



Unreinforced Masonry Policy Committee Meeting

Meeting Summary

City of Seattle, Department of Planning and Development

Seattle Municipal Tower, Room 1610, 700 5th Avenue, Seattle, WA 98104

Thursday, August 23, 2012 – 8:30 a.m. to 10:00 a.m.

Attendance

Committee Members

- | | |
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| <input type="checkbox"/> Lynda Carey, Bellwether Housing | <input type="checkbox"/> Suzie Burke |
| <input type="checkbox"/> Mark Huppert, Preservation Green Lab | <input type="checkbox"/> Tom Corcoran |
| <input type="checkbox"/> Paul Mar, SCID Preservation and Development Authority | <input type="checkbox"/> Alan Findlay |
| <input type="checkbox"/> Terry Lundeen, Coughlin Porter Lundeen | <input type="checkbox"/> Larry Hurlbert |
| <input type="checkbox"/> Sean Martin, Rental Housing Association | <input type="checkbox"/> Jan Hotson |
| <input type="checkbox"/> Steve Moddemeyer, Collins Woerman | <input type="checkbox"/> Barrett Johnston |
| <input type="checkbox"/> Mark Pierepiekarz, MRP Engineering | <input type="checkbox"/> Mike Mariano |
| <input type="checkbox"/> Michale Robinson, A.I.D. Development Group | <input type="checkbox"/> Mac Martin |
| <input type="checkbox"/> Ryan Smith, Martin Smith Inc | <input type="checkbox"/> Nancy Palmer |
| <input type="checkbox"/> Craig Weaver, USGS | <input type="checkbox"/> Jon Repp |
| <input type="checkbox"/> Eugenia Woo, Historic Seattle | <input type="checkbox"/> David Sova |
| | <input type="checkbox"/> Bill Steele |

Staff

- Landon Bosisio, EnviroIssues
- Sandy Howard, DPD
- Jon Siu, DPD
- Angie Thomson, Facilitator, EnviroIssues
- Maureen Traxler, DPD

Public

- Kathleen Albro

Welcome and Introductions

Angie Thomson, EnviroIssues, welcomed meeting attendees and reviewed the meeting's agenda on incentives for URM owners. Angie reviewed the action items from the last meeting, noting that Sandy Howard, DPD, will be meeting with the City's Law Department next week to review the committee's recommended financing options. Committee members are invited to discuss financing options with the organizations they represent and bring back any new information to the next committee meeting. DPD is also in contact with the Fire Department to discuss occupant loads for fire safety, per the previous committee meeting.

Sandy presented to the group the revised data detailing the number of URM buildings in each risk category. Medium-risk buildings comprise 84% of the overall total. High-risk buildings represent 10%; critical-risk buildings make up the remainder.

Overview of Incentives

Sandy presented a list of potential incentives for URM building owners based on earlier discussions and DPD's research into policies in other states. Most are non-financial incentives. Sandy explained that DPD has three main objectives for the incentives:

- Garner early participation in the retrofit program
- Encourage owners to retrofit their buildings beyond the Bolts Plus standard to further protect occupants and the building itself
- Generate a positive image for the retrofit program

Sandy reviewed several of the incentives, and noted that co-benefits would involve taking advantage of retrofit upgrades to the building's structure to implement other improvements, such as increasing the energy efficiency of the building. Sandy described the outreach incentives, noting that DPD will be conducting a pilot outreach program in a URM-dense neighborhood to educate the community about the policy. Other outreach incentives on the list included technical resources for owners, such as best management practices, workshops, and case studies. Another incentive could be publishing the list of buildings that have completed a seismic retrofit. Sandy also posed the idea of a temporary space for businesses or residents to occupy while a building is undergoing a retrofit.

Other jurisdictions incentivized URM building owners by waiving zoning requirements. Beverly Hills, for example, allowed URM buildings to keep their current parking conditions. Michale Robinson, A.I.D. Development Group, asked who would subsidize the waived parking. Sandy explained that land use code amendments would be necessary to waive or reduce the parking requirements. Suzie Burke, Fremont Dock Company, suggested the City find a way to waive the ADA requirement in the building code as well.

