Update of URM Seismic Retrofit Requirements
PROJECT DESCRIPTION*

Masonry buildings include some of the City's most historically significant structures, structures that define the character and culture of our neighborhoods and business districts. Unfortunately, unreinforced masonry buildings (URM) also pose considerable risk to the life and safety of the general public and building occupants in the event of an earthquake. Not to mention the resulting economic impact caused by business interruption, snarled transit systems and shuttered buildings.

Further, the City's existing URM retrofit requirements (codified in Title 24.85, established in 1995 and amended in 2004) have been inadequate in addressing the problem. Since its implementation in 1995, only **15 percent of the URM building stock has been upgraded**. This pace of retrofits would have to quadruple to meet the goal of the Oregon Resiliency Plan to improve vulnerable buildings within 50 years.

The Portland City Council seeks to **reduce the risk** posed by this portion of the City's building stock, and to do so in a way that is **sensitive to the financial impact building retrofits will have on building owners** – both public and private. To this end, City Council has directed staff to conduct best practices research into how other cities have addressed this problem and to return to Council in the summer of 2016 with policy recommendations including proposed code changes and incentive program(s) to support implementation.

The guiding principles for the development of the URM retrofit recommendations are:

1. Protect the life and safety of the general public and building occupants.
2. Support Portland's disaster and economic resiliency.
3. Preserve public and private investment in the City's infrastructure.
4. **Lessen the financial impact and incent quick execution by building owners.**
5. Preserve the historical nature of URM structures, to the greatest degree possible and practical.

To assist in this effort, the City has assembled three advisory committees to provide expert input and guidance in the development of the staff recommendations – a **Retrofit Standards Committee**, to provide input on code change recommendations; an **Incentive Committee**, to provide input on a suite of incentive programs to encourage action on the part of building owners; and a **Policy Committee** that will act as the public body to gather public input on the final recommendations.

** City of Portland - Bureau of Emergency Management. December, 2014*

BOMA Oregon realizes that ultimately owners are responsible for the earthquake performance of their building. However, there are multiple barriers to implementation of the URM Seismic Retrofit Project that must be addressed.

BOMA has identified the following BARRIERS TO IMPLEMENTATION

Cost

- Cost will vary depending on whether a building is **occupied** or **empty**:
- **Empty:** There is a window of opportunity for building owner to comply with URM ordinance.
- **Occupied:** Relocating tenants, this will result in lost rent revenues; cost of the seismic upgrade, and the cost of moving the tenants back to the building
- Depending on URM Class, the cost per square foot for a standard upgrade is between $20 and $70.
- What is the cost of doing nothing? Damage to infrastructure? Impact on economy?

Demolition

- If building owner does not have the financial resources to upgrade their building, is demolition an option? If owner cannot upgrade their building, and demolition is not an option, what happens to the building?
- Can the City of Portland prohibit an owner from demolishing their building?
- Will special interest groups (i.e. Restore Oregon) be able to stall a demolition with a 120-day review? Then what?

FAR Bonus

- If owner has any FAR bonuses remaining, will owner get these back with new project or are they gone forever?

Historic Buildings

- How to reduce hazards while maintaining the historical, cultural and economic value they bring to the City. City must develop innovative mitigation methods, including funding and incentives to preserve historically significant buildings
- Congressman Blumenauer has introduced legislation to broaden the use of tax credits to help preserve more historic buildings. His proposal will increase the eligibility of historic buildings that qualify. Legislation will increase tax credit from 20% to 30% for projects valued less than $2.5 million.

Insurance

- Does Unsafe = Uninsurable?

Other Building Types

- If this ordinance is passed, we have serious concerns that the City of Portland will expand on the types of buildings that will be required to comply. Those could include **soft-story** and **non-ductile concrete buildings.**

Tenant Notification

- What if tenant wants to be let-out of lease? Owner has two choices: allow or fight. There will be a significant cost regardless of the decision. Who should pay that cost?
- If the city has intervened in the contract between an owner and a tenant --
- Placards: Building owner will be required to have a placard on the building with a safety rating
- What requires an owner to notify tenants regarding the safety of the building? (24.85? ASCE 41?)
- Will notification be written into city rule or can the owner write their own notification?
- Seismic report must be made available to tenants.

Zoning

- If building is demolished, are non-conforming uses applied in the replacement structure?
- Non-conforming use triggers?

The City of Seattle has a program of combining modernization with retrofits. FEMA's Incremental Seismic Rehabilitation (ISR). BOMA Oregon strongly encourages the City of Portland to --

We are encouraged by the Seismic Retrofit Committee Recommendations outlined in their December 9, 2015 Final Report, however, **there is no guarantee that these will be accepted by the Portland City Council**. Their recommendations included:

- Financial assistance tools that provide adequate access to capital/reduce the cost of retrofit
- Non-financial tools including exempt seismic retrofit projects from triggering other building updates and add water and storm water to the list of exempted upgrades
- Floor-Area-Ratio (FAR) URM Retrofit density bonus
- Expedited permit review process

CONCLUSION

The URM Seismic Retrofit Project is scheduled to go to the Portland City Council in the summer of 2016