

Decision awaited on BMC loan

By **RONALD LEIR**
JOURNAL STAFF WRITER

The state Health Care Facilities Financing Authority will decide tomorrow — the same day that the Bayonne Medical Center is due back in U.S. Bankruptcy Court — whether it will lend the financially troubled hospital \$2.5 million to help keep it afloat until a buyer can close on the property.

Asked if the sale could fall apart if his agency nixes the loan, HCFFA Executive Director Mark E. Hopkins said: "That's going to be up to the (bankruptcy court) judge."

But Hopkins added that if the hospital can't come up with the \$2.5 million from any other funding source, to supplement an additional \$6 million in city bailout financing, "then I'd guess that the judge might say, 'that's the ball game.'"

Meanwhile, Vivek Garipalli, who

heads IJKG LLC, the prospective buyer of the hospital, is keeping his fingers crossed that the transaction can be approved next week.

"All directions point to (the HCFFA) releasing the money," Garipalli said.

Under a scenario approved at a Nov. 15 meeting, the HCFFA board authorized the \$2.5 million loan to proceed under a five-year payback only on certain conditions. Among them are:

- That HCFFA is third in line, behind Kimco — which has loaned BMC more than \$18 million since it declared bankruptcy in April — and FSA — the insurer of more than \$30 million in bond money previously loaned to BMC by HCFFA — to get back its money.
- That HCFFA gets a mortgage on a portion of the BMC property to help secure its loan.
- That IJKG can prove it has suffi-

cient assets to acquire and run BMC.

Hopkins said that his board is faced with "a very dicey decision process (because) we don't have a track record to judge (IJKG) and the track record of the existing hospital isn't good."

Hopkins said, based on the materials that IJKG has filed with the court and the HCFFA, "I felt very comfortable recommending to (the HCFFA board) that they go ahead and extend the (review) period."

Aside from agreeing to pick up close to \$19 million in hospital debt and to be responsible for employee pension obligations, Hopkins said that IJKG has submitted representations that a private garage operator would loan \$5 million in return for running the BMC garage, that a group of doctors would invest \$1.77 million, and that IJKG would ante up about \$1 million of its own funds to help tide over the hospital.