

City of Kingsport
Building Division
Fiscal Year 2016-2017

J. Dee Morgan, Building Official



Building codes have existed for over four thousand years. From early Babylonia through the height of the Roman Empire to the present day, the basic purpose and need of the code has remained the same:

- Protect lives by reducing potential hazards.
- Lower construction costs by creating uniformity.
- Create standards to establish predictability and consistent minimum standards.
- Contribute to the wellbeing of the community by preserving life and maintaining property values over time.

These four principles are our mission and we are dedicated to upholding them and serving the citizens of Kingsport.

STAFF

J Dee Morgan, Building Official

Keith Bruner, Master Building Inspector

Chris Ferrell, Senior Electrical Inspector

Joel Spencer, Building Inspector II

Kristen Hodgson, Secretary

This report summarizes activity in the City of Kingsport Building Division for fiscal year 2017. Permits issued are broken down into categories of residential or commercial, new construction or renovations and additions.

The following compares building permit activity for the past two fiscal years by category:

	Fiscal Year 2015-2016		Fiscal Year 2016-2017	
<u>RESIDENTIAL PERMITS</u>	<u>COUNT</u>	<u>COST</u>	<u>COUNT</u>	<u>COST</u>
Accessory Structures	148	\$1,927,085	131	\$2,405,905
Additions	40	\$1,348,183	29	\$1,318,100
Alterations	86	\$1,817,302	83	\$2,512,836
New Duplex			4	\$480,000
New Group Home				
New Multi-Family	9	\$10,570,367	26	\$16,287,941
New Single-Family	86	\$21,971,075	86	\$20,659,760
Roof Residential	72	\$511,993	59	\$332,965
TOTAL RESIDENTIAL	441	\$38,146,005	418	\$43,997,507
<u>COMMERCIAL PERMITS</u>				
Additions	7	\$1,007,063	8	\$2,116,000
Alterations	68	\$22,124,464	60	\$22,900,384
Church Renovations	5	\$5,521,531	1	\$22,000
School Renovations	1	\$537,186	1	\$1,355,976
New Industrial	1	\$1,403,848	3	\$14,149,962
New Hospital/Institution/Nursing Home			2	\$15,453,761
New Jail/Post Office/Barn	1	\$335,600	1	\$414,450
New Professional/Medical/Bank	3	\$7,927,597	3	\$4,391,689
New School/Library/Museum			1	\$2,598,000
New Restaurant/Retail/Mall	6	\$4,427,000	1	\$55,000
New Service Station			1	\$125,000
New Social/Recreational	1	\$199,999	2	\$1,250,300
New Other Non-Housekeeping Shelter	5	\$757,577	5	\$728,225
Grading	12	\$2,570,440	3	\$1,443,721
Foundation Only	28	\$1,177,445	13	\$3,226,501
Roof Commercial	22	\$810,272	21	\$934,956
Communication Tower	5	\$123,843	7	\$277,484
TOTAL COMMERCIAL	165	\$48,923,865	133	\$71,443,409
<u>OTHER NON-VALUATION PERMITS</u>				
Advertising Banners	3		5	
Events Tents	14		19	
Demolitions	26		12	
Move Structures			0	
Signage	66		91	
TOTAL ALL PERMITS	715	\$87,069,870	678	\$115,440,916

PERMITS

Historically, the construction industry experiences peaks and valleys. Because of this, year-to-year comparisons often capture an inadequate picture of activity. A more common and statistically reliable method is comparative analysis of 5 or 10 years. For example, 606 building permits were issued during fiscal year 2016: 441 for residential projects and 165 for commercial. Comparatively, during fiscal year 2017, 418 residential permits were issued and 133 for commercial projects. A year-to-year comparison would indicate building activity had slightly declined, however, a broader outlook indicates permit activity falls within the norm.

Fiscal Year	Residential	Commercial
2013	487	145
2014	438	162
2015	1190	177
2016	441	165
2017	418	133

Meanwhile, the total estimated construction cost for all building permits was \$115,440,916; a 33% increase from the previous year's \$87,069,870. As with the total number of permits issued, the construction value varies year to year. Fiscal year 2014 was a record-setting year, mainly due to the construction of the Eastman Corporate Business Center. Looking over the past five years, the City is experiencing steady growth in the construction industry.

Fiscal Year	Construction Cost
2013	\$61,991,466
2014	\$128,262,084
2015	\$82,349,242
2016	\$87,069,870
2017	\$115,440,916

NEW RESIDENTIAL

The most significant growth in residential building occurred in multi-family housing. During the fiscal year, 27 buildings encompassing 361 apartment units were permitted with a total estimated construction value of \$16,287,941. The majority, 22 buildings and 265 units valued at \$12,013,941 were for the Villas at Riverbend. The Retreat at Meadowview permitted 3 buildings with 72 units for \$3,029,000; and Bloomingdale Terrace Apartments added 2 new buildings providing 12 units each for a total cost of \$1,245,000.

Four duplexes were permitted on Rock Springs Rd, each unit valued at \$120,000.

Single-family housing permits demonstrate how well new housing starts have stabilized after the devastating housing and financial crisis of 2008.

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Single-Family	79	77	87	86	86	86
Total Cost	\$12,610,778	\$13,465,718	\$17,538,806	\$20,676,220	\$21,971,075	\$20,659,760
Average Cost	\$159,630	\$174,879	\$201,595	\$240,422	\$255,478	\$240,230

The majority of new single-family homes, 24, were permitted in the Edinburgh development in Rock Springs. Ten were built in Polo Fields on the other end of Rock Springs Rd, 7 were permitted in Riverwatch, 4 in Rose Gardens Estates, and 3 in Old Island. The remaining 38 were mostly infill in existing subdivisions. Slightly skewing the average cost per home were 3 small cottages permitted on Mellon St, each with 832 square feet and a construction cost between \$80,000 and \$89,000. There were also investments made in community development, with Holston Habitat for Humanity building two new homes in Highland and the Appalachian Service Project building one.

