

**Vergas EDA/HRA
Government Services Center & Zoom
5:30 PM on Monday, May 4th, 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 Monday, May 4th, 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	P	P							
Paul Sonnenberg, Member	P	P/A	P	P	P							
Kevin Zitzow, Member	P	P/P	A	P	P							
Jennifer Carlson, Member	A	A/P	P	P	P							
Vanessa Perry, Member	P	P/P	P	P	P							
Julie Lammers, City Clerk-Treasurer	P	P/P	P	P	A							

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

Present in person: CEDA Representative Kaite Gehring and Deputy Clerk Rachel Nustad.

Call to Order

The meeting was called to order by Albright at 5:38 PM.

Agenda Additions and Deletions

None.

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

Status of Recommendations to City Council

None.

Minutes

Motion by Albright, seconded by Carlson to approve the minutes from March 18, 2026 and April 1, 2026. The motion passed unanimously.

Financial Update

2026 Income and Expenses

The financial report was included in packet. Albright noted that little had changed from the prior period and nothing of concern was identified. It was noted that the current contract runs through the end of the year.

Motion by Sonnenberg, seconded by Perry, to approve the financial report. The motion passed unanimously.

CEDA Representative Katie Gehring

Grant Applications

124 E Main Street

Gehring presented a Facade Grant Application on behalf of Natalie's Serendipity for roof repairs to the rear portion of the building located at 124 E Main Street. A quote of \$5,500 was obtained from Refine Homes. Under the program's 1-to-1 match structure with a maximum award of \$5,000, the applicant was requesting \$2,750. The Board discussed the application and found it to be in order.

Motion by Perry, seconded by Zitzow, to approve the façade grant application for Natalie's Serendipity. The motion passed unanimously.

First Children's Finance Update

Gehring reported that the First Children's Finance Committee's next meeting is scheduled for Wednesday, May 13. The purpose of that meeting will be to narrow down focus areas, with the Committee to be divided into action teams covering areas such as sustainability, outreach, and recruitment. Members who are on the Committee were advised that an idea hub had been distributed for review in advance.

Daycare

Opportunity

A. Build

Gehring presented updated documentation from a duplex reflecting a revised quote of \$240,000 for a modified duplex plan, along with an upgrades list covering cabinetry, countertops, and siding, and a "button-up" procedure outlining the on-site work required after the modular building is installed. It was explained that the duplex unit arrives approximately 60% complete, and that the remaining on-site work — including plumbing, electrical, and site utilities — would need to be contracted separately. Based on industry percentages, the Board estimated this on-site completion work could add approximately \$100,000, placing the total project cost in the range of \$340,000–\$350,000 or more. Zitzow reported that he had consulted with a knowledgeable contact regarding site utilities and confirmed that, per City Ordinance, the duplex would require a dual sewer and water system rather than a single shared system, adding an estimated \$18,000 or more to the project cost. It was noted that prior estimates had not consistently accounted for this requirement, contributing to cost variability across prior estimates.

The Board also discussed the need to develop detailed, formal bid specifications so that contractors are bidding on equivalent scopes of work. It was acknowledged that once funding reaches a certain threshold, the project will be subject to state bid requirements, including prevailing wage obligations. The Board agreed that hiring an architect or design professional to prepare formal bid documents would likely be necessary and that this cost could potentially be included in grant applications as a design service expense.

B. Purchase and Remodel

Following the pre-meeting home tour of 105 Park View Drive, the board discussed the feasibility of purchasing and remodeling an existing property for daycare use. While the home was acknowledged as large, the consensus was that the basement would require extensive work to meet daycare standards and that this route would not be practical. The Board effectively set aside this option in favor of the build route.

C. Prepare Specs for Bid

The Board discussed timing for preparing and issuing bid documents. It was noted that bids are generally valid for approximately 45 days, and the group agreed it was more prudent to wait until the outcome of pending grant applications is known before proceeding with a formal bid solicitation. Gehring confirmed that design and spec preparation services are allowable costs under the grant currently being prepared.

Funding

A. Grants

Gehring reported that a grant application is currently pending, with results expected in the near term. A second grant application is due May 18, and Gehring stated her intention to request \$200,000 through that application. The board agreed this was an ambitious but reasonable ask given current fundraising progress. Regarding the grant application due May 18, Gehring asked whether it would be appropriate to include a modified duplex as the described construction method, even if the specific product or contractor had not yet been finalized. The Board agreed that submitting a duplex of the relevant square footage as the project type was appropriate and competitive, given that the purchase-and-remodel option had effectively been set aside.

B. Donations

Gehring reported the following donations received to date for the "Growing at Vergas" daycare initiative: \$25,000 from the local bank; \$10,000 from the Community Club; and a pending contribution from the Lions Club in the range of \$100,000–\$150,000, pending confirmation. Gehring noted she would follow up to clarify the final Lions Club commitment.

The Board discussed additional major donor outreach. It was noted that Arvig should be approached for a \$25,000 donation. Perry reported that a request had been submitted to T.I.P Gaming, though no response had been received yet. Sonnenberg suggested approaching Otter Tail Power as well. Gehring confirmed she had previously submitted a request to the Otter Tail Power Foundation for \$150,000 but the application did not advance in that process.

The Board discussed approaching several large area companies and employers for contributions in the range of \$25,000, accompanied by a project brochure that could convey the scope and vision of the project. Albright noted that Arvig has a formal online application process, and that requests over \$5,000 require a presentation to a donations committee.

Nustad reported that she had created a "Growing at Vergas" tab on the city's website with a donation link. Gehring reported that she has been invited to appear on a television segment on Thursday to speak about the fundraising campaign.

Annual Meeting Review

Albright noted that a summary of the Annual Meeting had been included in the agenda packet and that Gehring had done a good job covering the key points. The Board discussed a presentation given at the Annual Meeting relating to family leave and the experience of border-area businesses, noting that there remain implementation challenges with the program as currently structured.

Adjournment

Motion by Perry, seconded by Zitzow, to adjourn the meeting at 6:00 PM. The motion passed unanimously.

Council Recommendations

None.

Follow Up Actions

- Committee members: Review the idea hub and prepare to refine focus areas and action items at the First Children's Finance meeting on Wednesday, May 13th.
- Gehring: Submit the second grant application by May 18th, aiming to request \$200,000.
- Gehring: Talk to the Lions to confirm their donation.
- Gehring: Appear on the TV spot on Thursday to discuss fundraising efforts for Growing Up Vergas.
- Gehring: Submit funding requests to major donors starting at \$25,000 and include the ultimate funding goal.
- Gehring: Wait to send out project bids until after grant award decisions are received, then proceed with bidding process as appropriate.
- Gehring: Include modified duplex specs in the upcoming grant application, even if final route is not yet determined.
- Gehring: Contact an architect to get an estimate on design services for the daycare project and include this in the grant budget planning.