Discussion of Incentives

Angie noted that the goal for the discussion was to develop a subset of incentives as part of the committee's overall policy recommendations. Paul Mar, SCID Preservation and Development Authority, noted that many URM buildings are historic and would therefore need to go through a Section 106 review for any retrofits. He suggested the State provide an expedited Section 106 review as an incentive. Steve Moddemeyer, Collins Woerman, posed the idea of frontloading any funding to encourage owners to get involved early in the retrofit process. He also asked the group what incentives could make neighborhoods and the City more resilient as a whole. Angie asked the group to identify the key objectives of the incentives. She restated Steve's suggestion that one objective should be to preserve neighborhood character by encouraging owners to go beyond Bolts Plus and saving URM buildings. Terry Lundeen, Coughlin Porter Lundeen, said that an objective of the incentives should be to build support

for the policy in order to pass the retrofit policy in the first place. Mark Huppert, Preservation Green Labs, added that since the retrofit program is a public policy, fairness should be a key objective.

Lynda Carey, Bellwether Housing, said if the URM policy wants to produce a positive image, it should start by creating trust with property owners. Most URM buildings are not up to code, from the height of hand rails to the buildings' smoke control system. She suggested the policy decouple itself from DPD's building inspection procedure in the case of a retrofit. Other committee members agreed and said property owners should only be concerned about retrofitting their building for seismic safety.

Michale asked what is the trigger for a substantial alteration. Terry answered that his company has done many seismic retrofits and that it is rare for a Bolts-Plus retrofit to trigger a substantial alteration under the current code. Suzie added that, in her opinion, it should be the owner's decision whether to tear their building down or conduct a seismic retrofit. Bill Steele, University of Washington, reminded the group that the primary goal of the URM policy is to save lives. Retrofits will improve life safety during a repeat of the Nisqually earthquake, but may not fare as well during a Seattle fault earthquake event.

Angie summarized the objectives of the incentives, and asked the group to identify approaches to meet each of the objectives. The objectives are:

- Make the policy easy for property owners to use
- Encourage retrofits beyond the Bolts Plus standard
- Build support for the retrofit policy
- Encourage early participation in the program

Ease of use

David Sova, Capital Solutions, said he would appreciate if DPD quickened their review of retrofit projects. Paul stated that it would be helpful for owners to have the resources necessary to implement the policy. Eugenia Woo, Historic Seattle, added that predictability and consistency across the project's review is important. Steve suggested a "concierge" approach, such as a DPD staff member who is dedicated to facilitating the permit process for each project. This would allow the owner to easily navigate the retrofit process, similar to the way DPD helps deep green or affordable housing projects.

Suzie said a huge incentive for URM building owners hinges on the City's excise tax. Many buildings in Fremont and Ballard were originally built as a warehouse. She asked that the policy assist buildings designated as historic as it can be difficult to keep the same use in a historic structure over time. Eugenia countered that most historically designated buildings only have that label for their exterior. Since the interior of the building is not designated as historic, their use is usually flexible. Mark Huppert said one of the challenges his organization faces is how to avoid the perpetual cycle of review and approval for historic buildings. He suggested creating an incentive of expedited review for historic landmark buildings. Terry asked if the review process for these buildings could be streamlined so they do not have to go in front of their neighborhood's historic preservation board. Paul noted that DPD, the Office of Housing, the Office of Economic Development, and the Department of Neighborhoods will all need to coordinate on the review of historic URM buildings.

Beyond Bolts Plus

Lynda said she has a preliminary idea of what the Bolts Plus standard would cost her during a retrofit. Suzie said this is a sunk cost because owners cannot immediately raise rents. Mark Huppert recommended the City conduct an analysis of policy's economic impact to the private sector. Craig Weaver, USGS, noted that any analysis needs to show the benefit of added life safety.

Jan Hotson, URM building owner, asked if the committee or DPD has talked to insurance agents and earthquake underwriters, as earthquake premiums are very expensive. Angie responded that going beyond the Bolts Plus standard could potentially lower insurance premiums, as long as the building's Probable Maximum Loss (PML) is decreased. Michale added that there are several case studies in other states of owners having their insurance costs reduced as a result of a seismic retrofit. Mark Pierepiekarz, MRP Engineering, said insurance costs may be lessened, but ultimately it will be a market issue.

Lynda suggested researching the easy-to-implement financing options for owners. Mark Huppert noted that several financing options will need state legislative action, so the policy will need to be coordinated with those efforts. Steve said one obvious benefit of the policy is that buildings that undergo a seismic retrofit are more likely to make a quick recovery in the case of an earthquake and therefore minimize any revenue losses.

Mark Huppert said the policy makes him think of all the buildings that are currently underutilized but have vast economic potential if they undergo a significant alteration. He asked if the committee could produce an incentive for these kind of buildings to go well beyond the technical standard and be retrofitted for eventual occupation. Craig summarized that the incentive should encourage a change of use. Steve stated that a zoning change could enhance the value of a property by creating opportunities that were not there before. Barrett Johnston, Cadence Capital, suggested a rebate program to incentivize going beyond Bolts Plus. Lynda compared the idea to the City's current partnership with Community Power Works, which promotes energy efficiency. A similar partnership could help convince owners to retrofit their building to an increased safety standard.

