

Council OKs scaled-back subsidy plan

Program lets some forgo taxes for eight to 12 years

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French

The Spokane City Council scaled back a proposal to extend tax subsidies to build apartments and condominiums in Peaceful Valley after several nearby residents said the plan would hurt the character of the historic neighborhood.

Officials have been tweaking the multifamily tax exemption program for several months. Under the program, apartments and condos in approved areas can forgo paying taxes on new construction for eight or 12 years – depending if low-income housing is involved in the project.

City staff had recommended removing from the program a strip of land that includes property north of Riverside Avenue and most of the bluff into Peaceful Valley.

Earlier this month, Councilman Al French sponsored an amendment to maintain the exemption program along the strip and to extend the boundary farther into Peaceful Valley.

Some Peaceful Valley residents criticized French because he has been working as an architect for a townhouse project that would be eligible for the tax breaks if the expansion was approved.

After strongly criticizing The Spokesman-Review for a headline that appeared last week and for what he described as long-time inaccuracies about him, French recused himself Monday from voting on the expansion proposal.

French said he worked with the city legal department and determined that he was ethically and legally sound when he proposed the amendment. He noted that change effected many properties other than the property he's been involved with.

"I have not tried to hide that relationship," French said.

Last week, a story about the issue ran with the headline "French admits conflict of interest." Later the newspaper ran a correction noting that the headline was inaccurate because he had disclosed a potential conflict of interest.

But French said the correction was barely noticeable compared to the headline that ran across the top of the Spokesman's Voices section. "Obviously, you guys are not going to print the truth, so I have to come out and defend myself," French said after the meeting, adding that his reputation had been damaged.

Councilman Bob Apple proposed removing the strip of land, including the expansion. His amendment was approved with support from council members Brad Stark, Rob Crow and Mary Verner and Council President Joe Shogan.

Crow said he generally supported the concept but that it needs more study before approval.

The council later, however, restored the original strip of land without the proposed expansion. Council members French, Rob Crow, Brad Stark and Nancy McLaughlin supported the amendment.

Steve Faust, executive director of Friends of the Falls, said a plan for the Spokane River gorge calls for the bluffs leading to the river to remain free of "large-scale development."

"If you don't take their tax dollars, you're going to take more from me," Faust said. "This is not good public policy."

The finalized multifamily tax exemption program was adopted on a 6-1 vote. Apple voted no.