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## **WSJ: Harrisburg Will Exit State Receivership.**

Judge Determines Capital City's Fiscal Emergency Is Over

Pennsylvania's capital of Harrisburg will exit state receivership on Saturday, after a judge determined the city's fiscal emergency is over following its sale of a troubled incinerator and the 40-year leasing of parking services late last year.

The latest step is a milestone for the city, which faced about \$360 million in debt largely from the incinerator project and had teetered on the edge of bankruptcy before Gov. Tom Corbett appointed a receiver under a state law for fiscally distressed municipalities.

Municipal-finance experts said the city's recovery plan, which also included concessions by public-employee unions, could serve as a model for other cities.

"They're showing the way that many, many cities" have to go, said Christopher Leinberger, chairman of the Center for Real Estate and Urban Analysis at George Washington University.

The city entered receivership in December 2011, after an attempt by City Council members to declare bankruptcy was thrown out in court. This past December, under the receiver's plan, the city completed the sale of the incinerator to a nearby waste-management authority and leased the parking system. The transactions are expected to help the city have balanced budgets for the next three years. The city received \$16 million for economic development through the bond sale for the parking transaction and will receive some parking revenue each year.

The city of 49,000, however, is hardly out of the woods. It will have to find ways to address other woes, from its aging infrastructure to high crime rate.

"By working together, we overcame extraordinary challenges to create a sound plan for Harrisburg that did not include bankruptcy or bailouts," said Mr. Corbett, a Republican, who faces re-election this year.

The incinerator project, which became mired in debt during more than a decade, has generated criticism and calls for criminal investigations. The Dauphin County district attorney has requested that the state attorney general, Kathleen Kane, investigate the project. On Wednesday, a spokesman for Ms. Kane, a Democrat, declined to confirm whether such an investigation is under way.

By KRIS MAHER CONNECT

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