

March 30, 1986

IN NEW JERSEY; A SHOT IN THE ARM FOR A GERIATRIC CENTER

By ANTHONY DEPALMA

THE newest buildings at the John E. Runnells Hospital complex in Berkeley Heights are at least 25 years old, and some of its structures date to the turn of the century when the facility opened as the Bonnie Burn Tuberculosis Sanatorium.

It costs Union County \$1 million a month just to run the 300-bed hospital, which specializes in geriatric care. The cost of repairing and maintaining some of the old buildings has driven up the operating deficit substantially and led county officials to the conclusion that the only way to increase efficiency and cut long-term costs would be to build a new hospital.

Last December, the county's Board of Freeholders approved an unusual and controversial approach to that goal. It accepted a bid of \$13.5 million for 63 acres of the hospital's land. The money will be used to offset about two-thirds of the cost of building a new hospital on the remaining 40 acres, just north of the current buildings.

"This turned out to be a very cost-effective way for the taxpayers to meet the need for a hospital," said Robert C. Doherty, the County Manager. "No one's ever going to be 100 percent satisfied, but from my perspective and the freeholders', we believe this is a good proposal."

The only legitimate bid for the land came from the Connell Realty and Development Company of Westfield, which already owns more than 100 acres just east of the hospital site. Connell Realty is a division of the Connell Rice and Sugar Company, a rice-trading and sugar-brokerage concern that has been developing commercial properties since it constructed its own headquarters building in Westfield in 1969.

The 63-acre parcel is only a few thousand feet from Interstate 78, which runs from the Delaware River to the Holland Tunnel. It is one of the last remaining large development sites in the county, which has undergone a development surge since the announcement three years ago that the highway's missing link through the Watchung Mountains in Berkeley Heights would finally be completed this summer after nearly 20 years of delays.

Albert E. Booth 2d, vice president of Connell Realty, said feasibility studies are under way to determine the best use of the site. Proximity to the highway makes it attractive for any type of commercial development.

Connell has already undertaken the construction of two major buildings nearby. Connell Corporate Center I, a 430,000-square-foot building on 45 acres just east of the hospital, was completed in 1984 and is entirely leased to A. T. & T. Technologies.

Connell Corporate Center II, a five-story, 350,000-square-foot building with an atrium now under construction on an adjacent parcel of land, is expected to be completed by the fall. Mr. Booth said that A. T. & T. Technologies had originally signed an option to take the new building as well as the first, but terminated it last year. Rents are expected to be about \$25 a square foot.

Under the agreement with the county, Connell has already paid \$12.2 million for the hospital parcel, even though it will not take control of the land until the new hospital is built, sometime before 1990. Mr. Doherty said the county has put the money into an account and will apply the interest to the building fund.

"By the time we're ready to use the money, we'll have close to \$18 million to play with," he said. The county will sell \$9 million in bonds to cover the rest of the new facility's estimated \$27 million cost.

Mr. Booth said the contract allows the existing buildings to be razed once the new hospital is operating. But he said that the land is now zoned as open space by the municipality, and that the company's plans for the property will be determined by the response of Berkeley Heights to any rezoning. THE new hospital will contain about as many beds as the current facility, but they will be in one structure instead of several buildings. The building site is on a bluff just north of the existing complex, overlooking I-78 and abutting a residential area of Berkeley Heights.

The county first studied the possibility of replacing the existing hospital in the mid-1970's. But it did not act until last year when it updated the study and devised the novel way of paying for the replacement.

The final vote on the proposal was 5 to 4 in favor of selling the land. Opponents felt the county should not give up the property and should find another alternative.

Concerns were also raised about the increased traffic that more commercial development would bring, as well as the difficulties that would arise at the steeply sloped new building site.

Berkeley Heights officials do not favor the county's plan. "We're not at all excited about getting the hospital on that upper tract," said Theodore J. Romankow, the Mayor of Berkeley Heights. "Our main concern is that the site abuts a residential zone, which already has a serious problem with drainage."

Mr. Romankow said he also was upset with the county for keeping local residents "in the dark" about the land swap. The Mayor said he did not hear a word from county officials until six weeks ago.

"We're trying to cooperate as best we can," he said, "but it's difficult when we don't know what's going on."

According to Mayor Romankow, the county ought to have considered options other than moving the hospital to a residential area. For one, he said, a portion of the lower 63 acres sold to Connell could have been retained as a site for the new hospital. He also questioned whether the county should continue to be in the business of running what is basically a nursing home when there are private operators willing to do so.

"You know, the extra tax ratables sound real nice on paper," Mr. Romankow said. "But there are a lot of important issues that affect all the people in this town."

Mr. Doherty said that plans for the new facility are under review by the State Department of Health, which must issue a certificate of need before construction can begin. Then, he said, the plans will be submitted to various boards in Berkeley Heights for approval.