2021, according to DNR data, which is significantly higher than in 2020 (100,673 annual permit sales) and 2019 (78,246). As outdoor recreation becomes a 'safer alternative' to indoor gatherings and spending time in large crowds, Vergas' parks and open spaces are likely to remain in high demand. The way in which that public space is used, however, could evolve as the demand for hosting more gatherings outside continues to increase.

A more recent trend at the state-level for parks is a move to increase their cultural and physical accessibility. Strategy 4.1 in the MN Department of Natural Resources Strategic Plan from 2011-2022 is to "Develop and promote outdoor recreational opportunities for women and members of racially and ethnically diverse cultures who have not traditionally used DNR facilities and resources." This follows trends of shifting demographics statewide. Given the demographic shifts anticipated in Vergas, with the largest age brackets shifting heavily towards residents in their mid-seventies and eighties, Vergas would benefit from considering investments that allow for intergenerational use of facilities (ex. ADA compliant, caters to both younger and older users) that are accessible for those with mobility challenges while also drawing in younger visitors to encourage an active lifestyle. Part of these efforts can rely on the leadership of Otter Tail County, whose staff are already working to expand the regional trail network to connect existing facilities with destinations throughout the county.

Community Input

Focus group respondents expressed a desire for outdoor theatre spaces to host cultural events and live music. They also encouraged plans for a pickleball court and frisbee golf course. Increasing parking spaces, updates to restrooms, and making parks and open spaces handicap accessible proved to be a common theme in responses for both old and new spaces and events.



From public engagement at the Maple Syrup Fest on April 9th, 2022, participants indicated an interest in a wide range of community programming and activities that they would like to see at the parks and in open spaces. We asked the following questions and received 77 responses: What would improve your experience with community education programming? What kind of programming would you like to see?

Highlights of the responses include:

- Card/social party
- One-act or short community play/dinner
- Free kittens
- Knitting classes
- Fly-tying class
- Fly fishing class and fly tying
- Broadening use of smart rooms for education

The suggestions are reflected in the following goals (next page) and where they did not fit in this section, are included in Appendix B: Aspirational Projects & Programs.



GOAL: Support community art and arts programming

- Strategies**
- Increase number of displays of interactive art around town, in parks, and open spaces
 - Increase community education arts programming

- Action**
- Create directory of local artists
 - Continue offering summer youth art camp with display in front of City Hall



GOAL: Upgrade public facilities at Long Lake City Park

- Strategies**
- Continue working with North Dakota State University to develop concept designs of Long Lake City Park
 - Communicate with county and regional stakeholders in parks and recreation the desire to pursue state and federal funding
 - Follow guidelines and budget in 2019 Capital Improvement Plan for restroom facilities specifications and budget

GOAL: Leverage existing amenities to create a culture that celebrates physical activity and community-based sports that are complementary to school sports schedules

- Strategies**
- Create opportunities for sports and physical activity education
 - Begin offering adult leagues for baseball/softball
 - Explore opportunities for additional recreational space development

- Action**
- Create directory of local artists
 - Examples: Offering lessons for pickleball, classes with local fitness trainers, dance classes
 - Conduct a feasibility study for soccer fields and/or frisbee golf

Resources for Implementation

While it does not make sense to include an exhaustive list of resources that may be available to implement the goals outlined in this plan, one part of the community survey worth noting are the responses to question 17, which asked in what ways residents might be willing to contribute to any changes identified in the comprehensive plan.

How would you be willing to contribute to any changes identified in the comprehensive plan?

■ **Volunteering**



■ **Financial contributions or donations**



■ **Taxation**



The chart above indicates that almost 73% of survey respondents are willing to volunteer to support community changes, 54% are willing to make financial contributions or donations, and about 30% would be willing to contribute via taxation. This is reflective of the strong culture of volunteerism and 'everyday philanthropists' that populate both Vergas the surrounding townships and should be taken into account for 'in-kind' contributions and financial support that may be available outside of traditional funding sources.

