



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Pamela Whitmore
Meeting Date:	Tuesday, March 25, 2025
Category:	STAFF REPORTS
Type:	INFO/ACTION
Subject:	Set Public Hearing re: New Noticed Closure from Broadmoor Manufactured Home Park
Background Information:	<p>On February 18, 2025, the City received an updated notice from Paul Schierholz, on behalf of Schierholz & Associates, of the intent to cease operation of Broadmoor Valley (“Park”) as a manufactured home park as of March 1, 2026. Mr. Schierholz indicated that the costs of maintaining the Park and the lack of public investment into Park facilities has triggered the need to close the park. Mr. Schierholz has not provided any specific information or insight with respect to his intentions with the property if the Park is closed.</p> <p>The notice received contained the mandatory language typed in the correct font as required under Minn. Stat. §327C.095 and addresses the topics required by Minn. Stat. § 327C.015. Accordingly, the City presumes sufficiency of the notice. To date, the City has not heard from the Attorney General that the Notice was not sufficient.</p> <p>As a reminder, the statutory hearing process with which the City must comply is set forth in Minn. Stat. § 327C.07 et seq., and specifically Minn. Stat. § 327C.095. Upon receipt of the closure notice by the City, the City’s planning agency must submit the closure statement to the governing body of the local government authority and request the governing body to schedule a public hearing. The Planning Commission reviewed the notice at its March 12, 2025 meeting and now has asked the City Council to set the date for public hearing on the proposed closure.</p> <p>Staff has worked with the Middle School and is proposing a date of May, 7, 2025 for the hearing. The last date on which the City could hold a hearing is May 19, 2025, which represents 90 days from when the City received the notice. Once a date is set, the City must mail a notice of the hearing at least ten days before the hearing to at least one <u>resident</u> of each manufactured home in the Park listing the time, place, and purpose of the public hearing. In this notice, as well as at the hearing, the Council must inform displaced <u>residents</u> that they may be eligible for payments from the Minnesota manufactured home relocation trust fund under section 462A.35 as compensation for reasonable relocation costs. The statute defines <u>resident</u> as an owner of a manufactured home who rents a lot in a manufactured home park and includes the members of the resident's household. As a result, tenants, who are not homeowners, seem to not have eligibility for payments. However, tenants in the Park still should be afforded state law eviction protections.</p> <p>As a reminder, at the hearing, the City will serve in the role as a “host” of the meeting to ensure that the residents of the Park have an opportunity to be heard. At the hearing, the City Council appoints a neutral third-party arbiter. Although the statutes do not expressly require it, it would be useful to have that third-party neutral present at the hearing to hear the residents’ concerns and help answer questions about the Fund. Also, at the hearing, the Council shall</p>

	<p>report out if any ordinance was in effect on May 26, 2007, that would provide other compensation to displaced residents. At the time of this memo, staff has not located any such ordinance.</p> <p>It is the third-party neutral's role to gather information and serve as an arbitrator for requests from the park residents. Payment of the qualified neutral, based on the neutral's hourly cost, comes from the Fund. The City does not have any statutory duties related to the arbiter's role or payment of the arbiter, including the Council does not administer that Fund or decide who has eligibility for compensation.</p> <p>After setting the hearing date, the City must notify Minnesota Housing regarding the hearing date, and, it is the hope of staff that Minnesota Housing intends to attend the meeting.</p> <p>With respect to Minnesota Housing, it is worth noting that Minnesota Housing has brought a lawsuit against Schierholz & Associates based on the covenant in a grant from Minnesota Housing accepted by Schierholz & Associates that states the Park must continue as a manufactured home park for twenty-five years. As previously stated, the City is not a party to that agreement and not a party to the lawsuit either. As background, in 2022, Schierholz and Associates accepted a grant of \$500,000 for making improvements in Broadmoor Valley. At that time, Schierholz and Associates agreed to restrictions being added to the deed that they will continue to operate the property as a Manufactured Home Community. Additionally, the signed grant agreement prohibited increase of rents by more than 5% per year without prior approvals from Minnesota Housing. Minnesota Housing filed the case in Ramsey County District Court on February 6, 2025. The case was assigned to Judge Mark Ireland and nothing substantive has happened yet on that matter as of March 19, 2025 which is the date this memo was prepared for Council. Regardless, at this juncture, the pending lawsuit does not impact the City's statutory requirements under Chapter 327C of the Minnesota Statutes.</p>
Fiscal Impact:	None
Alternative/ Variations:	None
Recommendations:	Schedule the public hearing for May 7, 2025, and provide direction to staff to send out the notice for the hearing in compliance with statute.