



## Request for City Council Committee Action From the Department of Public Works

**Date:** February 28, 2006  
**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee  
**Subject:** **Sale of City-owned Property at 1315-1319 Penn Avenue North – Affirm Use of Private Sale Method and Set a Public Hearing**

**Recommendations:**

1. That the T&PW Committee affirm the 2004 City Council approval of the “private sale” method for disposition of the City-owned property at 1315 – 1319 Penn Avenue North.
2. That the T&PW Committee set a Public Hearing for March 21, 2006 for the sale of the 1315-1319 Penn Avenue North property to NorthPoint Health & Wellness Center, Inc. (NorthPoint).

**Previous Directives:**

1. Council action passed 4/2/04, having held a public hearing recommended the approval of the sale of the city owned property at 1315-1319 Penn Avenue North and authorized the proper city officers to negotiate a purchase agreement with PCNS.
2. Council action passed 2/27/04, approving private sale method for disposition of city owned property parcel at 1315-1319 Penn Avenue North and to set a public hearing.
3. Council directive to staff in August 1998 to pursue alternative ownership options for the City’s three community center facilities.

**Prepared by:** Rebecca Law, Project Manager, CPED, 673-5064

**Approved by:**

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Klara Fabry, P.E., City Engineer, Director of Public Works

**Presenters:** Steven Kotke, Deputy Director of Public Works for Internal Services

Permanent Review Committee (PRC)      Approval \_\_\_\_\_ Not applicable   X  

Policy review Group (PRG)              Approval \_\_\_\_\_ Not applicable   X  

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan:  Action is within the plan.     Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department’s Finance Dept. contact when provided to the Committee Coordinator

## **Community Impact**

Neighborhood Notification: Not Applicable

City Goals: *Preserve and enhance our environmental, economic and social realms to promote a sustainable Minneapolis*

Comprehensive Plan: Conforms

Zoning Code: Conforms

## **Background/Supporting Information**

The City of Minneapolis owns the NorthPoint Health & Wellness Center, Inc. (formerly Pilot City Regional Center - PCRC) located at 1315 – 1319 Penn Avenue North. The PCRC was constructed in the late 1960's as a joint venture between the Federal Government (HUD) and the City. The purpose of the project was to provide a neighborhood facility for the local community. Since 1968, the City has leased this center to NorthPoint Health & Wellness Center, Inc. (and its predecessor entities, TACTICS and Pilot City Neighborhood Services).

In August 1998, Council directed staff to pursue alternative ownership options for the following City-owned buildings:

1. Pilot City Regional Center, 1315 -1319 Penn Avenue North
2. Minneapolis American Indian Center (MAIC), 1530 Franklin Avenue
3. Senior Citizen Resource Center, 3612 Bryant Avenue South

These three facilities were unique because they did not house any City government functions and the City did not receive any rent from their occupants. Two centers have already been sold to the social service organizations that had occupied the facilities since they were built. The ownership of the Senior Citizen Resource Center was transferred to the Volunteers of America Inc. in 2001. Ownership of the MAIC property was transferred to the Minneapolis American Indian Center, Inc. organization in 2004. The Pilot City Regional Center is the last social services neighborhood facility remaining under City ownership.

On April 2, 2004, the City Council authorized the sale of this property to the Pilot City Neighborhood Services (PCNS) organization. However, shortly afterward, PCNS began merging into another corporation and the City was asked to delay the sale. The surviving corporation, NorthPoint, now wants to purchase the facility on terms similar to the sales of the other two centers.

The City Engineer has determined that the 1315 Penn Avenue North property is not needed for city government services. The City Planning Commission previously determined that this sale conforms with the City's comprehensive plan. City Ordinance section 14.120 requires a public hearing before any City-owned real estate is sold. The city attorney has advised that a new public hearing is needed since the buyer will be NorthPoint, rather than PCNS. Staff recommends that this hearing occur on March 21 so that it is concurrent with the staff report on the sale details.

We are requesting your committee affirm the use of the "private sale" method for disposition of the city-owned facility at NorthPoint Wellness and set a Public Hearing for the March 21, 2006 T&PW Committee meeting.

cc: Council Member Don Samuels, Ward 5