

A PLAN to save the Bayonne Medical Center is being put together by the city of Bayonne and Hudson County.

CITY STEPPING IN

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Bayonne is ready to put its wallet behind its word to ensure the survival of the bankrupt Bayonne Medical Center.

And Hudson County may be following suit.

But then again, as one lawyer involved in the negotiations put it, "this whole deal is so fluid, it can fall apart at any time... If (the bankrupt entity) were anything other than a hospital, it would've closed long ago."

Meeting in emergency session Thursday night, the Bayonne City Council introduced an ordinance — for a Nov. 21 hearing — guaranteeing the repayment, by the hospital's buyer, of up to \$30 million in bonds issued by the Hudson County Improvement Authority, which would lease the hospital to the buyer.

Because it would be the principal guarantor on the loan, Bayonne would be the owner of the real estate — the entire hospital campus and parking garage, said one attorney involved in the proposed transaction.

Interim Bayonne Mayor Terrence Malloy said that the hospital's designated buyer,



TOM DeGISE
HUDSON COUNTY EXECUTIVE

Urban Suburban, an entity created by Fortis Property Group to buy the hospital, would be expected to pay off \$8.5 million in loans from Bayonne and the state Health Care Facilities Financing Authority as part of the \$30 million bonding deal.

But despite guarded optimism of hospital brass and employee union heads, there still remain several potential obstacles which could sink the plan:

■ Fortis/Urban Suburban reportedly may be looking for



TERRENCE MALLOY
INTERIM BAYONNE MAYOR

partners to finance the purchase and run the hospital.

■ The county still hasn't signed on as a partner in the deal.

■ The state Local Finance Board has to OK the bonding proposal and the state Department of Health and Senior Services has to approve licensing for the new operator.

HCIA Executive Director Norman Guerra said Bayonne hasn't even applied to the agency for funding and "until I sit with the county executive and bring in our financial pro-

fessionals, I can't commit to anything."

Hudson County Executive Tom DeGise said that Malloy and Councilman Anthony Chiappone gave him a "thumbnail sketch" of the financing plan on Friday, and that he hoped to set up a meeting this week to discuss it in depth. "But Mayor Malloy told me that the situation is still fluid in Bayonne (and that) things could change," DeGise said.

Having the county sign on as secondary guarantor of the loan could help "because our bond rating is very high and the HCIA would get a favorable interest rate on the bonds and that makes them more salable," he said.

"If the loan is properly collateralized and if the business plan to keep the hospital afloat is a sound one, we'd like to participate to help keep the hospital open, but we're going to ask tough questions and make certain demands on (the city's) involvement," DeGise said.

"Like everybody else, we want the plan to succeed but if something goes wrong, we don't want to be the ones to foreclose on a hospital," DeGise added.

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