

Washington Culture Center Delayed

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WASHINGTON, July 20 — Plans for the construction of a \$738 million International Cultural and Trade Center on Pennsylvania Avenue were suspended this week when the Government agency that was to lease the building refused to sign the contract.

The agency, the General Services Administration, said the cost of office space in the building would be too high and it questioned whether the cultural and trade center would be profitable.

The 1987 legislation authorizing the building envisioned a \$356 million center, but the Pennsylvania Avenue Development Corporation, which has jurisdiction over development along the avenue, chose a more expensive project by James Ingo Freed of the New York firm of Pei Cobb Freed & Partners.

The complex, on which work was to begin in September, was to provide office space for a number of Federal agencies, with 500,000 square feet reserved for a center that was to foster international trade and cultural exchanges.

The General Services Administration was to sign a 30-year lease, which would be used as collateral for financing construction of the building.

The rejection of the contract, said Robert C. MacKichan, the G.S.A.'s general counsel, was based on the cost of the Federal office space and the projected profitability of the cultural and trade center.

Officials Meet

"We projected we would have to charge our Federal tenants \$60 a square foot," he said, "and the authorizing legislation provides that the culture and trade center should be self-sufficient two years after occupancy. Our studies of the materials provided us led us to believe that they would be losing \$18 to \$20 million annually."

Richard G. Austin, the administrator of the G.S.A., met with Richard A. Hauser, chairman of the Pennsylvania Avenue Development Corporation and Harry McPherson, vice chairman of the cultural and trade center, Mr. MacKichan said. "We indicated

to them that we will consider any new options or alternatives for the building," he said.

Representative Douglas H. Bosco, Democrat of California, chairman of the House subcommittee on public buildings and grounds, said today, "I think at the very least the building has to come down in cost, by \$100 million, and there has to be a much

firmer dollars-and-cents projection for the cultural and trade component."

"I think the gap has to be bridged between the vision for the building and the hard currency for it," Mr. Bosco added. "For a long time, this whole concept has been on automatic pilot and Dick Austin doesn't want to be in the cockpit when it crashes."