

June 5 2008

**E-56**

**From:** "Stacey Cowles" <staceyc@spokesman.com>  
**To:** <bamonte@comcast.net>  
**Subject:** Recent correspondence  
**Date:** Thursday, June 05, 2008 6:49:44 PM

I received your recent letter. I'm not going to argue legal points with you. My perhaps limited understanding is that unless Mr. Symmes or the reporter or editors knew you were not displaying "reckless disregard for the truth," the statement won't stand up as libelous.

In my view, the truth you ignore is:

- the barriers and the garage met nationally accepted building code
- the garage had a superior record of safety until the tragic accident
- the garage's owners have a superior record of safety across their business holdings
- nothing in the history of the garage would indicate that its ownership had a reckless or any other kind of disregard for human safety.

Having skimmed through your letter to the FBI, I would add the following:

- Not one engineering report mentions "life or death-threatening conditions" in the garage. That's because no one at RPS, at our company, in the City or outside, with the possible exception of Dick Atwood, considered the garage to have a safety issue.
- Not only is there no evidence of ownership's motive not to protect lives of garage customers, but there is substantial evidence of just the opposite. RPS spent significant time and money on balcony rails, higher than usual escalator railings, security personnel and cameras and garage lighting and ventilation to ensure the safety of our customers.
- There is zero evidence of any member of the Cowles family "controlling" City Hall or any of the men or women who work in it as elected officials or employees. The IRS agent you quote as an authority has no evidence. That's because no such control ever existed. Please ask anyone who worked in City Hall from the period. I don't know anyone (except the opponents!) who doesn't laugh at the mention of the idea.
- There is no evidence of Cowles family media control; this too is a populist myth used by those who need us as a bogeyman. For this to be true I or a member of my family would need to be dictating coverage plans if not reviewing and editing every story. Neither has ever been the case. Every reporter and editor we've ever employed can vouch for this. Your own citing of Jonathon Brunt's story on the Atwood report refutes this idea.
- If we endorsed Jim McDevitt, it was because he's a talented, independent-minded and capable attorney. Our relationship with him, as with all public officials, has only ever been strictly professional. We expect no favors from him; nor he from us. To treat his involvement in RPS as significant enough to sway his good judgment is truly McCarthy-esque.
- I fail to understand the parallel between RPS and Daniels; in one case there is a direct link between a fire chief's failure to use his common sense and training that possibly resulted in four fire-fighters' deaths. In the other a woman tragically, but

neglectfully crashes her car off a parking deck that owners ensured met nationally accepted building code requirements and was considered safe by 3rd parties before that instant. We did not advise the driver to test our barriers, nor did we have the obligation to tell her not to. Our obligation was to meet safety standards, which we did. Are these standards high enough? This is a different debate. Our answer is no, and we have installed a new system that will resist much higher impact.

- The name of the drafter of a letter signed by City Council members is irrelevant. What matters is the words, not whether Duane Swinton or a City attorney first typed them.
- I don't know why Bill Pupo or Nick Dragisich would recommend against City inspection of the garage, except that they may have felt it wasn't worth the time or expense. You should ask them.

The fundamental facts that are buried by the conspiracy-mongers are that the Cowles as citizens and Nordstrom's landlord felt bound by our decades of stewardship in this community to offer the City a plan to save Downtown because of its catalytic role in regional economic development. A vibrant Downtown attracts investors, entrepreneurs and technologists and makes it easier to recruit and retain businesses in our region. We intended to make a small return on our investment, plus improve chances of continued growth in our media and real estate businesses, and everyone else's. Further, we recognized that without a unique and vibrant urban core, this community would run a very high risk that industry and commerce would continue to leak out of our region.

Globally, vibrant urban cores require big name retail and entertainment. These attract and help anchor office and residential uses. Outside consultants advised us that without building volume that required an investment of \$100 million dollars or more, a retail center in Downtown would not achieve critical mass necessary for success. But we were unwilling to make this investment without City participation because of the City's frequent bouts of indifference/ignorance over Downtown's critical role in regional economic development. We were not able to spend time seeking a third party developer because Nordstrom's lease was running out. We struck a deal that neither we nor the City were very happy with; we ended up having to invest more equity than we wished and accept less reward than the market requires for the risk. The City accepted more risk than the council was comfortable with. But both sides believed the deal respected the letter and spirit of Washington State and federal law and would ultimately achieve the vibrancy we see in Downtown today. That commercial activity generates parking meter funds that are repaying the City's \$25 million bond issued in connection with the garage settlement. We defeased the HUD loan, so those funds are no longer at risk. RPS has paid \$16+ million dollars in fees and taxes to the City since it launched. More importantly, the project catalyzed more than \$3 billion (with a "b") in property improvements in Down over the past 15 years, the majority of which resulted in additional property tax for the City. So the idea that this project is a taxpayer rip-off is absurd; the public benefit exceeds public costs, just not at the rate we all had hoped for.

Our opponents have tried to reject the legitimacy of public/private partnerships, the idea that wealth should be accumulated at all, the idea that one family should be successful for multiple generations, the idea that Downtown matters, the idea that business or commerce matters, the idea that a company engaged in media should transact business with public agencies, the fact that we did not bend or break securities laws or some combination of these. Some, like Dave Sabey, then owner of North Town, had a competitive ax to grind. Others had other personal or political agendas against "the Cowles." We have prevailed



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through their attacks in court and out, because we were extremely focused on doing what was right. So, some opponents cry conspiracy. But rational people ask, if the conspiracy is so pervasive, what keeps all the conspirators from spilling the beans? Why isn't there a confidential "deep throat" source? Because the Cowles will "get you?" Name a single "whistleblower" who's ever been "gotten." Because we control all the information or the media? Give me a break. Since the advent of private telecommunications, there are more informers, sources and media right here in Spokane than even the former KGB could hope to control.

But I'll save my breath, lest my arguing against the conspiracy provide further "proof" of its existence! The beauty of our system is you are free to ask questions, draw conclusions and pursue whatever action you feel is appropriate. I appreciate the chance to let you know my thoughts.

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