Early participation

Mark Huppert recommended zoning incentives, such as waiving parking requirements. "Sunsetting" these kind of incentives would encourage early participation. Lynda agreed and said a defined expiration date on the incentive would help. She added that waiving permit fees for a limited timeframe would also catch the attention of building owners. The group discussed other incentives, such as a temporary change of use that would allow tenants to comfortably occupy the building during a retrofit. The committee agreed that multi-family buildings face a unique challenge as relocation for tenants could be a prohibitive cost. It was suggested the City explore waiving Tenant Relocation Assistance Ordinance (TRAO) fees. Eugenia asked if tenants can stay in a building during a retrofit. Ryan answered that it depends on a case-by-case basis, but the retrofit is typically much more expensive in an occupied space unless the wall elements are exposed.

Mark Huppert reiterated the need for DPD review guidelines, so that inspectors are aware of what they have authority to review and enforce. Lynda agreed and said that each project’s “conciierge” or liaison should let the reviewer know what they are specifically looking for. Owners should also be informed what will be reviewed. Paul asked for a clear definition, perhaps from structural engineers, of what exactly Bolts Plus calls for so owners can easily understand what it will take to go beyond the standard. A tool that shows what the standard will mean for buildings would also be helpful. Mark Huppert added that it would be helpful to know the cost relationship of Bolts Plus and its benefits, as well as an understanding of what a building’s PML is and its correlation to potential loans.

Build support

Jon Siu, DPD, reminded the group of previous discussion regarding a phased approach where DPD would issue a master permit that allows building owners to complete retrofits on a staggered basis depending on when tenants move. Eugenia suggested drafting a client-assistance memo that outlines an easy-to-understand framework for the retrofit policy and making it available online. Ryan Smith, Martin Smith Inc, added that as an owner, it would be helpful to have a clear definition of what he needs to do. Steve noted that some owners have their own favorite contractors and proposed that DPD put together a reference list of contractors and engineers experienced in retrofit work. Mark Huppert said that industry associations could play a part in creating such a list and would help build a coalition to get the policy passed.

Ryan stated that incentives should also address how to encourage owners to apply for a seismic retrofit as early as possible. Mark Huppert said stakeholders and industry associations will need to be well informed about the policy. The group discussed conducting one-on-one outreach with owners to ensure they are well aware of what the policy means to them. Sandy said DPD staff will be talking to historic preservation groups, among others, to inform them of the policy in the coming months.

Wrap Up and Next Steps

Steve noted that as owners continue to learn of the policy and the committee’s work, it will be important for them to be initiated into the significance of the policy and why it is necessary. The committee has worked through a variety of complex issues and owners need to be made aware of how the committee has arrived at its recommendations. Mark Huppert agreed and added that any economic analysis needs to include the life safety impact of a potential earthquake event.

The committee recommended the following incentives to achieve key policy objectives:

URM Incentives	
Objective	Incentive in practice
Ease of use for property owners	<ul style="list-style-type: none"> • Reviewer/inspector guidelines • Contractor reference list • Predictable and timely permit process

	<ul style="list-style-type: none"> • DPD liaison and dedicated staff for each project • Master permit for phased work • Expedited historic landmark or Section 106 review • Decouple seismic work from other renovation requirements • Clear definition of the policy and technical standard (Client Assistance Memo)
Beyond Bolts Plus	<ul style="list-style-type: none"> • Reduce insurance costs • Potential future revenue • Enhance value to property through incentive zoning changes • Partnership/rebate program (ex: Community Power Works)
Policy enactment	<ul style="list-style-type: none"> • Economic impact analysis • Clear definition of policy's scope, cost, and life safety benefits • Comprehensive information for industry and trades association • Education and outreach campaign
Early participation	<ul style="list-style-type: none"> • Expiration date on incentives • Waive permitting fees

At the next meeting, the committee will revisit the incentives discussion and begin a discussion on policy enforcement.

Action Items for DPD:

- Discuss the subcommittee's funding options list with the City's Law Department.
- Conduct an analysis on the economic impact of the policy on private sector URM building owners that includes life safety benefits.
- Provide a visual educational tool or materials on the definition of Bolts Plus and its requirements for URM buildings.

Angie thanked everyone for their attendees and participation. The next URM policy committee meeting will take place on September 27th from 8:30am – 10:00am, in SMT 4050.