

An \$80 million redevelopment project planned for downtown Spokane will come before the City Council tonight for approval.

The River Park Square expansion project proposes combining public and private money to build a larger Nordstrom store, a pedestrian mall and a glass-enclosed Post Street atrium.

The shopping mall's owners also are asking the city to buy River Park Square's parking garage and close Post Street between Main and Spokane Falls Boulevard.

Supporters say the project is aimed at keeping Nordstrom from leaving town when its lease expires in 1999. River Park Square's owners want to build a new Nordstrom store at Main and Lincoln, expanding the department store's space from 98,000 to 130,000 square feet.

The public/private partnership is headed by Citizens Realty Co. and Lincoln Investments Co., affiliates of Cowles Publishing Co., which owns The Spokesman-Review.

About \$45 million in private money would be used to build space for local retailers and national chains as well as a food court and movie theater.

The project depends on three major components that must be approved by the City Council.

The city is being asked to:

Borrow about \$24 million from the U.S. Department of Housing and Urban Development to build the Nordstrom store. That money would be repaid over 20 years with lease payments from Nordstrom and surrounding property owners, including Citizens Realty.

The city already has applied for a \$3.6 million economic development grant from HUD. Grant money would be used to pay the first year's interest on the federally guaranteed loan and reduce the annual principal payments each year thereafter.

Vacate Post Street from Spokane Falls Boulevard to Main Avenue, as well as vacate the alley between Spokane Falls and Main that runs from Post to Wall.

Closing Post fits into the city's plans to replace the Post Street bridge with a bridge on Lincoln Street over the Spokane River.

Purchase the River Park Square parking garage. The \$14 million needed to buy and renovate the 750-space garage, as well as to expand it by 566 slots, would be raised through revenue bonds and paid back with parking receipts over 25 years.

In effect, the city would own the garage and lease the land beneath it from River Park Square.

Supporters of the plan say it would keep downtown Spokane from becoming an urban wasteland.

They point to a study by Real Estate Economics, a Bellevue, Wash.-based research group, that said the improvements would boost downtown retail employment by 58 percent to slightly more than 3,700 jobs by 1999. Without the project, downtown retail employment could drop as low as 878, the group projected.

But opponents describe the plan as corporate welfare, giving money to developers at the expense of taxpayers.

The City Council briefing will start tonight at 5:30 in the fifth-floor conference room at 808 W. Spokane Falls Blvd. The meeting will begin at 6 p.m. in council chambers.

Also tonight, the council is to consider:

A contract with a consulting firm to develop a city services plan.

The consultants would lead a series of discussions with residents to determine what kind of services they expect and how best to deliver them.

“It will make us more efficient, more effective, and, hopefully, save us money,” said Councilwoman Phyllis Holmes, chairwoman of the city services committee.

The amount of the contract and who would get it weren't available Friday. Holmes said the contract's cost won't be more than \$50,000.

A contract leasing a piece of Shadle Park property to the Spokane Public Library for construction of a branch library.

YES, DataTimes MEMO: This sidebar appeared with the story:
MEETING

City Council meeting will begin at 6 p.m. today in council chambers.