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Retirement of LNP president provides opportunity

Perhaps it is a coincidence that the announcement of the retirement of Harold "Chip" Miller as president of Lancaster Newspapers, Inc. took place one day before perhaps the most embarrassing event in the history of this great Lancaster enterprise.

What can be more humiliating to owner Steinman Enterprises than for Scott Martin, the Chairman of the County Commissioners, to find it necessary to hold a press conference to explain to the community what painful steps will be necessary to 'bail out' the Convention Center Project that the Lancaster Newspaper had both co-sponsored and so ethically compromised itself by propagandizing on its behalf and driving from office honorable former commissioners who raised legitimate questions about its feasibility.

The Steinman family and its foundations have long been the pride and mainstay of Lancaster, providing both leadership and financial support for scores of important and noble causes. What happened was anomalous to the rest of its history.

With the departure of Miller who was near seventy, we hope that a new president will be chosen from outside our region, not only to inject fresh thinking and experienced leadership in these especially challenging times for all print media, but also to make a clean break from its sorry Convention Center Project debacle.

LETTER: Comm. Scott Martin's proposal to salvage Convention Center

Bottom line: Scott Martin is proposing a "short-term", 5-year solution to the CC funding crisis that does NOT include a hotel tax increase and requires buy-in/concessions from 5 entities:

1) PDCVB: They agree to live without the 20% of the bed tax that they are currently living without and are unlikely to get back. If future tax proceeds got really good (unlikely), there might be certain triggers that would kick in and get them some money.

2) LCCCA: Reduce expenses $35K/year.

3) City: Throws in $100K annually OR guarantees some portion of the remaining debt.

4) PSP: Increases F&B royalty from 5% to 12%.

5) Well Fargo: Reduce letter of credit fee by 60 bps from 1/1/13 for the term of the agreement (presumably his 5-year agreement).

NET PROCEEDS: $1.7 million annually.

Plan assumes 1% room tax growth. Let me add that this is a conservative and attainable number. 2012 will show strong increases; however, the current increases that are being reported through June of 2012 will NOT continue on the current pace.

Overall, not the worst thing I have heard. In essence, he kicks the can down the road 5 years and holds the line on the hotel tax. There are still lots of assumptions here. I think the PDCVB and the LCCCA go along with this without issue.

While Martin acknowledges that all parties will have issues, everyone is talking and no one has left the table. I assume he thinks he can get the City on board and then PSP will be forced to relent. At that point, Wells Fargo, who was represented today, has got to decide if they want to play ball and what they will eat. Everyone knows the last thing that they want to own is the Lancaster Convention Center….

In the end, the problem here is that we built something that has no demand…period – end of story. Whatever events that are being hosted could in large part be hosted at existing facilities and those that could not, do not warrant this project. I continue to believe that there are only two options: 1) close it and support the closed facility with the existing tax and 2) bring in the slots.

If you don't ask the right question….

Randy Patterson, Director, Economic Development & Neighborhood Revitalization for the City of Lancaster, says he has spent considerable effort over the past five years seeking a use for the long vacant former Bulova building.

Hamid Zahedi and his partners during the same period of time have tried to come up with a way of making their Brunswick Hotel a viable investment, after having invested close to $9,000,000 in its acquisition, improvements and operations.

Neither has met with success and it is because both have been seeking answers to the wrong questions.

The solution to the thirty year marginality of Lancaster Square and its deplorable current status is for the Bulova building, the Brunswick and the Brunswick Annex to be razed, providing a prime downtown site for residential development. As it is, the footprints of the individual buildings per the condominium plan are not conducive to residential development.

Patterson claims that he has reached out to the Brunswick owners. Zahedi has no such recollection but would welcome a discussion.

When ***NewsLanc's*** publisher, a veteran developer of residential communities, sought an appointment with Patterson, Robert Field was advised by Chief of Staff Pat Brogan:

"Unless and until there is some indication of your willingness to invest your own funds and reputation in developing this site, I see no reason to spend valuable taxpayer-funded time in discussions of ideas that have already been explored. As Chief of Staff, I can assure you that Randy's time is very, very limited. We have placed significant demands on that time and he is expected to pursue priorities and projects that have been determined by this Administration."

Field responded:*"*…*my position as publisher of* ***NewsLanc*** *prevents me from entertaining private investments in the City of Lancaster. I am not about to make the same mistake as did the Lancaster Newspapers, Inc. with the Marriott Hotel."*

He also wrote to Patterson: *"I think it is time for you and me to start our relationship all over again and see if somehow we can be helpful in solving this long term cancer for downtown."*

The above have been excerpted from www.NewsLanc.com.

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