BELMONT - Selectmen have voted to proceed with an application for a $700,000 federal grant for rehabilitation of burned-out mill complex here as a community center. The decision to apply for a Community Development Block Grant for the Belmont Mill came at a special meeting held Sunday night, enabling the town to submit the application by the Jan. 30 deadline.

The town does not yet hold title to the mill complex and is waiting for owner Walter Steere, who owes the town more than $50,000 in back taxes, to complete cleanup work before it moves to acquire the property through tax deed.

Selectman Ward Peterson said that Steere has agreed to complete the work agreed to in a stipulated settlement between him and the town by Feb. 6. He said that an environmental study will be conducted by an engineering firm over the next several weeks before the town takes title to the property.

The mill complex is over 140 years old and was the manufacturing center of the community during the Industrial Revolution and continued as an important industrial site until the late 1960s. It was severely damaged in a five-alarm fire on Aug. 14, 1992, and no longer has any business tenants.

Town Administrator Fred Welch says the maximum allowable grant for a town the size of Belmont is $350,000 a year, which would make rehabilitation at least a two-year project. At a public hearing last month selectmen outlined plans to use the former DM Labs building as a senior center and using part of the four-story main building as a youth center, which would include a basketball court. Other parts of the building would be available for a wide number of community uses.