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Can the LCSWMA fish swallow the Harrisburg Incinerator whale?

According to 2012 financial information posted on the web site of the Lancaster County Solid Waste Management Authority web site, its earnings last year amounted to approximately \$6.5 million and net worth came to around \$145 million.

This suggests a solvent, well managed authority, one that the people of Lancaster can rely upon for the current tasks at hand.

But it is very different situation when a company with these assets and earnings endeavors to acquire another by floating bonds in an amount that approximate its current net worth and takes on annual obligations to pay finance fees, interests and debt reduction payments that might come close to last year's earning...

This is not to say that CEO James Warner may not be on to something good. There are times when a situation is so propitious that boldness is in order. However, the history of the Harrisburg incinerator has been trouble

plagued. Warner is dealing with other people's money. And his prime responsibility is to those in Lancaster County.

Indications are that (1) he has not sought professional, independent expert engineering studies to evaluate the condition of the plant and its future prospects, (2) independent expert environmental studies to weigh the legal exposures now and later of the stored ash residue, (3) nor has he sought an independent financial feasibility audit and study.

Rather he has relied on in-house studies and forecasts from a proposed plant operator who stands to collect \$21 million owed to it by the Harrisburg Authority should the deal go through. That is a lot of reason to think the acquisition is a great idea!

Boldness has its place. But not hubris, rashness, and gambling.

INTELLIGENCER JOURNAL / LANCASTER NEW ERA

News article "**Apartment plan rises in Lancaster**" reports:

"4-story, 32-unit building would be built at 151 W. Walnut St., a former brownfield site at North Prince and Walnut streets that is now a parking lot..."

"Authority board members voted to become equity investors in a \$4.8 million apartment construction project..."

"Because its risk is less, the authority would receive a 3 percent annual return and the full amount of its initial investment if the building is sold. "

WATCHDOG: What is meant by the “*risk is less*”?

We are told that instead of the usual 15% return, or the 8% the developers are confident about, that the City is only to receive a 3% annual return. If they are being given some sort of priority position, the article should so state. The business editor should have known enough to recognize the oversight.

Moreover, “\$650,000 or \$900,000” would represent most of the cash contribution in a project of \$4.8 million. Like the Marriott Hotel arrangement, the City takes most of

the risk and the sponsors get almost all of the profits.

Although we encourage downtown apartment development, we would prefer a higher priority being given to acquiring the Brunswick Hotel and Annex and the former Bulova Building and then clearing the site. Now that the Watt and Shand site has been developed, this is the most prime real estate in downtown Lancaster and would attract developers for an upscale mix use condominium and townhouse project.

LETTER: Much to be investigated if LNP chooses to do so

Re: **“Withdrawal symptoms from omitting the newspaper at breakfast”**

“LNP seems to be on a ‘crusade’ to identify themselves as the ‘local paper’, where they report on ancillary items of limited interest, or are self-serving for limited ‘power base’.

“With MAJOR issues regarding the many unsolved murders in Lancaster City, where is LNP in its ‘investigative reporting’?”

“With MAJOR issues regarding the finances surrounding the Convention Center/Hotel, where is LNP in its investigative reporting?”

“With MAJOR issues regarding the lack of mayoral candidates in the upcoming election, where is LNP in its ‘investigative reporting’?”

“With basically no new businesses starting up in downtown Lancaster since the inception of the ‘PSP brain-child’; where is LNP in its ‘investigative reporting’?”

“There is much they could be reporting on of ‘local interest’, if only they would choose to do so.”

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