

Deal may add BMC garage sale

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The struggling Bayonne Medical Center took another step yesterday toward escape from the bankruptcy process when a federal bankruptcy judge approved the approximately \$33 million deal to sell it.

However, one Bayonne councilman said after yesterday's bankruptcy hearing that more financing from the city and county may be necessary to keep the deal alive.

A stipulation of the deal is that Urban Suburban Associates, the buyer U.S. Bankruptcy Judge Morris Stern approved yesterday, will operate BMC as an acute care hospital for seven years.

Urban Suburban attorney David Weiss hinted in court that a group headed by James Lawler, a former University of Medicine and Dentistry New Jersey (UMDNJ) executive, may eventually become the hospital's new operator.

Urban Suburban, an entity created by Fortis Property Group to buy the BMC, has already agreed to pay off \$8.5 million in loans from Bayonne and the state Health Care Facilities Financing Authority that will keep the hospital open through Dec. 31, after which Urban Suburban will pay operating costs.

It came out in court yesterday that in order for the hospital purchase to be completed, the state Local Finance Board must change the terms of the \$6 million loan Bayonne is counting on to help the BMC.

Despite testimony that Fortis Property Group has \$4.8 billion in assets, the Bayonne loan situation apparently made Urban Suburban chief Robert Miller nervous.

City Councilman Anthony Chiappone said after the hearing that the City Council was expected to convene an emergency meeting late last night to reassure Miller that the city is behind him.

The meeting was expected to

include drafting a resolution reviving the plan for the city to purchase BMC's parking garage in order to come up with more money for the deal. Chiappone said the council would likely contact the Hudson County Improvement Authority about that plan today.

Financing issues and union negotiations will be the next hurdle, Stern said in court. He said he expects an update on union negotiations next Friday. There will be an open court session in Newark on Nov. 27 at noon, where Stern expects an update on the entire proceeding, he said. And while he seemed encouraged by progress, he advised caution.

"We shouldn't be too self-congratulatory until everything is done," Stern said.

Hospital president and Chief Executive Officer Dan Kane was more open with his relief.

"This is a very significant day for Bayonne Medical Center and the community," he said.