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## COUNCIL OKS RIVER PARK DEVELOPMENT PASSES EMERGENCY ORDINANCE TO BACK UP GARAGE FUNDING

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The Spokane City Council gave its final stamp of approval Monday to a \$100 million downtown redevelopment project.

"The majority, in my opinion, wants us to go forward," said Councilman Jeff Colliton. "It's critical to our entire community that we get it going now."

The council unanimously passed an emergency ordinance that clears the way for River Park Square's redevelopment. The project includes a new Nordstrom store, a 24-screen cinema and specialty shops and restaurants.

Proponents have lauded the project as a catalyst that will prevent further decay in the downtown core and revitalize the region. Opponents have labeled it corporate welfare.

By passing the ordinance as an emergency, the council removed the public's ability to vote on the project. An opposition group, Citizens Putting Priorities First, already has begun circulating a petition to put the issue on the ballot.

On Monday, the council said yes to pledging the city's parking meter money to pay for land rent, maintenance and operations for the shopping center's parking garage, but only if parking revenues fall short.

Two weeks ago, the council voted unanimously to allow a non-profit corporation formed by River Park Square's owners to issue revenue bonds for \$30 million to buy the center's parking garage. The garage would be given to the city in 21 years, after the bonds are paid off with parking garage revenues.

On Monday, the council voted before a capacity crowd. More than 300 people attended the meeting with 86 signing up to speak. Supporters of the project outnumbered opponents 54 to 32.

Mike Wenzell, a representative of national accounting firm Coopers and Lybrand, delivered a long-awaited report on the project's financial feasibility. The firm was hired by the city to determine whether the project would put the city at risk.

Though many aspects of the project are financially sound, Wenzell said, the garage's parking revenues could be put at risk because of parking validation programs. Free parking detracts from garage revenues, he said.

The project's success, he continued, depends on several factors which have not been determined. Those include: Nordstrom's lease, movie company AMC's lease, leases for other retailers, and commitments from banks who will loan money to the project.

The project's most high-profile opponent, Sabey Corp., owner of NorthTown Mall, was represented by its attorney. Jim Craven said twice that he does not believe the city's actions are legal because they give one developer a competitive edge over another.

The city, Craven said, "is being used as a vehicle to get tax-free bond money to the developer. That is something we don't believe is legal or fair."

Sabey Corp. representatives have said they have not ruled out a lawsuit to block the development.

Supporters asked the council to approve the project, citing everything from improved tourism to a better small-business community.

"This project is vital to the continued growth of the visitor and convention business we enjoy today," said Hartley Krueger, president of Spokane's Visitor and Convention Bureau.

Betsy Cowles, president of both companies that own River Park Square, stressed the urgency of the decision, saying if the council didn't act Monday, there would not be another chance.

"We're literally down to the last few days," she said. "The clock is ticking and time has finally run out."

River Park Square is owned by Citizens Realty Co. and Lincoln Investment Co., affiliates of Cowles Publishing Co., owner of The Spokesman-Review.