



MEMO

To: Northfield City Council

From: Northfield Hospital + Clinics Administration

Date: October 25, 2021

RE: Urgent Care Lease Request

The Northfield City Council is asked to approve a Commercial Lease for clinic space at 2014 Jefferson Road, Suites C & D, Northfield, MN, between Northfield Hospital + Clinics and NREF Heritage, LLC.

Since 2018 NH+C has offered daily walk-in medical care at the Express Care Clinic location. With the recent closure of the Northfield Urgent Care, there is a need for a full-service urgent care in Northfield. NH+C believes it is in their best interest to own and operate an urgent care clinic.

The current Express Care Clinic location does not provide the opportunity to add imaging services or expand laboratory services and the NH+C Urgent Care Clinic is located in Lakeville.

The former Northfield Urgent Care was located at 2014 Jefferson Road (east side of Highway 3). This space became available after the urgent care clinic closed. NH+C evaluated this space and determined it could meet the requirements for a full-service urgent care.

To obtain this space, NH+C has negotiated a lease with NREF Heritage, LLC. This is at a fair market rate of \$15/sq. ft. (\$42,600 annually). The base rate increases by 3% annually. NH+C must also pay utilities and CAM. The initial term is for sixty months. As the space had been used for an urgent care, no additional remodeling costs are required.

If the lease is approved, the Express Care Clinic would relocate to the new location, expanding laboratory services and adding imaging services. The current Express Care Clinic location would be repurposed.