

SAVE PORTLAND BUILDINGS

“OLD BUILDINGS MATTER”

Workmen Temple Building - 1892 - 2017



THE BUILDING OWNERS

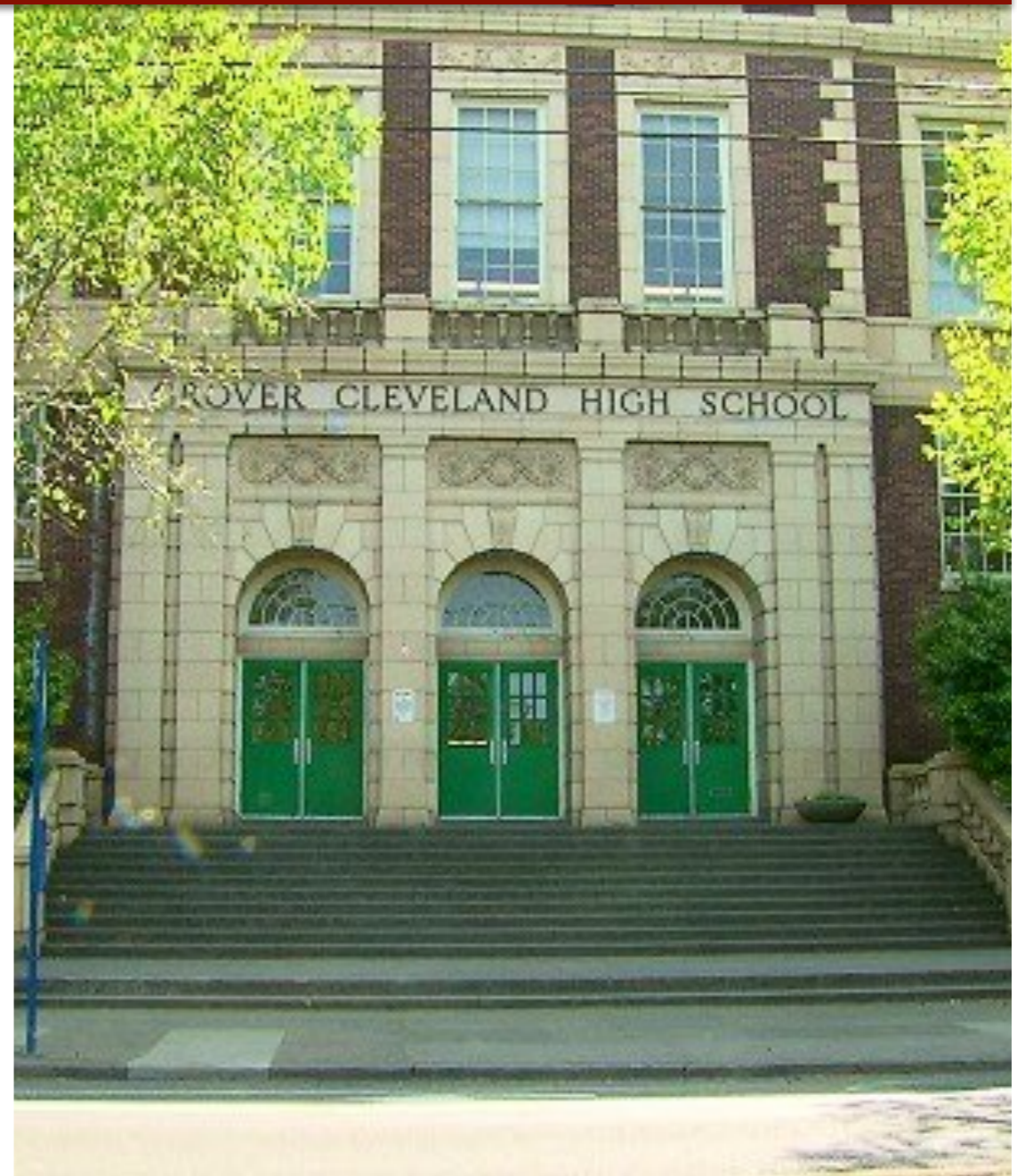
Who Are We?

- We're your neighbors
- We love our buildings
- We're not developers
- We love Portland
- We're not wealthy



SHARED GOALS

- Prioritize Critical Buildings
- Prioritize Schools
- Prioritize Public Housing
- Protect Affordable Rent
- Protect Small Businesses
- Protect Historic Landscape



THE BUILDINGS

- 1,415 Commercial
- 81% Are 1-2 Story
- No Plan for displacement
- Offer Affordable Rent
- Low Revenue
- Roofs are patched because owners can't afford a new one today or tomorrow.



THE BUILDINGS

- 248 Residential Buildings
- 7,000 Apartment Units
- 1,800 low income
(City Financed)
- No Plan for displacement
- Relocation Fees x 7,000



What is the cost for Step 2?

