

The Herald-Mail ONLINE

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Thursday July 20, 2006

Ethanol group apparently misses deadline

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CHAMBERSBURG, Pa. - The clock appeared to have run out Wednesday for Penn-Mar Ethanol's plan to purchase 55 acres in the Cumberland Valley Business Park for an ethanol plant.

At the close of business, the Letterkenny Industrial Development Authority, which runs the business park, had not received the balance of the more than \$2.2 million for the parcel, LIDA Executive Director John Van Horn said Wednesday evening.

In February 2005, LIDA announced it had reached an agreement of sale for the land with Penn-Mar Ethanol, a York, Pa.-based partnership. Penn-Mar officials said the partnership planned to build an \$80 million ethanol plant to produce approximately 60 million gallons of the fuel additive annually from 20 million bushels of corn.

"I'm disappointed we couldn't get the land sale closed," Van Horn said. "There's a lot of board members in favor of ethanol and renewable fuels."

Van Horn said the 15-member LIDA board of directors "were patient and they stood firm with this deal for a year and a half."

After a LIDA board meeting Monday, officials said the deadline for the money to be received was today, but Van Horn said "we had the attorneys review the documents" and the deadline was actually Wednesday.

On Monday, Penn-Mar Ethanol requested an extension of six months on the agreement of sale for \$30,000 and an additional six-month extension to July 2007, if necessary, for another \$30,000.

Project Manager Scott Welsh said Penn-Mar wanted additional time to close the sale to resolve legal challenges to the plant.

After going into executive session to discuss the request, the board reconvened, but no members offered a motion in support of the request, Van Horn said.

In 2005, the Greene Township Zoning Hearing Board ruled an ethanol plant would be a permitted use in an industrial zone and granted a variance on the township's 45-foot height limitation for structures associated with the plant.

A group of county residents and Citizens for a Quality Environment appealed the decision to the Court of Common Pleas in Franklin County. Judge Richard Walsh eventually ruled in favor of the residents and an environmental group that an ethanol distillery is not listed as an permitted use and that the variance should not have been granted.

Penn-Mar Ethanol appealed Walsh's ruling to Pennsylvania Commonwealth Court and the case is still pending, Welsh said Monday.

Telephone messages left with Welsh were not returned by Wednesday evening.

DeEtta Antoun, director of Citizens for a Quality Environment, said Wednesday morning she did not expect Penn-Mar Ethanol to close the deal. She could not be reached for comment Wednesday evening.

With the expiration of the agreement of sale, Van Horn said the property will be placed back on the market.

Penn-Mar paid the authority \$60,000 that was nonrefundable as part of the agreement of sale and a six-month extension

previously granted by LIDA. While it failed to come up with the balance of the more than \$2.2 million sale price for the land, Van Horn said it is conceivable Penn-Mar could make another offer on the parcel in the future.

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