Appendix A. Tax Comparisons Across Communities

The following graphs were generated from data gathered from Otter Tail and Becker County auditors. The request put in to both auditors was to estimate the property taxes in each community for two different values of homes - \$250K and \$400K. These values were chosen based on the Steering Committee's desire to learn more about the impact of housing affordability across a range that is financially accessible for households of different income levels.

For context, property taxes are calculated based on a combination of fees from the county, the city, the school district, and special taxing districts, such as economic development districts and watershed protection areas. Not all communities included in the comparison area are part of special taxing districts, and recent changes in school district fees will greatly affect this comparison, likely putting these numbers out of date soon after this plan's publication. For example, in 2021, the Frazee school district voted on a referendum to increase the taxes by 50% for the next school year.

Estimated Annual Property Taxes for Homes
Valued at 250K in Selected Communities in
West Central MN

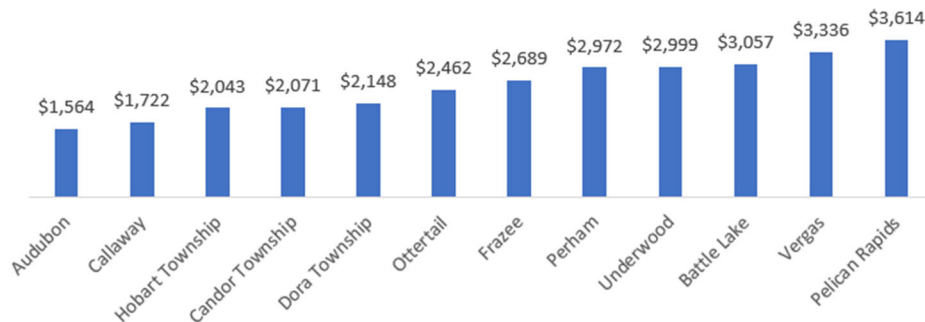


Figure 2. Estimated annual property taxes for homes valued at 250K in selected communities in West Central MN

Note: Several communities included in this comparison had a range of property tax values (Ex. Dora Township has 6 different district codes, which leads to 6 different values when calculating the net tax capacity, and ultimately the property tax). These included Hobart, Candor, and Dora Townships, Ottertail, and Perham.

Figure X above indicates that for a town of its size, Vergas is on par with communities of a much larger population - Battle Lake and Pelican Rapids with regards to the property tax values for a home valued at \$250,000.

Estimated Annual Property Taxes for Homes Valued at 400K in Selected Communities in West Central MN

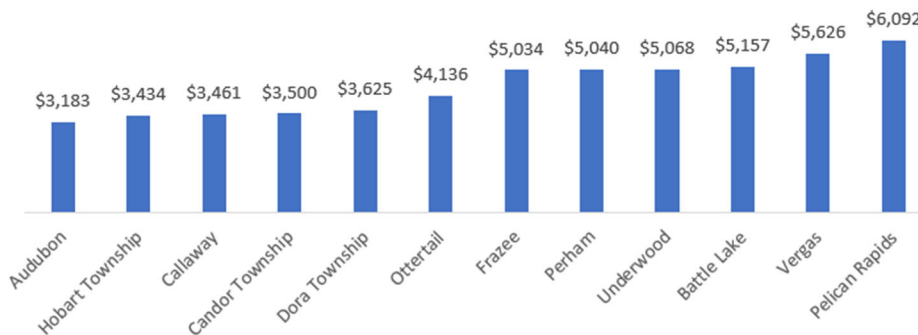


Figure 3. Estimated annual property taxes for homes valued at \$400,000 in selected communities in West Central Minnesota

With the exception the lower end of the spectrum (Audubon, Hobart Township, Callaway, and Candor Township), the rest of the comparison at the \$400,000-level are consistent with the findings of the previous graph.

