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University of Maryland Medical System buys 70 acres in Havre de Grace

Baltimore Business Journal - by Daniel J. Sernovitz Staff

The **University of Maryland Medical System** and **Upper Chesapeake Health System** have bought 70 acres of land in Havre de Grace for future hospital expansion.

The purchase price was not disclosed. The property at Level Road and Interstate 95 by Bulle Rock was sold by a group of individual property owners.

The health systems, which have a partnership in place and plan to merge in the future, are bracing for a dramatic increase in the need for medical care as thousands of workers relocate to Harford County under the Pentagon's Base Realignment and Closure plan.

An estimated 8,800 jobs are being shifted to Aberdeen Proving Ground under BRAC, and potentially twice as many defense contracting workers are expected to follow their government clients to the area.

Upper Chesapeake plans to relocate its Harford Memorial Hospital from downtown Havre de Grace to the new property but has no immediate plans to start that work.

"This is a down payment on a bright future for Harford Memorial," Mark Wasserman, senior vice president of external affairs for UMMS, said in an interview.

As the *Baltimore Business Journal* reported in November, the health systems are **planning a number of short- and long-term steps** to prepare for that BRAC influx and expects to spend about \$300 million to expand their Harford County footprint by 2017.

Upper Chesapeake is adding 16 medical and surgical beds to Harford Memorial as a short-term measure while it develops a master plan for the new property. Over time, Upper Chesapeake expects to build a 150-175-bed facility there.

The medical systems closed on their purchase Thursday and funded the acquisition through part of a \$250 million bond UMMS previously issued for land acquisition and other projects. Wasserman said one of the appeals of the property was its visibility from the heavily traveled I-95.

The former property owners previously planned to sell their land to a joint venture between MacKenzie Commercial Real Estate Services LLC of Lutherville and JDH Capital of Charlotte, N.C. The partners **planned to build** a 1.2 million-square-foot office and retail development at the site but were not able to line up the financing for that project.

MacKenzie broker Thomas L. Fidler Jr., who represented the health systems in the sale, said those plans broke off last spring due to the nationwide credit crunch. Fidler, in a telephone interview, said being able to sell the land to the health systems was a good alternative.

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