



MEMO

To: Northfield City Council

From: Northfield Hospital + Clinics Administration

Date: November 29, 2021

RE: Purchase of Property in Faribault, MN.

The Northfield City Council is asked to approve the purchase the property at 1980 30th Street NW, Faribault, MN, from Northgate Development Company, LLC.

Since July 2019, Northfield Hospital + Clinics (NHC) has leased the clinic space located at 1980 30th Street NW, Faribault to provide orthopedic, ENT and primary care services for the residents of Faribault. Patients seen in the Faribault Clinic have surgery at the Northfield Hospital.

NHC Administration has recommended purchasing the property versus an ongoing lease agreement. The current lease provides the Tenant the right to purchase the property upon the expiration of the lease agreement. The purchase price was established in the lease agreement. The purchase option applies a price discount equal to 25% of the base rent paid.

The Hospital Board has approved the purchase of the Property on the terms set forth in the Purchase Agreement and now requests the City Council's approval of the same. If the Purchase Agreement is approved, NHC and Northgate Development Company, LLC will attempt to close the sale by the end of this year.