



SB 311 Seismic Retrofit Property Tax Exemption

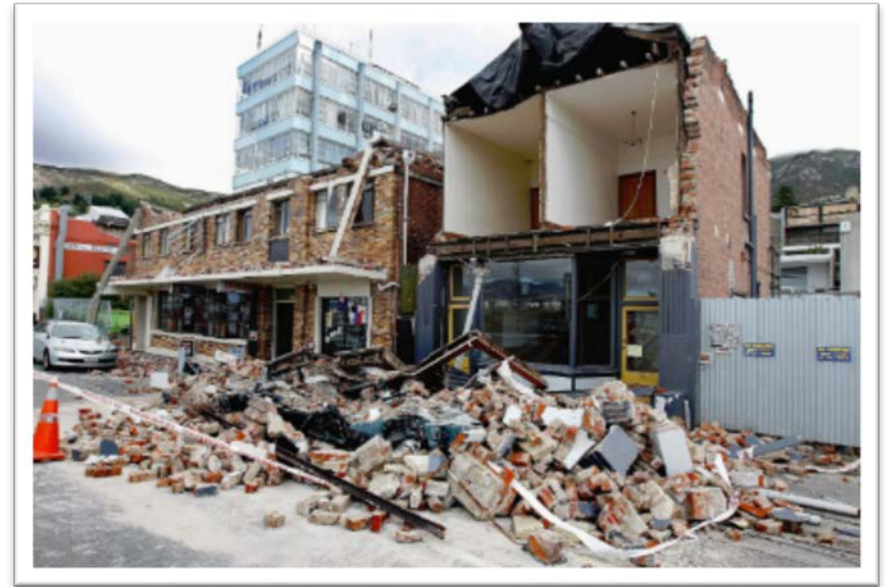
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Testimony to House Committee on Revenue: May 10, 2017**

Oregon Earthquake Risk

- 22% chance of magnitude 9.0 earthquake in next 50 years.
- 37% chance in next 50 years for southern portion.
- Many other active faults across the state.

Earthquake Damage: Buildings

- State Building Code did not address major seismic risks until 1993.
- Loss of life is overwhelming concern in older buildings.
- Widespread displacement of residents and businesses also cripple recovery.



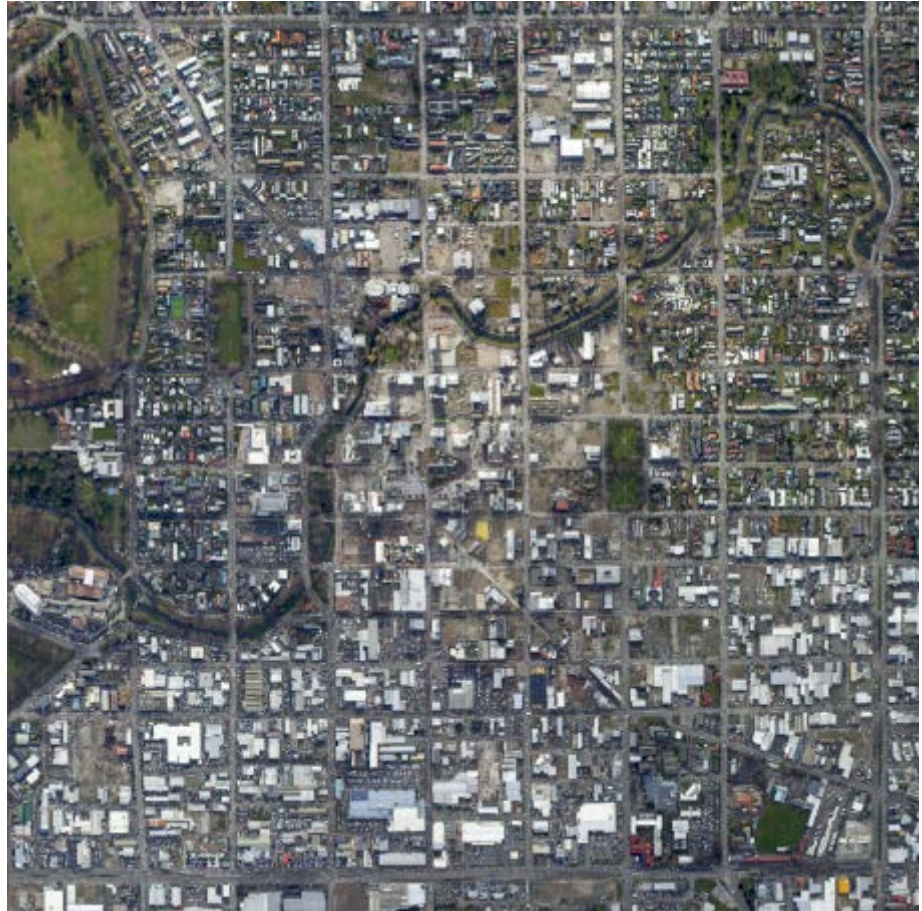
Vulnerable Buildings



- Soft-story.
- Unreinforced masonry (URM).
- Non-ductile concrete.



Christchurch – Before & After



Retrofits Work



- Save lives and dollars.
- Costly (\$25–\$70/SF) to perform.
- Often hard to finance.

SB 311 Eligible Costs & Standards

- Seismic retrofit plan must:
 - Be stamped by registered engineer or architect.
 - Meet national standards, or locally established standards.
- Eligible costs: structural retrofitting, engineering, design.
- Ineligible costs: remodeling, relocation, abatement of hazardous materials.

Example: Ace Hotel

38,536 SF downtown hotel | constructed in 1912

Real market value \$18,541,730

2016 property taxes \$99,948

\$16,441 for land - \$83,507 for improvements

Current value of 15-year
limited exemption: \$1.1M

\$30/SF towards retrofit.



Example: Lucretia Court

27,146 SF apartments | constructed in 1910

Real market value \$4,278,290

2016 property taxes \$35,543

\$5,263 land - \$30,280 improvements.

Current value of 15-year
limited exemption: \$420,782

\$16/SF towards retrofit.



Local Control & Accountability

- Accepted national standards for retrofit.
- Requirement to demonstrate progress and complete project.
- Requirement to report and deduct other incentives.
- Clawback provisions.
- Optional for cities and counties, with agreement from local jurisdictions representing 75% of property tax base.
- Local programs can prioritize highest risk buildings.

Thank You

