

At the top of the corporate pyramid, this newspaper and River Park Square are connected by a common owner.

Cowles Publishing Co., a private corporation owned by the Cowles family, is in its fourth generation of operating this newspaper; it has a much newer affiliate, River Park Square LLC, that owns the mall.

The paper and the mall also have shared some corporate officers and legal advisers, even though they are separate operations.

Critics of the public-private partnership of River Park Square, and the newspaper's coverage of it, have said the joint ownership led to favorable treatment of the development by the newspaper's staff.

Steve Blewett, director of Eastern Washington University's journalism program, said an analysis of the stories published, looking at where they appeared in the paper, who was quoted and where those quotes appeared, indicates a "proRiver Park Square bias" in the early years of coverage.

"I think a bias crept in," Blewett said. "I don't think it was deliberate. It kind of just happens."

A story about a large new development would usually generate more favorable stories, he added. But Blewett believes the newspaper's coverage was even more favorable than one would expect - "by omission, not by commission."

"It was a complex proposal, with new things to the city, and some questions did not get pursued as aggressively as they would if (the development companies) weren't owned by Cowles Publishing," he said.

The newspaper has published more than 300 stories about the project, its controversy and the political fallout. While in some cases the paper was the first to report some controversial aspects of the mall or garage, there were other stories that were delayed or never written.

In the early years, the newspaper's editor, Chris Peck, regarded the project primarily as a business development story, not a political or government story.

"This story began as a downtown revitalization project," said Peck, who is now the editor of the Memphis (Tenn.) Commercial Appeal. "The news peg initially was: Spokane was joining the dozens of other cities around the country wrestling with the way to revitalize its urban core."

It wasn't until sometime in 1997, when the project became a major issue in the city's mayoral election, that Peck said he "began to sense the politicization of the story."

Newspaper editors refused a request by reporters in early 1997 for time to investigate the warnings of Coopers & Lybrand accountants, who told the

city the project had some potential pitfalls. Although Peck was ultimately in charge of all news decisions, other editors sometimes decided how stories were edited or where they appeared in the newspaper.

The warnings were reported in a news story about the night the council received the report and passed a key ordinance to support the renovation. But reporters who asked to investigate them further and present them in greater detail were told by Peck the issue had already been decided by the council.

In retrospect, that was a mistake, Peck said recently. But it wasn't a decision made ``with a sinister motive."

``Reports are issued by government all the time," he said. ``This newspaper tends to focus on the vote."

Some of those same editors stood on the sidelines while the developer argued that the lease being used as collateral should not be released to the public.

Later, when reporters obtained a confidential memo with details of the lease, editors refused to publish a story about it, arguing that the lease was under court seal.

No surprises

For at least two generations of publishers, the newspaper had what its editors called a ``no-surprises rule." Stories that mentioned Cowles family interests were sent to the publisher's office for review before they appeared in the paper.

That rule applied, for example, when one of the businesses announced an expansion or a donation of property, and when the late William H. Cowles 3rd, the current publisher's father, became president of the American Newspaper Publishers Association or chairman of the Spokane Area Chamber of Commerce.

``The genesis was honorable. Bill Cowles said to be above board and honest, we don't want to say something inaccurate about our own family or company, in terms of names, dates or ages," Peck said. ``Until River Park Square, the vast majority of the discussions had to do with rather mundane, minor details involving the Cowles family."

But once that project was announced, River Park Square stories became regular - sometimes daily - occurrences and so did the publisher's reviews.

Usually the stories were read by Publisher W. Stacey Cowles. In his absence, or on some details of the mall project, he deferred to Betsy Cowles, who was more familiar with the project as the head of the development companies.

The main purpose of the review was to keep any mistakes from appearing in print, Stacey Cowles said.

But sometimes stories about the mall were changed. That happened to the May 1994 story containing the first details of the renovation, when business reporter Stephanie Craft learned of the plans while covering a retail convention in Las Vegas in 1994.

