

Dear Mayor Hales and Commissioners,

This is a further follow up to my brief testimony in front of the City Council on November 19, 2015, and my subsequent letter to the Portland Planning and Sustainability Commission dated November 23, 2015, which is attached. At the time of my testimony, the proposed Comprehensive Plan contemplated rezoning the above captioned properties on SW Main Street to R2 from R5. After numerous meetings and discussions with stakeholders in the Goose Hollow Neighborhood, including property owners, neighbors, tenants, the neighborhood association and Friends of Goose Hollow, it became apparent that virtually no one was in favor of the proposed change in zoning to R2. I think people realized that R2 zoning would have a negative impact on these handsome and now well-maintained former residences and on the surrounding neighborhood. In addition, it would cause serious financial hardship to the property owners. I think it is important to recognize that these structures were saved from demolition in the early 1970s because of a decision by the City Council to allow revocable permits for professional office use provided there would be no change in the external appearance and residential character of the buildings. That decision made it feasible for me and the other property owners to convert the buildings to professional office use at that time, subject to the terms of the revocable permits.

I am glad there now has been a realization of the benefits of retaining the R5 zone when compared to the potential negatives of the proposed R2 zone. In my opinion, thoughtful preservation of important historic areas and structures within the City is not only good for the surrounding neighborhood, but it also plays an important role in retaining the history and character of the City as a whole.

I would like to call to your attention the critical link between preservation of these former residences and the ability to rent them for

discreet office use. It was the rental income from office use that saved them from demolition in the 1970s, and it is that ongoing rental income that continues to preserve these buildings now. It is my understanding that the issue of the revocable permits for office use will not be addressed until after the Comprehensive Plan has been finalized. I think you should be aware that the revocable permits have created some difficulties for the owners and tenants of these buildings. Because of the tenuous nature of the permits, the owners haven't been able to assure renters of continuing occupancy. This has been a worry and has created uncertainty for both the land lords and the tenants. Also, I have heard that the revocable permits have at times caused problems for the City. To help eliminate these problems, I would urge that you give careful consideration to replacing the revocable permits in this case by creating a special R5 zone on the South half of our block that will allow discreet office use to run with the property, rather than the owner.

Thank you for considering my comments and suggestion.

Respectfully,
Phil Brown

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November 23, 2015

Portland Planning and Sustainability Commission
Comprehensive Plan Update
1900 SW 4th Avenue, Suite 7100
Portland, OR 97201

Re: Proposed Comprehensive Plan Map Change

To Whom It May Concern:

This is a follow up to my testimony before the City Council on November 19, 2015.

My wife and I own the former residences at 2187 and 2177 SW Main Street. These former residences were converted to office buildings in 1972 at a time when they were terribly rundown and vacant. The two residential structures next door, 2165 and 2153 SW Main Street, had been in a similar deteriorating state when they were acquired by new owners a year or two prior to our purchase. Revocable permits, allowing office use of these four buildings, were issued by the City at that time. The buildings were renovated and converted to office space and have been rented as professional offices ever since - over 40 years. The ability to turn these former residences into viable income producing properties made it possible to save these buildings that otherwise very likely would have been demolished, as happened to many fine old homes in the area in the late 1960's and early 1970's. Our understanding is that, due to the proposed Comprehensive Plan changes, the revocable permits will cease, and that the present R5 zone will be changed to R2, which we understand does not allow office use. It appears that these buildings may have to revert to single family residences, unless the existing non-conforming office use will be "grandfathered."

The possible loss of the permitted office use is a huge financial threat to the building owners and their tenants, and we also think it is a significant threat to this historical neighborhood. If the use of these buildings as offices were to cease, all of our tenants would be required to vacate. This would result in a row of four vacant office buildings. Our well-established professional tenants who have served individuals, families, and small businesses in the surrounding area for more than 40 years will be gone. It is unlikely that they would be able to find comparable office space in the same area and at the same reasonable rental rates because virtually none is available.

A condition of the revocable permits is that the residential appearance and character of the buildings cannot be altered. Therefore, many people who pass by do not realize that these buildings are used for offices rather than single family residences. The buildings and grounds are well maintained and there are parking spaces behind the buildings, out of sight.

The cost of converting these office buildings to residential use would not be financially feasible for the owners. The two office buildings that my wife and I own have combined usable space of 13,500 sq. ft. I obtained an estimate recently from a reputable contractor who does quality remodeling of old residences. His estimate for converting these buildings was \$120 to \$150 per sq. ft., which translate to \$1.6 to \$2.0 million for our two buildings. At first blush that seems very high until you consider that these structures no longer have kitchens, full bathrooms, dining rooms, laundry rooms and many other features that they once had or would be required in a nice home today. The walls would have to be stripped to the studs and rearranged in order to recreate living spaces that existed over 40 years ago. In addition, the parking areas in back would have to be removed in order to replace the garages and landscaping that once existed.

Lisa Joerin, who manages the buildings at 2153 and 2165, and I met recently with representatives of the Goose Hollow Foothills League, Friends of Goose Hollow, and Joan Frederiksen, at the City Planning Bureau. We also met separately with the president of Friends of Goose Hollow and a planner who is on the board of the Goose Hollow Foothills League. Everyone agreed that we share common goals and that the revised Comprehensive Plan should allow for the following:

- Retention of these four structures on Main St.
- Retention of the residential appearance and character of these structures.
- If the non-conforming office use is not grandfathered, retention of the office use by some other means.

We believe that the members of the City Council appreciate the multiple benefits of preserving these fine old structures that are an integral part of this historic neighborhood, and recognize that the objectives of the stakeholders in this matter coincide with the objectives described in the Comprehensive Plan. We think it may be possible for them and the experts at the City to craft a solution in line with the desires of the major stakeholders, even if it requires inserting a special exception due to these unique circumstances.

Thank you for considering this matter. I am happy to provide any additional information that you feel would be helpful. Also, I have attached a small street map showing the location of our block and some recent photographs of the houses in question, as well as nearby houses on Main Street.

Respectfully,



Philip F. Brown

Enclosures

c: Lisa Joerin
Simpson & Company, PC
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Rhododendron House, Ltd