City-provided utilities and services

The graphs below describe the differences in the utility costs for residents in Hobart, Dora, and Candor Township, as well as Pelican Rapids, Audubon, Callaway, Frazee, Underwood, Ottertail, and Battle Lake. These communities were chosen for their geographic location as well as from recommendations from the steering committee as communities that are seen as Vergas' competitors for attracting new residents. Reasons for this include population size, lake access, recreational opportunities, and proximity to other regional destinations, such as the state parks.

Note: It was nearly impossible to compare the Townships against the utility costs of the other cities due to the nature of private wells and septic systems having such variability in their cost for initial installation/drilling, as well as maintenance over time. The geography of each property dictates how deep a well must be built, and the water quality of the area dictates how much filtration and water softening is needed. As such, determining a blanket estimate would be flawed on many levels; therefore, for the purposes of this comparison, they are described as 'variable' in the following graphs and tables.

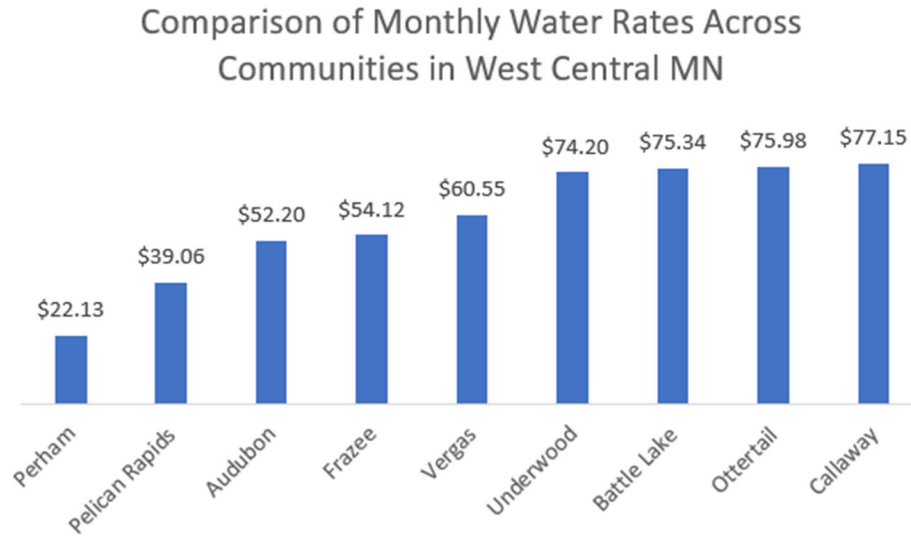


Figure 4.

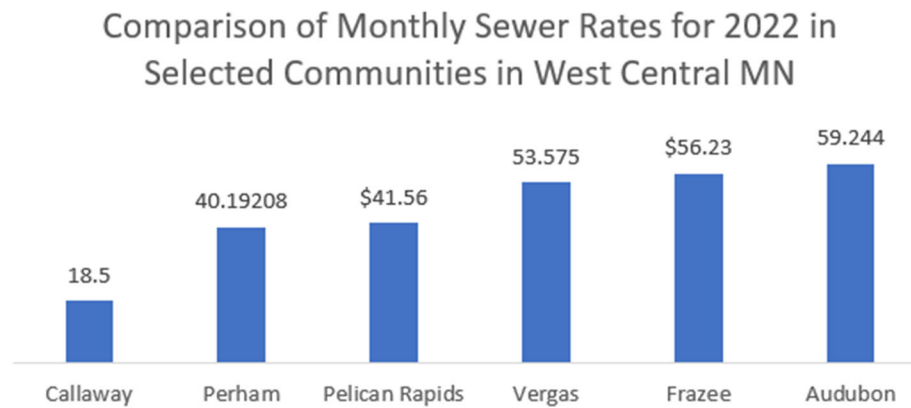


Figure 5. Comparison of Monthly Sewer Rates for 2022 in Selected Communities in West Central MN.

Note: Dora, Candor, and Hobart Townships have such variable septic tank annual costs that they were excluded from this comparison, as well as Ottertail, because it does not have a central sewer system and requires residents to use septic tanks.