Estimated cost to reinforce parapet is
\$350.00 per lineal foot

Morlee Court Apartments
36 studios
3 floors

480 LF of parapet with cornice
Step 2 Cost = \$174,000
COST per LF = \$362.50

Kida Building
9,000 square ft.
1 floor

380 LF of parapet
Step 2 Cost = \$129,960
COST per LF = \$342.00

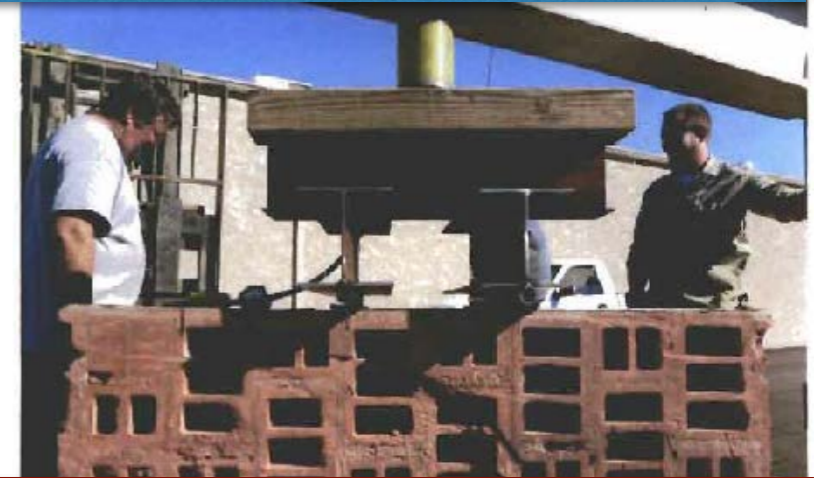


ASCE - 41 EVALUATIONS ARE EXPENSIVE AND INVASIVE



Cut into walls to measure thickness

ASCE-41 is not necessary for Step 2



Measure strength of wall section



Core drill foundation for specimens to test

Costs increase for testing



In Situ shear strength of wall element

COSTS

Challenges for Steps 3 and 4

Morlee Court

Temple Structural Engineering

- **Step 3** - \$20 /sq ft - **\$278,000**
- **Step 4** - \$46 / sq ft - **\$957,000**

Does not include engineering, loss of rental income, tenant relocation or no fault eviction fees.

- Buildings must be vacated
- Lead and Asbestos hazard
- Loss of affordable housing
- Loss of businesses and employment



FINANCIAL IMPACT ON APARTMENTS

7 Buildings

210 units

15-55 units per building

2-5 stories

\$1,040 average rent

Net income after expenses and debt service

\$935 per unit per year

Typical “Bricker”

25 units

50 x 100 footprint

300 LF of parapet

\$105,000 step 2 cost ($\350×300 LF)

\$23,375 annual net income ($25 \times \$935$)

4.5 years of NO income to pay for Step 2

WHAT DO THE EXPERTS SAY?

“Nonstructural failures generally account for the majority of earthquake damage ... nonstructural elements such as unanchored stone veneers, cornices, parapets, chimneys and gable ends may dislodge and fall to the ground.”

U.S. Dept. of Interior, The Seismic Rehabilitation
of Historic Buildings, April, 2016

“The trend in benefit-cost ratio vs. URM Class indicates retrofits to lower performance levels generally have higher benefit-cost ratios than higher cost retrofits with higher performance levels.”

Goettel, Benefit-Cost Analysis of the Proposed Seismic
Retrofit Ordinance, City of Portland, November 23, 2016

FINANCIAL TOOLS

SB-311

- Not encoded - State level
- Drip Drip Drip
- No Upfront Benefit
- Exempts NNN Commercial
- Exempts Non-Profits
- Inequitable - Location



FINANCIAL TOOLS

CPACE - Property Fit

- Mortgager has to agree to be 2nd position on the building.
- Exempts Non-Profits
- \$500K Loan = \$40K a year in payments
- Debt Service \$978K for term
- Expense liability for a sale



FINANCIAL TOOLS

FAR Transfers

- Historic Buildings only
- Central City only
- Buildings zoned at low heights -
No FAR to sell

Tax Credits and Grants

- Historic Buildings only
- For Schools
- Competitive



HARDSHIPS FOR PRIVATE OWNED BUILDINGS

- Inability to finance
- Buildings are leveraged
- Banks are not lending
- Buildings have lost value
- No funding
- We cannot sell



LOGISTICS

Who? How?

- 1,640 Buildings
- Step 1 = 5.23 per week
- Step 2 = 3.28 per week
- Step 3 = 6.20 per week
- Supply and Demand
- No oversight of Seismic Contractors - City or State



“Sorry, We’re not working on small buildings”

“If I make an exception, I’ll have to charge 3x more”

Business Districts

Our Main Streets

- Loss of Main Streets
- Loss of Affordable Rent
- Small Businesses Close
- Job Loss
- SB-311 Exempts NNN



PORTLAND

Costs

- Affordable Rent
- Displaced Residents
- Displaced Businesses
- Bankruptcies
- Demolitions
- Historical Landscape

