

December 28, 2005

STATEMENT TO LANCASTER COUNTY COMMISSIONERS

Chairman Shellenberger, Commissioners Henderson and Shaub:

That a citizen should be the one to expose the false and crucial characterizations of essential studies pertaining to the Convention Center and Hotel Project as well as questionable significant expenditures is evidence of dysfunction due to a financial conflict of interest of the local monopoly print media in performing its mandate to seek out and report the truth.

My name is Robert Edwin Field. I have resided in Lancaster County for forty-years, and am the founder and Chairman of "The Manor Group, a family of independent companies."

The Manor Group has built, owns and manages fifteen large apartment complexes across three states. It has also built and operates five hotels outside of this area, constructed hundreds of townhouses for sale across three states, and been active in real estate development in Eastern Europe for over a decade.

My experience leads me to question the proposed Convention Center / Hotel Project. I am concerned that supporters cite the relative prosperity of suburban hotels as an indicator that the proposed downtown Marriott Hotel will be successful. More relevant is the woeful occupancy and rate history of the Hilton-Brunswick. This is evidence of the relative paucity of commercial and tourist business drawn to the center city and confirms that the suburban and downtown hotel markets are separate and very different.

My attention was further aroused by what I felt were unwarranted accusations by the monopoly print media that the County Commissioners were thwarting overwhelming public support for the Convention Center and Hotel Project by questioning the guarantee of Project bonds by the previous Board of Commissioners.

Therefore I suggested to Fox 43 TV that they sponsor a public opinion poll. Opinion Dynamics, which has done many polls for Fox News across the nation, conducted the poll. When the Lancaster newspapers either ignored the poll or neglected to report that 79% of those with opinions opposed government guarantees of Project bonds, I placed half page ads reproducing the eight questions and the results in the *Intelligencer-Journal* and *Lancaster New Era*. The funding of the poll and the ads is consistent with my long term and ongoing support of educational and public health efforts in this region and

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nationwide.

Hundred-million dollar projects are seldom undertaken by private investors and lenders without obtaining feasibility studies from specialists, and hardly ever is public money invested without arms length, third party feasibility studies. Recently I reviewed copies of the purported feasibility studies for the convention center and hotel that have often been cited by sponsors and supporters in submittals to government bodies and repeatedly referenced by the local media. As an example, I attach herewith a copy of a letter as recent as March 7, 2005, from Nevin D. Cooley, President, Penn Square General Corporation, to Ms. Patrice B. Dixon, President, School District of Lancaster, in which Mr. Cooley twice cites the HVS market study as a "feasibility study."

On December 16, 2005, I wrote to John Buckwalter, Chairman of the Board of Lancaster Newspapers, Inc, and copied to its president Harold Miller, and explained that none of the reports are feasibility studies as the sponsors and newspapers have long maintained. I provided definitions of "market study", "marketing studies" and "feasibility studies" from the The Dictionary of Real Estate Appraisal, Fourth Edition. I urged that Mr. Buckwalter "Immediately retain an MAI appraiser, preferably from outside this area, to review all the relevant studies and report on whether they are indeed Feasibility Studies."

On December 19th Mr. Buckwalter wrote in response: "Your thoughts concerning the difference between a 'marketing study' and a 'feasibility study' were interesting, but in discussion with the High organization, I am convinced that it was a feasibility study and we will stand on that." His cavalier dismissal of pivotal news is testimony to the bias of the monopoly Lancaster Newspapers when its financial and other interests in the Convention Center Project are concerned.

So I did what I urged Mr. Buckwalter to do, and I hereby deliver to you a six page detailed analysis from Mark Kenney, MAI of American Valuation Group, Inc., dated December 22, 2005, that states as follows: "In conclusion, my review of the five reports discussed above indicates that they are meant to be market or marketing studies, and neither are represented as feasibility studies nor include sufficient information or analysis required to be considered feasibility studies."

In addition, I submit a copy of an application to the Redevelopment Assistance Capital Project, Commonwealth of Pennsylvania, dated September 30, 2002, signed by then Lancaster County Convention Center Authority chairman James O. Pickard in which he states: "Please see the attached *Market and Economic Analyses for the Proposed Lancaster County Convention Center* prepared by PricewaterhouseCoopers, LLC. This report represents the results of the market and economic feasibility for the project and includes a recommended building program and utilization estimates as well as a financial and economic impact analysis." Chairman Pickard signed the document immediately below the statement: "To the best of my knowledge and belief, data in the application are

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true and correct and the submission of the application has been duly authorized by the governing body.”

In recent weeks I have been made aware of the frustration of newly appointed members of the Convention Center Authority in their endeavors to secure information concerning past and current Authority expenditures amounting to over \$17,300,000. I have been told that a member of the board has not been permitted to review invoices pertaining to millions of dollars in legal fees, but has been given to believe that the invoices were not itemized as has certainly been customary with the practice of most law firms and are usually required by government entities. A request has been filed under Pennsylvania Right To Know Law to obtain copies of invoices for \$5,500,000 in legal fees in order to verify whether itemization was provided. Just two weeks ago a scheduled Convention Center Authority meeting was cancelled by David Hixson, its executive director, on the very day it was scheduled thus preventing both members of the Authority and the public from raising important questions in a public forum.

In light of the forgoing, I am making four recommendations to the Commissioners:

- 1) I recommend that the Commissioners request that the State Attorney General and other appropriate agencies of the Commonwealth and federal government conduct a thorough investigation of the apparent misrepresentations and to inquire whether they were knowingly and willfully made to officials at the State, County, City, School Board, Convention Center Authority levels and to the public, as well as investigate possible improprieties pertaining to the expenditures of Lancaster County Convention Center Authority funds.
- 2) I urge the Commissioners recommend to the City that the demolition permit for the Watt & Shand Building be suspended due to the lack of feasibility studies, thus casting in doubt whether the Project should and will take place.
- 3) I also suggest that Commissioners recommend that a structural engineering firm be engaged to ascertain whether there are indeed structural problems that justify the premature demolition of the building in the name of public safety.
- 4) I suggest that the Commissioners call for the County, City and the Convention Center Authority to jointly commission a genuine feasibility study of the Convention Center / Hotel Project by an established, reputable national firm specializing in such matters. This will at long last provide our leadership and the public with reliable information.
And if the monopoly print media will report without bias the conclusions, it will point us in the right direction and serve to bring our community together.