

**Vergas EDA/HRA
Government Services Center & Zoom
5:30 PM on Wednesday, July 15th, 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, July 15th, 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	P	P					
Paul Sonnenberg, Member	P	P/A	P	P	P	P	P					
Kevin Zitzow, Member	P	P/P	A	P	P	P	P					
Jennifer Carlson, Member	A	A/P	P	P	P	P	P					
Vanessa Perry, Member	P	P/P	P	P	P	P	A					
Julie Lammers, City Clerk-Treasurer	P	P/P	P	P	A	P	P					

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

Present in person: CEDA Representative Kaite Gehring and Joy Summers with REMAX Lakes Region.

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

Call to Order

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

Agenda Additions and Deletions

None.

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

Status of Recommendations to City Council

None.

Minutes

Motion by Sonnenberg, seconded by Zitzow, to approve the minutes from June 3, 2026. The motion passed unanimously.

Financial Update

2026 Income and Expenses

Lammers presented the financial update. Notable expenditures included a \$4,100 quarterly employee payment, a disbursement from the Veterans Memorial's West Central Initiative account, an invoice from Elm Street Boutique for shingling nearing completion at both American Beauty and Elm Street Boutique locations, and an invoice from Franklin Fence.

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

CEDA Representative Katie Gehring

Community Rehab Grant

S & Z Properties

Gehring presented a final application from S & Z Properties to add signage to their building, with a total estimated cost of \$16,000–\$18,000 as quoted by Brushmark Signs. The remaining balance in the Community Rehab Grant fund was \$4,012.91. The board discussed whether to continue the program in the future. It was noted that the county offers a \$25,000 matching grant program, and that a community match from entities such as Vergas State Bank and the Vergas Community Club would be required to reapply. The board expressed general support for continuing the program and discussed potentially broadening eligible project types—such as indoor improvements including grease traps—when the program is relaunched. Members were encouraged to gauge interest from local businesses before pursuing a new round of funding.

Motion by Zitzow, seconded by Carlson, to approve the Community Rehab Grant award of \$4,012.91 to S & Z Properties. The motion passed unanimously.

First Children's Finance Update

Gehring reported that the Child Care Committee did not hold a formal meeting in June due to low attendance. In lieu of a meeting,

three project focus teams were established via email correspondence. The three focus areas are: (1) **Facility** — evaluating the feasibility, cost, partnerships, and funding opportunities for a shared child care facility; (2) **Workforce Development** — recruiting providers and building interest in early childhood careers in the area; and (3) **Ongoing Provider Support** — strengthening supports for current and future providers through mentorship, networking, and professional development. Gehring noted that working in smaller, focused groups of approximately three members each was expected to yield more productive outcomes than full-committee meetings. Scheduled meetings for each focus team were anticipated to be set by the end of the week.

Growing Up Vergas

Gehring provided a funding update for the Growing Up Vergas child care initiative:

- **Otter Tail County DEED Grant:** The EDA applied for \$200,000 from a pool of \$1,400,000. With 48 applicants requesting a combined \$6,500,000, the EDA was not awarded funding.
- **Department of Children, Youth & Families (DCYF) Grant:** A \$200,000, three-year grant application (running through July 2029) remains pending. A decision was expected by June 18th, but no response had been received. Representative Gehring indicated she had followed up and was awaiting word.
- **Arvig (\$25,000):** Arvig encouraged the EDA to apply in the next funding cycle, as larger projects had already been allocated for the current cycle.
- **Lake Region Electrical Co-op (\$25,000):** The co-op requested additional information and invited Representative Gehring to present at their October 5th board meeting, which was viewed as a promising development.
- **Otter Tail Power (\$25,000):** No response received; it was clarified that large asks are considered at their annual meeting in November.

The board discussed the overall feasibility of the project, noting concerns about the pace of progress, construction costs, and the complexity of building a facility while meeting only monthly. Members acknowledged that a favorable outcome on the DCYF grant would be pivotal, and that the board should reassess direction if that application is unsuccessful. Albright drew a parallel to a prior MINDAG grant experience in which the agency provided substantive feedback that improved a subsequent application, expressing hope that similar guidance might be available from DCYF. Gehring was asked to notify all members by email as soon as a decision on the DCYF grant is received, rather than waiting for the next scheduled meeting.

Gehring also presented a **League of Minnesota Cities Grant Navigator Grant** opportunity, which offers up to \$5,000 to fund a consultant to identify grants for a specific project. She proposed applying with Growing Up Vergas as the designated project, noting that the work she had already performed aligned well with the grant's intent.

Motion by Zitzow, seconded by Sonnenberg, to approve applying for the League of Minnesota Cities Grant Navigator Grant for the Growing Up Vergas project. The motion passed unanimously.

220 Eva St

Motion by Sonnenberg, seconded by Zitzow to close the meeting pursuant to Minnesota Statutes § 13D.05, subdivision 3(b), to discuss nonpublic appraisal and negotiation data related to the proposed sale of city-owned property, as authorized by Minnesota Statutes § 13.44.

The motion passed unanimously.

Motion by Sonnenberg, seconded by Carlson, to reopen the meeting. The motion passed unanimously.

Following the reopening of the meeting, the board considered the sale of 220 Eva Street under the terms presented by Summers. The offer was for \$25,000 on a contract for deed, with \$5,000 down, an 8% interest rate, a closing date of August 10, 2026, monthly payments of \$1,354.14 beginning September 10, 2026, and a term of 15 months concluding approximately October 2027. The contract includes a provision requiring buyer approval for any lot improvements exceeding \$1,000 in value prior to payoff. The transaction is to be processed through a closing company and recorded with the state.

Motion by Zitzow, seconded by Carlson, to approve the sale of 220 Eva Street under the terms as presented by Summers. The motion passed unanimously.

Adjournment

Motion by Zitzow, seconded by Sonnenberg, to adjourn the meeting at 6:06 PM. The motion passed unanimously.

Council Recommendations

None.

Follow Up Actions

- Gehring: Apply for the League of Minnesota Cities Grant Navigator grant (up to \$5,000) to pay for grant-seeking consulting services for the Growing Up Vergas project.
- Gehring: Print out the current Community Rehab grant stipulations and review/adjust them for the next funding round, considering possible indoor projects (e.g., grease traps).
- Gehring: Reach out to landowners to update them on the status of the Growing Up Vergas project and potential lot purchase.
- Gehring: Start soliciting local businesses (using Julie's business list) for donations/pledges to support the Growing Up Vergas project.
- Gehring: Notify the group via email as soon as there is a response on the larger grant application, so members can discuss and act without waiting for the next meeting.
- Gehring: Present the Growing Up Vergas project at the Lake Region Electrical Co-op board meeting on October 5th.
- Gehring: Re-evaluate and decide whether to continue the Community Rehab program and, if so, work to find donors to secure the required match for reapplying for the \$25,000 funds from Otter Tail County. Consider adjusting the Community Rehab program guidelines to allow for indoor projects (e.g., grease traps) in future funding rounds.
- Committee: Explore the possibility of purchasing the lot for the Growing Up Vergas project by the first of the year, if sufficient funds/pledges are in place, to have a shovel-ready site.