

NEW ISSUE  
FULL BOOK-ENTRY

RATING:  
Standard & Poor's: BBB-

See "INVESTOR SUITABILITY" and "RATING" herein

In the opinion of Preston Gates & Ellis LLP, Seattle, Washington, Bond Counsel, the interest on the Bonds is excluded from gross income subject to federal income taxation pursuant to the Internal Revenue Code of 1986, as amended, subject to certain conditions and assumptions described herein under "TAX EXEMPTION." The Bonds are not private activity bonds. Interest on the Bonds is included in the computation of certain federal taxes on corporations.

**\$31,465,000**

**SPOKANE DOWNTOWN FOUNDATION  
PARKING REVENUE BONDS, 1998  
(RIVER PARK SQUARE PROJECT)**

**Dated: September 1, 1998**

**Due: August 1, as shown below**

The Bonds are being issued by the Spokane Downtown Foundation (the "Foundation"), a Washington nonprofit corporation, pursuant to an Indenture of Trust dated as of August 1, 1998 between the Foundation and U.S. Bank Trust National Association, as Trustee (the "Trustee"), for the purpose of acquiring certain parking facilities located in downtown Spokane, Washington (the "Parking Facility"), to fund a debt service reserve account, to capitalize interest on the Bonds and to pay costs of issuing the Bonds. See "THE PROJECT" herein. The Foundation will acquire the Parking Facility from the Developer (identified herein) and will lease the Parking Facility to the Spokane Parking Public Development Authority (the "Authority"), a Washington public corporation. The Bonds will be payable from and secured by rental payments received by the Foundation from the Authority pursuant to the Lease (defined herein). Until satisfaction by the Developer of the conditions to the Foundation's obligation to purchase the Parking Facility as described herein, certain proceeds of the Bonds will be held in the Acquisition Fund (established under the Indenture) and invested only in Investment Securities (defined herein). The Bonds are subject to redemption prior to their stated maturity dates. See "THE BONDS" herein.

The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof within a single maturity. The Bonds will be issued under a book-entry system, initially registered to Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of Bonds will be made in the principal amount of \$5,000, or integral multiples thereof within a single maturity, in book-entry form only, and purchasers will not receive certificates representing their interest in the Bonds, except as described herein.

The Trustee will act as paying agent, registrar and transfer agent. Principal of the Bonds will be payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee in St. Paul, Minnesota. Interest on the Bonds will be payable on each February 1 and August 1, commencing on February 1, 1999. See "THE BONDS" herein.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS**

\$6,900,000 5.00% Term Bonds due August 1, 2008 @ 100%

\$24,565,000 5.60% Term Bonds due August 1, 2019 @ 99.25%

THE BONDS ARE LIMITED OBLIGATIONS OF THE FOUNDATION. PAYMENT OF THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THE BONDS IS A VALID CLAIM ONLY AS AGAINST THE SPECIAL FUNDS OF THE FOUNDATION RELATING THERETO, IS NOT AN OBLIGATION OF THE STATE OF WASHINGTON, THE CITY OF SPOKANE, THE SPOKANE PARKING PUBLIC DEVELOPMENT AUTHORITY OR ANY OTHER MUNICIPAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF WASHINGTON, THE CITY OF SPOKANE, THE SPOKANE PARKING PUBLIC DEVELOPMENT AUTHORITY OR ANY MUNICIPAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Preston Gates & Ellis LLP, Seattle and Spokane, Washington, Bond Counsel, and to certain other conditions. Certain legal matters will be handled upon for the Underwriter by Foster Pepper & Shefelman PLLC, Seattle, Washington. It is expected that delivery of the Bonds will be made on or about September 24, 1998, through the facilities of DTC in New York, New York.

**Prudential Securities incorporated**

September 15, 1998.

*Appraisals described p. 25*

It is expected that opponents will continue to challenge the Commercial Project, although the timing and nature of such challenges cannot be predicted.

Other than as disclosed herein, there is no litigation of any nature now pending against the Foundation or, to the knowledge of officers of the Foundation, threatened which, if successful, would materially adversely affect the operations or financial condition of the Foundation. Other than as disclosed herein, there is no litigation now pending against the Foundation or, to the knowledge of the officers of the Foundation, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds, the Indenture or the Lease Agreement, or in any way contesting or affecting the validity of any of these documents or of any proceedings of the Foundation taken with respect to the issuance or sale of, or the pledge or application of any money or security provided for the payment of, the Bonds.

Other than as disclosed herein, there is no litigation of any nature now pending against the Authority or, to the knowledge of officers of the Authority, threatened which, if successful, would materially adversely affect the operations or financial condition of the Authority.

### CONFLICTS OF INTEREST

Some or all of the fees of the Underwriter, Underwriter's counsel and Bond Counsel are contingent upon the issuance and sale of the Bonds. None of the members or other officers of the Foundation or the Authority have interests in the issuance of the Bonds that are prohibited by law.

### RATING

As noted on the cover page of this Official Statement, Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., New York, New York ("S&P") has assigned its rating of BBB- to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the view of S&P at the time the rating was given, and the Foundation makes no representation as to the appropriateness of the rating. An explanation of the significance of the rating may be obtained only from S&P at the following address: Standard & Poor's Ratings Services, 25 Broadway, New York, New York 10004. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward, suspended or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

### THE TRUSTEE

The trustee, U.S. Bank Trust National Association, the corporate trust subsidiary of U.S. Bancorp, is headquartered in Seattle, Washington, at 601 Union Street, Suite 2120. Its national affiliates are located in Portland, Oregon; San Francisco, California; Los Angeles, California; Phoenix, Arizona; Boise, Idaho; Billings, Montana; Denver, Colorado; Salt Lake City, Utah; New York, New York; St. Paul, Minnesota; Chicago, Illinois; Detroit and Lansing, Michigan. U.S. Bancorp is a multi-state bank holding company with headquarters in Minneapolis, Minnesota. It was formed on August 1, 1997, when First Bank System, Inc. of Minneapolis acquired U.S. Bancorp of Portland, Oregon, and assumed the U.S. Bancorp name. As of June 30, 1998, the total assets of U.S. Bank Trust National Association were approximately \$112,627,000.

The obligations of the Trustee are described in the Indenture. The Trustee has undertaken only those duties and obligations that are expressly set forth in the Indenture. The Trustee has not independently