Craft said the beginning of her story was changed, without her knowledge, by placing the details of the River Park Square renovation below some "vague, general" comments about malls in Spokane.

"I got crap from my other sources. They thought I had written it that way to please my boss," recalled Craft, who is now a professor of journalism at the University of Missouri.

Peck recalled recently that he received a call before Craft's story ran from River Park Square manager Bob Robideaux, who insisted the announcement was premature. As an editor, Peck said, such calls were "not uncommon" from businesses that had a project they feared could be harmed by early news accounts.

"It was appropriate to have the discussion" with any business owner, Peck said, then find a way to get the information in the newspaper without "scotching the deal."

The review also occasionally resulted in stories being rearranged or information being added.

In time, Peck, who saw most River Park Square stories before they were sent for review, began adding certain routine phrases about the project or rearranging stories to conform with past articles.

Among the wording added by Peck were statements that no tax dollars would be used to buy the garage or repay a federally guaranteed loan. While the former is technically true, the latter may not be, based on later problems with the mall's complicated payment system.

The newspaper's editorial page regularly mentioned the project in favorable terms, and its longtime business editor, the late Frank Bartel, supported it regularly in his column. Stacey Cowles once wrote a column explaining the company's reasoning behind the project. Peck once wrote a column taking then-Mayor John Talbott to task for criticizing the project and seeking further review by the U.S. Department of Housing and Urban Development.

In it, Peck accused Talbott and some of his key financial backers of "civic terrorism" for trying to derail the HUD loan guarantee for the mall renovation.

'Chilling effect'

Peck repeatedly said that no member of the Cowles family ever told him to have reporters hide or shade the truth or pull any punches about the project. But the newspaper that made its journalistic mark with in-depth series on issues including the Hanford Nuclear Reservation, neo-Nazis and salmon, didn't devote that amount of time or space to River Park Square until January 2000, after the mall was open and the garage was failing.

Peck attributed the earlier reluctance for an in-depth series to limited staff and resources - and the fact that River Park Square was a moving target, an ongoing story that had daily developments.

"The roots were so mundane that it didn't seem that this was a big-picture story," he said. "We should have been more aggressive, sooner, on the issue of explaining the financial details and the rationale for why the deal was perceived by some as good and by some as not good."

Still, the newspaper has written hundreds of stories about all aspects of River Park Square. It was the first to report the garage sale price was based on a rarely used appraisal method that used its potential for generating revenue, not construction costs or fair market value.

It was the first to report criticism that parking revenue estimates by a consultant may have been too high. It was the first to report that the same consultant apparently overestimated the average cost of parking in downtown Spokane when trying to justify an hourly rate of \$1.50.

But even before he invited some of the newspaper's toughest critics to a round-table discussion on coverage of River Park Square in 2001, Peck had persuaded the Cowles family to drop the no-surprises rule.

Craft, who teaches journalism ethics, said such rules are more common in the news media than most people realize. They pose an ethical problem, she said.

"It tempers what the reporters do and leads to unconscious self-censorship," she said. "Editors don't want to be put in the even more awkward situation of having to change (a story) to what the publisher said it should say."

Blewett agrees: "The chilling effect it has on the sense of freedom a reporter usually has is a problem."

The current editor, Steven A. Smith, believes the no-surprises rule was an unethical journalistic practice.

"Although newspaper publishers have the right of review, exercising that right in this case produced at least the appearance of a conflict of interest, if not an actual conflict," Smith said. "For that reason it was inappropriate."

Publisher W. Stacey Cowles recognized that problem, so has recused himself from all River Park Square stories and coverage decisions."

No stories about River Park Square or Cowles family interests have been reviewed before publication by the publisher or other corporate officers for years.

Including this series.

ILLUSTRATION: Photo

2 graphics:

Cowles Publishing Co.

FOCUS: The city and developer go into business together

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The following fields overflowed: KEYWORD = CITY GOVERNMENT
BUSINESS CHRONOLOGY