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In case of earthquake or fire...

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In case of earthquake or fire . . . .

A little over 150 years ago, the City of Portland got its start on the west bank of the Willamette River. Fire and flood destroyed that first generation of wood frame buildings along Front Avenue. A second-generation of brick buildings were built, and a fairly complete grouping of these 19th-century brick buildings were standing as late as 1940. A limited collection still stands—living testimony to the early architecture of our great city.

Those older buildings are partly still there because of efforts by their owners to maintain them by renovation into modern uses. And many of those owners were assisted in that effort by local and federal financial assistance for rehabilitation. Can we expect that these buildings will still be standing before our great grandchildren?

I wouldn't be too sure.

Probably all of those buildings have at least minimal protection against the possibility of damage by fire. But only a few are protected against the possibility of earthquake damage. Others will be threatened by economic or functional obsolescence. And these historic structures are not the only historic buildings of interest in the City, only the oldest.

If all of these worthy historic landmarks are listed, the result would be many pages long. In fact, the list already includes more than '... 400 individually listed National Register properties and 1,300 'contributing properties' in Historic Districts ...' This is more historic buildings than can possibly be protected by the limited public resources of the City, State and Federal governments. And more are added each year. Since 1996, an average of 12 individual resources have been added to the National Register each year, and an average of 115 'contributing resources' added over the same time period.

In the context of limited resources, it makes little sense to continue to add to the list of buildings in need of protection, without attention to the lack of resources to protect them. Rather, we should establish priorities among the historic buildings in the city, and then marshal the resources needed to assure protection for those clearly important Portland Landmarks. Find those structures we really want to protect, and then act immediately and vigorously to protect them.

So how do we do this?

First, we need a list of the worthiest 50 historic buildings and structures still in use in Portland\(^1\). The City of Portland should lead this effort, with funds from the City's general fund, and contributions of time and expertise from citizens and volunteers.

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\(^1\) The City of Portland already has lists of historic structures. See Inventory of Historic Resources. But not all valuable historic structures are on that list. Further, there is no attempt to establish priorities among those structures.
The effort should be completed and published in 6 months, and the cost should be capped at $10,000. This list should be updated when required through a routine process by staff of the Historic Landmarks Commission. Each building on this high priority list should be categorized by ownership, age, life safety or seismic rating, Federal or local registration, and value of the resource. All encumbrances on the title of the building due to commitments made to local, state or federal agencies for the building’s preservation should be noted. Buildings need not be registered nationally or locally to be on this list.

But the priority list is only the beginning. Then the Landmarks Commission and the staff should begin vigorous efforts to protect those high priority historic structures using any and all tools and funds available. Each of the 50 structures should be analyzed as to life safety and seismic protections needed and the cost of these protections.

For privately-owned historic structures, negotiations with the owners should begin with a discussion of plans the owner might have for the future of the building. If the owner wishes to protect the structure, the City should lay out the tools available for protection. Preliminary cost estimates of the protection should be made. The City and the owner should work together on the structure in an attempt to work out the manner of protection. Any and all existing tax incentives should be explored. The City should look for new kinds of tax incentives. Programs of direct low interest loans or grants of tax-increment funds should be searched. In short, once a structure is on the list of top priority historic buildings, the City should work aggressively to find ways to provide the kind of protection needed to assure our descendants that the structure is not endangered.

For publicly-owned historic structures, essentially the same process should be followed. Negotiations with the City or other public body would commence immediately. An array of protection possibilities should be considered. The kind of protection needed should be determined. The cost of that protection should be estimated.

Each year the Landmarks Commission will use this information to develop a 5-year proposed capital improvements budget which will be recommended to the Mayor’s Office as part of the annual budget process of the City. This process does not assure that there will be funds for setting into place any of the recommended protections for the priority public buildings, but it permits an annual review of the priority needs, and offers an official process for financial requests.

It should be noted that this process has already been used (with minor modifications) to seismically protect City Hall and a few other public buildings under threat of closure for seismic safety reasons. (And the School Board has been systematically improving the seismic safety of schools).

Finally, we need to find a way to add financial resources to the effort. Whether the priority historic structures are privately-owned or public, this will be our most vexing problem.
Some general parameters of the solution:

It is highly likely that no single solution to all financial problems will be found—that each individual 'deal' will have to be forged from the circumstances surrounding that particular 'deal.'

The cost of the rehabilitation or protection of historic structures will rarely be covered by the increased returns from the protected building. Some subsidy will nearly always be needed.

The subsidy can only rarely come from direct Federal or State grants to the project.

The subsidy cannot come from direct City grants to the project.

See Ernie Munch memo below.

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**Current Federal Tax Incentives for Historic Preservation**

**Easements and other property interests:** Income and estate tax deduction for charitable contributions of partial interests in historic property. [IRS Code Section 170(h) and Dept of Treasury Regs. Section 1.170A-14]

**Rehabilitation of Historic structures:** 20% (and 10%) tax credits for the rehabilitation of certified historic structures. [IRS Code Section 47 (formerly Section 48G and Tax Reform Act of 1986 (PL 99-514)]

**Low-Income Housing:** Investment tax credits for acquisition, construction or rehabilitation of low-income housing. [IRS Code Section 42 and Tax Reform Act of 1986.

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**Notes from Ernie Munch**

Ernie:

I have finally read through your piece on historic structures. Thank you. I have the following comments.

1. We should start from what people think are the top 25-50 buildings, not from a list of "registered buildings". Why? Not all of the great buildings are registered. Before
Jerry Bidwell bought the old bank of Cal, it was not listed on the national register. It was scheduled to be torn down. I doubt that the 1st Congregational Church is on the register. This is part of the problem—we are dealing with a list not with the great buildings. This list of top buildings cannot be created from the list of "registered buildings" We should not include buildings because they are threatened, but because they are the best.

2. Buildings on the list should be identified, (name, date, address, architect, briefly the reason for greatness, etc.), the threats listed (ownership, seismic, fire, lack of maintenance, etc.) and severity rated 1-5. Have members of a committee individually list downtown buildings in order, then compare the lists to form one list. Have neighborhood associations nominate buildings for the list outside the downtown.

3. The key here is investment and discrimination. Some buildings cannot be saved if a seismic upgrade is required. If those buildings are exempted from the seismic upgrade their preservation and safety is not assured. We need to have the resources to do the seismic upgrade. As any resources that we can gather will always be limited, we must be selective. We must identify the best and do everything we can to save them.

4. Where does the money come from? a) Set up a parallel fund that governments can contribute to. b) Set up a fund that people and corporations can give to. (Would keeping the two funds separate help us save some religions structures?) c) hook the fund into a revenue stream...$10/demolition permit. Require people who are allowed to tear down lesser landmarks pay into the fund for the privilege, d) Sell development rights over historic structures to other locations.

5. Float some bonds.

6. Work you way down the list and be rigorous about doing the best first.

7. After an investment is made and a building secured, obtain a historic easement inside and/or out. Apply a no tear-down rule if appropriate.

Next step? How about getting this down in your program and sitting down with Homer and Jerry Bidwell?

Thanks for getting me going.

Ernie