

Co., affiliates of Cowles Publishing Co., owner of The Spokesman-Review.

The garage would be part of a \$100 million redevelopment that includes a new Nordstrom store, a 24-screen cinema, and numerous shops and restaurants. The developers have said the project would die without the city's participation.

Under the proposed deal, the city would buy the garage for \$29.8 million using revenue bonds, paid off with parking fees. No tax money would be used. The city also would rent the ground the garage sits on for \$610,000 per year for 20 years. That amount would be adjusted for inflation every three years.

The garage's purchase price was determined by three appraisals, two commissioned by the city and one by the developers. The appraisals are based on the amount of money the garage would earn in the future. Eugster said determining a price that way adds up to a gift for the developers.

"No government entity can pay for more than it's worth. They can't give funds away," Eugster said. "The difference between what they pay and the market price is a gift."

Schwartz said the City Council has not decided how it will set the purchase price. Eugster "is assuming things which may or may not come true," Schwartz said.

River Park Square's current garage has been assessed at about \$2.3 million. That structure would be renovated and a seven-floor addition would be built.

The remodeled and expanded structure would be sold to the city in 1999. The cost of the renovations is estimated at \$1.4 million, while the addition would cost \$7.2 million.

Betsy Cowles, president of Citizens and Lincoln, hadn't seen Eugster's lawsuit and said she couldn't judge its impact on the redevelopment project.

"Our position is strong on all legal grounds," Cowles said. "We think we've done our homework."

** Bunker up
Bunker
- kitchen
- Dept 10ts*

*Roberta -
Process b/T
11/05 & 10/28*

*Where we are way
we got there
why we're in there*

know

*Deal in good faith - had
deal done 1977
only revenues generated by the garage
would be used to pay the rent.*

*13,717,735
17,100,700*

*According to
County assessor's records
Office assessor's records
garage at*

*55% - labor
45% = material*

\$9002/stall 750

*1973 \$6,774,000
1998 labor & material Spokane
costs*

*13,770,000 18,800,000
just hard costs, no
arch, no sales tax*

*Construction M. Mass of
\$200 mill - no value of the
existing garage, no
development profit*

*\$19.3M ->
Location - Coyote gulch
Foundation issues*

1972 2057

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