



Legislation Text

File #: Res. 2019-002, **Version:** 1

City Council Meeting Date: January 8, 2019

To: Mayor and City Council

From: Ben Martig, City Administrator

Consider Resolution Approving Lease of Space by Northfield Hospital & Clinics from ABC Financing 5, LLC For an Orthopedic Clinic at 1645 Lyndale Avenue North, Suite 101, Faribault MN.

Action Requested:

The Northfield City Council considers approving the attached Resolution Approving Lease of Space by Northfield Hospital & Clinics from ABC Financing 5, LLC for an Orthopedic Clinic at 1645 Lyndale Avenue North, Suite 101, Faribault, MN.

Summary Report:

The proposed lease is for a small office lease that the Northfield Hospital and Clinics (NH+C) is assuming from Summit Orthopedics in Faribault. In January 2019, the relationship between Summit Orthopedics and NH+C will change with NH+C assuming full operations of the orthopedic clinics and Summit providing sub-specialty orthopedic services. This is the same space they currently used in Faribault to accommodate the extra space that was required when they moved the orthopedic practice into the existing ENT clinic. There is more information including a letter from Chief Operating Officer Jerry Ehn included as an attachment.

The NH+C Board approved the following action under their consent agenda at their December meeting:

Recommending the option of leasing the Summit office space. This allows for the program to continue and time to fully vet other options.

Request:

Enter a year-to-year lease with Duane Geiger Company for 657sq feet of office space located in Suite 101, 1645 Lyndale Avenue North, Faribault, MN 55021. The 2019 rate would be \$1,025.00 per month.

The materials provided to the NH+C Board is included as an attachment.

Alternative Options:

None recommended.

Financial Impacts:

Northfield Hospital & Clinics is responsible for lease costs. The terms outlined in the agreement include the following:

Rent. Lessee shall pay to Lessor during the Lease Term \$1,025.00 per month gross rent. Rent will be

payable in monthly installments commencing with the 1st day of January, 2019. The monthly rent shall be payable on or before the 5th day of each month during the Lease Term in lawful money of the United States to Lessor at its office in Faribault, Minnesota, or at such place or places and to such other party or parties as Lessor may hereafter designate. Any rent unpaid by the 5th of the month shall carry a penalty of 5% thereafter.

Tentative Timelines:

The Lease term shall commence on the 1st day of January, 2019, and will continue for twelve (12) months until December 31, 2019. Thereafter, this Agreement will be automatically renewed for successive one year renewal terms and may be terminated by either party at any time with a 60-day written notice.