



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Presenter:</b>	Pamela Whitmore
<b>Meeting Date:</b>	Tuesday, December 17, 2024
<b>Category:</b>	NEW BUSINESS
<b>Type:</b>	INFO/ACTION
<b>Subject:</b>	Notice of Closure from Broadmoor Manufactured Home Park
<b>Background Information:</b>	<p>The City received notice from Paul Schierholz (see attached) on behalf of Schierholz &amp; Associates of the intent to cease operation of Broadmoor Valley as a manufactured home park as of December 1, 2025. This notice triggers a statutory hearing process for the City under Minn. Stat. § 327C.07 et seq., and specifically Minn. Stat. § 327C.095. The statute, for simplicity’s sake, basically loops in the City as a “host or steward” of the public to ensure that the residents of the Park are getting notice of the intended closure, having an opportunity to be heard and to learn about options for financial reimbursement from a state fund. The statute requires notification of the City Council when the City receives this notice and requires the Council to set a public hearing (hosted by the Council) on the noticed closure. At this hearing, the Council appoints a neutral third-party arbiter to oversee the hearing, gather information and act as an arbitrator for requests from the park residents.</p> <p>The Statute requires the City follow a specific timeline after receiving the notice which is set forth below:</p> <p>Timeline:</p> <ul style="list-style-type: none"> <li>• 11/22/2024 = date the City received <b>sufficient</b> notice (Letter is dated 11/18/2024 but City did not receive until 11/22/2024)</li> <li>• 12/17/2024 = date earmarked by staff as date to notify the Council about the Notice of Intent to Cease Operation</li> <li>• 12/17/2024 = <u>Council sets date of hearing.</u></li> <li>• 02/20/2025 = the last date by which City must have held hearing (90 days from when received notice)</li> </ul> <p>City requirements under the Statute:</p> <ul style="list-style-type: none"> <li>• Set the date of hearing.</li> <li>• Provide notice of the date of hearing to at least one resident of each of the manufactured homes in the park. Whatever date the Council sets for the hearing, then at least 10 days before that hearing, the City must mail notice of the hearing date, time, location and purpose, to at least one resident of each of the manufactured homes in the park as identified in a list provided by Schierholz &amp; Associates.</li> <li>• This notice must also provide information that, at the public hearing, displaced residents may be eligible for payments from the Minnesota Manufactured Home Relocation Trust Fund under Minn. Stat. § 462A.35 as compensation for reasonable relocation costs.</li> <li>• After setting the date of hearing, the City also must notify MN Housing regarding the hearing date.</li> </ul>

	<ul style="list-style-type: none"> <li>• At the hearing, the City must “formally” appoint a qualified neutral to arbitrate disputes, track costs and receipts, and arbitrate other issues<sup>1</sup>. The statute encourages Schierholz &amp; Associates to mutually agree to an arbiter with the park homeowners. If they cannot agree on one, then the city selects the third party qualified neutral. As a result, the City currently is working on getting a qualified neutral lined up.</li> <li>• The qualified neutral’s hourly cost is paid from the Minnesota Manufactured Home Relocation Trust Fund. The neutral third party shall act as a paymaster and arbitrator, with decision-making authority to resolve any questions or disputes regarding any contributions or disbursements to and from the fund by either the manufactured home park owner or the manufactured homeowners.</li> </ul> <p>It is important to note, because of the various statutory requirements, that Mr. Schierholz indicated Schierholz &amp; Associates does NOT intend to engage in a conversion of the park, and, as a result, no requested zoning amendment request will be made. This information matters since the statute would require additional notice and hearing requirements for any zoning amendments related to a conversion of use.</p> <p>As a point of information, Schierholz &amp; Associates had accepted a grant from MN Housing a few years ago for Broadmoor. That grant contains a covenant that the Park must be continued to be used as a Manufactured Home Park for twenty-five (25) years. The existence of that covenant would seem to indicate that this Notice could not occur; however, after speaking with MN Housing, they indicated that they do not know Schierholz &amp; Associate’s actual intent, and that, for example, the sale of the Park to an entity or group that would continue to use it in the manner required by the grant would not create a breach of that agreement if an assignment of the grant occurred. As a result, the City must follow the statutory process.</p> <p>Finally, because of the timing and anticipated turnout, Staff thinks holding the hearing at the Middle School would serve the community best.</p>
<b>Fiscal Impact:</b>	None
<b>Alternative/ Variations:</b>	None
<b>Recommendations:</b>	Set the date of Public Hearing from available auditorium space openings.

<sup>1</sup> The neutral third party shall act as a paymaster and arbitrator, with decision-making authority to resolve any questions or disputes regarding any contributions or disbursements to and from the Minnesota manufactured home relocation trust fund by either the manufactured home park owner or the manufactured homeowners.