

# Developers repurposing closed hospitals

**New York Times News Service | Posted: Wednesday, March 5, 2014 12:10 am**

New Jersey has been losing hospitals for more than two decades; 26 have closed in that time, many in poor, urban neighborhoods that are left with an empty shell where a hospital once stood.

But in recent years, a few developers have purchased some of these abandoned structures, reopening them as private medical complexes that offer many of the services the hospitals once provided.

For struggling cities like Paterson, N.J., the new use removes blight from the streets, restores health care services, creates jobs and provides a tax boost when a for-profit company replaces a nonprofit institution.

Since 2008, developers in New Jersey have bought hospitals in Paterson, Jersey City, Hammonton and Trenton, converting the buildings into so-called medical malls that house an array of services like urgent care centers, doctors' offices and dialysis centers.

Critics worry that these new medical complexes are no substitute for the hospitals they've replaced and may siphon off paying patients from them. Unlike a hospital, individual providers in a private medical complex are not required to provide charity care, nor do these complexes have nonprofit missions to serve a community's health needs, although some tenants are nonprofits.

Nevertheless, these buildings are often ideal for medical uses — an emergency department can be repurposed as an urgent care center. Existing operating rooms can be used for outpatient surgical centers. And an inpatient floor is a natural fit for a subacute care facility. Added to that, the new use is certainly preferable to a deteriorating structure that contributes to urban decay.

Pull into the parking lot of Barnert Medical Arts Complex on a congested street in Paterson, and it might be mistaken for the hospital that closed in 2008. Red signs direct visitors to an urgent care center that occupies the same space that the emergency department once used. The building also houses three surgical centers, a Planned Parenthood facility and Turning Point, the drug rehabilitation facility where Dennis Rodman stayed in January.

“This was a facility that essentially was empty — the community suffered,” said state Sen. Bob Gordon, D-Bergen and Passaic counties, who recently reintroduced legislation to provide developers with a tax credit if they repurpose closed hospitals for other medical uses. The developer “was able to transform this facility into one that better matched the needs of the community.”

The developer, Community Healthcare Associates of Bloomfield, N.J., bought the building in bankruptcy court in 2008. After a \$25 million renovation, the facility now also offers a sleep center, a breast care center and a 54-bed subacute care facility that has crown molding, dark wood floors and plush waiting room furniture.