

**Vergas EDA/HRA
Government Services Center & Zoom
5:30 PM on Wednesday, March 18th, 2026**

EDA/HRA Mission: Retain and promote business in our community, adding housing so that we prosper and increase our tax base, keeping Vergas a vital community.

The City of Vergas Economic Development Authority (EDA) and Housing Redevelopment Authority (HRA) met on Wednesday, March 18th, 2026, at 5:30 PM in a hybrid meeting at the Vergas Government Services building and on Zoom.

2026	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Bruce Albright, President/Council Liaison	A	P/P	P									
Paul Sonnenberg, Member	P	P/A	P									
Kevin Zitzow, Member	P	P/P	A									
Jennifer Carlson, Member	A	A/P	P									
Vanessa Perry, Member	P	P/P	P									
Julie Lammers, City Clerk-Treasurer	P	P/P	P									

P: Present. A: Absent N/A: No meeting

Present via Zoom: Editor Bob Williams of the Frazee-Vergas Forum.

Present in person: CEDA Representative Kaite Gehring

Call to Order

The meeting was called to order by Albright at 5:30 PM.

Agenda Additions and Deletions

The agenda was modified to move item 6 (419 Dianne Avenue) to the end of the meeting as it required a closed session.

Motion by Sonnenberg, seconded by Perry, to approve the agenda with the requested change. The motion passed unanimously.

Status of Recommendations to City Council

None.

Minutes

Motion by Perry, seconded by Sonnenberg, to approve the minutes from February 4, 2026, and February 23, 2026. The motion passed unanimously.

Financial Update

Lammers presented the financial update, noting that the only changes from the previous month were mileage payments to her and that Keystone had now received their check, contrary to what the report initially indicated. All other financial items remained unchanged from the previous month.

Motion by Sonnenberg, seconded by Carlson, to approve the treasurer's report as presented. The motion passed unanimously.

CEDA Representative Katie Gehring

Grant Applications

Gehring reported that a new grant application had been received just yesterday from Vergas Auto for paving their parking lot. The estimated cost was \$20,000, with work to be performed by Kevin Zitzow and others. Gehring noted that the only missing element from the application was documentation showing where materials would be sourced, which Kevin would need to provide if the application was approved.

Motion by Sonnenberg, seconded by Perry, to accept the Vergas Auto application with the condition that material sourcing documentation be provided. The motion passed unanimously.

Lammers reported that there was funding available for only two more grants, with the final grant being limited to approximately \$4,000.

First Children's Finance Update

Gehring provided an update on the First Children's Finance committee, explaining that they had completed their first onboarding meeting. The lead analysis for Vergas showed a need for 35 childcare spots. Perry expressed concern about the length of future meetings, noting that the next meeting was scheduled for another three hours in early April. Gehring indicated she would work with the committee to better focus their efforts on specific needs like rate studies, fundraising assistance, or advocacy rather than general curriculum discussions. She also mentioned discovering a local childcare provider on Sybil Lake in rural Vergas that was helping meet some of the demand.

Daycare

Goals

The committee confirmed their primary goal was to provide affordable and sustainable daycare in Vergas, with Albright clarifying that this could include working with others to bring childcare to the community. The emphasis was placed on sustainability rather than just affordability, recognizing that parents desperately needed local childcare options.

Opportunity

Albright provided background on the three options previously considered. The committee had initially favored the Otter Tail model with stick-built construction, but funding limitations had changed their approach. The second option involved working with Dynamic Homes or similar manufacturers. Albright had spoken with Josh Hanson about a Dynamic home in Sunny Oaks that included a 5-foot crawl space and cost \$350,000 or less. The third option of purchasing Ebersviller's four-unit apartment building had been eliminated due to the asking price being three times the assessed value and community concerns about reducing senior housing availability. Perry and Albright discussed the challenges with modular construction, particularly regarding the base-level materials typically included in standard quotes. Perry, drawing from her experience as a landlord, expressed concerns about the durability of basic materials in a daycare setting and suggested that necessary upgrades might bring the cost closer to stick-built construction.

The committee agreed that someone should schedule a meeting with Dynamic Homes to get detailed specifications and tour their available models to make an informed comparison.

Funding

Gehring presented comprehensive funding scenarios showing potential fundraising gaps depending on the construction approach chosen. She had prepared fundraising materials including brochures and information packets, with different donation levels and recognition opportunities. The committee discussed setting a fundraising goal of \$500,000 to cover potential upgrades and ensure adequate funding regardless of the final construction method chosen. The group reviewed a preliminary list of potential donors and funding sources, with Bruce noting some additional prospects not included in the initial assessment. They discussed the importance of transparency in fundraising materials and agreed to include information about the project structure, noting that the EDA would own the facility and rent units to childcare providers rather than operating the daycare directly.

Annual Meeting

The committee planned their annual meeting for Wednesday, April 29th at 5:30 PM at Billy's Corner Bar. The format would include a social hour starting at 5:30, followed by dinner and speakers. They discussed the need for an engaging speaker who could provide practical business value to attendees, similar to previous successful presentations on social media marketing. Katie suggested Tammy Anderson, a childcare consultant with fundraising expertise, as a potential speaker option.

Motion by Sonnenberg, seconded by Carlson, to hold the annual meeting on April 29th at Billy's Corner Bar at 5:30 PM. The motion passed unanimously.

The meeting would serve as the official kickoff for the daycare fundraising campaign, with fundraising materials distributed to attendees and local businesses invited to participate.

419 Dianne Ave

Motion by Sonnenberg, seconded by Perry, to close the meeting with statutory authority under Minn Stat 13D.05 subd. 2. The sale of 419 Diane Ave. Motion passed unanimously.

Recording is available at the city office and may be opened by court order.

Closed meeting was opened.

Motion by Perry, second by Sonnenberg, to accept the offer for 419 Diane Avenue pending qualification of the purchaser. The motion passed unanimously.

Adjournment

The committee moved into closed session to discuss the property offer for 419 Dianne Avenue. Following the closed session discussion about an offer from DuWayne Ditterich for \$17,000 on the challenging corner lot, the committee reopened the meeting.

Motion by Perry, seconded by Carlson, to adjourn the meeting at 6:40 PM. The motion passed unanimously.

Council Recommendations

None.

Follow Up Actions

- Gehring: Schedule the meeting with Dynamic Homes and coordinate with local team members to attend.
- All team members: Review the draft fundraising materials and provide feedback to Gehring within the next day or two.
- Gehring: Update fundraising materials based on team feedback and prepare final versions for printing (in coordination with West Central Initiative).
- Lammers: Post an update about the daycare project status on the city's Facebook page after review of materials.
- Team: Set fundraising goal at \$500,000 for public communications and update materials/thermometer accordingly.
- Gehring: Reach out to potential annual meeting speakers to vet and invite as appropriate.
- Team: Begin fundraising activities in advance of grant decision, targeting identified businesses and individuals.
- Team: At April 1st meeting, finalize plans and materials for the annual meeting, including having a copy of the fundraising packet for each attendee.
- Team: Consider adding a community event or interaction component to the annual meeting to increase engagement.