Monthly Waste Collection & Recycling Rates for 2022 in Selected Communities in West Central MN



Figure 6. Monthly Waste Collection & Recycling Rates for 2022 in Selected Communities in West Central MN

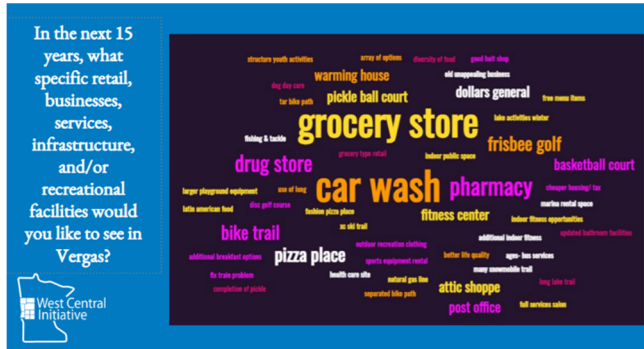
Note: Vergas offers both composting and recycling bins for residents but does not charge for this service. Pelican Rapids also offers recycling drop off bins through Otter Tail County but does not charge an additional recycling fee. Estimates for waste collection fees were based on a 65-gallon bin per household, with pricing estimates for townships and communities without a city-led service coming from providers servicing these communities: Steve's Sanitation and Ballard's Sanitation.

A note on stormwater fees

Of all the communities in this comparison, only two charge a specific storm water fee to residents – Perham, at \$1.75/month and Frazee at \$1.25/month. In other communities, these fees often show up in property taxes through the calculation of net tax capacity rate. Because there were so few communities that charge this fee, and due to how nominal of a month charge it is, specific comparison charts were not generated for this element of 'fixed costs'.

Appendix B. Aspirational Projects & Programs

The following list of projects and programs draws on the community survey findings and are captured here to ensure that the community's aspirations are not lost and can be a reference for future development projects.



RECREATIONAL & COMMUNITY OPPORTUNITIES

- Disc golf course
- Walking trail to Trowbridge Zoo
- Fishing pier
- Waterslide
- Pickleball
- Badminton
- Public bikes in summer
- Snow shoeing in winter
- Yoga
- Baseball games
- Club sports for young adults in evening
- Monthly clubs (writing, knitting, crafts)
- Splash pad
- Farmers market
- Theatre group
- Outdoor exercise stations along trail
- Yoga studio and climbing/bouldering wall
- Community garden
- Edible landscaping around town
- Indoor fitness opportunities

RETAIL/COMMERCIAL OPPORTUNITIES

- Grocery store
- Carwash
- Laundromat

- Small storage rental units
- Toy store
- Bakery
- Pharmacy/Drug store
- Farmers market
- History museum
- Pop-up shop style retail
- Rooftop entertainment areas
- Brewery and/or distillery
- Pizza place
- Sports equipment rental & outdoor recreation clothing
- Dog day care
- Fishing & tackle/bait shop
- Marina rental space
- Seasonal menus

Appendix C. Resources for Trail Connections

The following resources are available to support trail development efforts connecting Vergas to regional trails in the area. Stakeholders involved in trail planning in the future may find these useful as they explore funding opportunities for trail planning and funding.

[Safe Streets and Roads for All \(SS4A\) Grant Program](#) - U.S. Department of Transportation | The Bipartisan Infrastructure Law (BIL) established the new Safe Streets and Roads for All (SS4A) discretionary program with \$5 billion in appropriated funds over the next 5 years. In fiscal year 2022 (FY22), up to \$1 billion is available. The SS4A program funds regional, local, and Tribal initiatives through grants to prevent roadway deaths and serious injuries.

[Greater Minnesota Transportation Alternatives Solicitation](#) | Mn DOT | The Transportation Alternatives Solicitation is a competitive grant opportunity for local communities and regional agencies to fund projects for pedestrian and bicycle facilities, historic preservation, Safe Routes to School and more. Minnesota will be soliciting projects for approximately \$6.2 million in available grant funding across the state where the total is sub-targeted to the seven area transportation partnerships.