NEW COMMERCIAL

Nineteen permits were issued for new commercial projects with a total estimated construction cost of \$39,166,387. The largest project permitted was an industrial building within Eastman Chemical Company valued at \$13.7 million. Eastman permitted a total of three new industrial buildings, with the two smaller buildings valued at \$375,000 and \$93,065.

Medical professional office space increased by two buildings, Associated Orthopaedics on W Ravine Rd and Kingsport Podiatry on N John B Dennis Hwy. Large investments were made in senior living communities, with the Blake at Kingsport permitted at \$12 million; and a new facility at Asbury Place under construction for \$3.5 million.

The top five new commercial permits were:

1750 Lincoln St	Eastman Chemical Company	\$13,368,897
3308 Fort Henry Dr	The Blake	\$12,000,000
430 W Ravine Rd	Associated Orthopaedics	\$3,566,689
200 Netherland Ln	Asbury Place	\$3,453,761
305 W Main St	RCAM	\$2,598,000

DOWNTOWN DEVELOPMENT

The redevelopment and revitalization of downtown Kingsport is an important economic indicator for our city. During the past fiscal year downtown growth occurred with investments in professional offices, public amenities, and small businesses. The children's department of the library was renovated for \$195,000 and a carving studio was added to the carousel for \$80,000. Other significant permits include Vida Hot Yoga on E Center St for \$75,000 and \$1 million for a medical office on Broad St. Altogether, eight permits were issued valued at \$1,561,573.

ADDITIONS AND ALTERATIONS

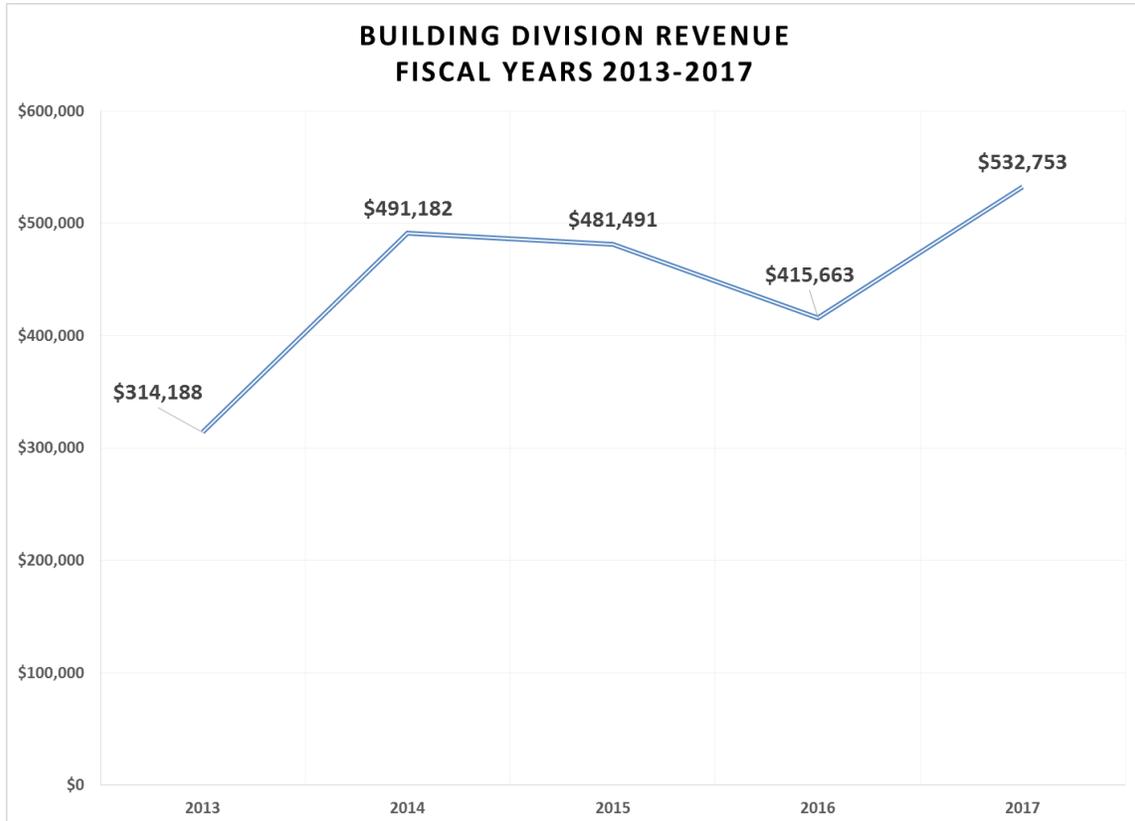
This category contains all types of remodeling, additions, and structural changes. A total of 182 permits were issued with an estimated construction cost of \$30,225,296. Residential projects account for 112 permits valued at \$3,830,936, while 70 permits were issued for commercial projects with an estimated construction cost of \$26,394,360.

The five largest commercial renovation permits were:

10388 Airport Pkwy	LeClerc Foods	\$5,300,000
1901 Meadowview Pkwy	Meadowview Conference Center	\$2,711,000
1113 Konnarock Rd	Water Services Operations	\$1,593,370
100 Netherland Ln	Asbury Place	\$1,500,000
400 Clinchfield St Suite 220	DB Excel	\$1,355,976

REVENUE

The 2467 permits issued in Fiscal Year 2017 generated \$532,753 in revenue, including \$20,023 in plans review fees. Compared to the previous year's total of \$415,663 for 2267 permits, revenue increased by 28%. Most of the increase can be attributed to permits for multi-family housing.

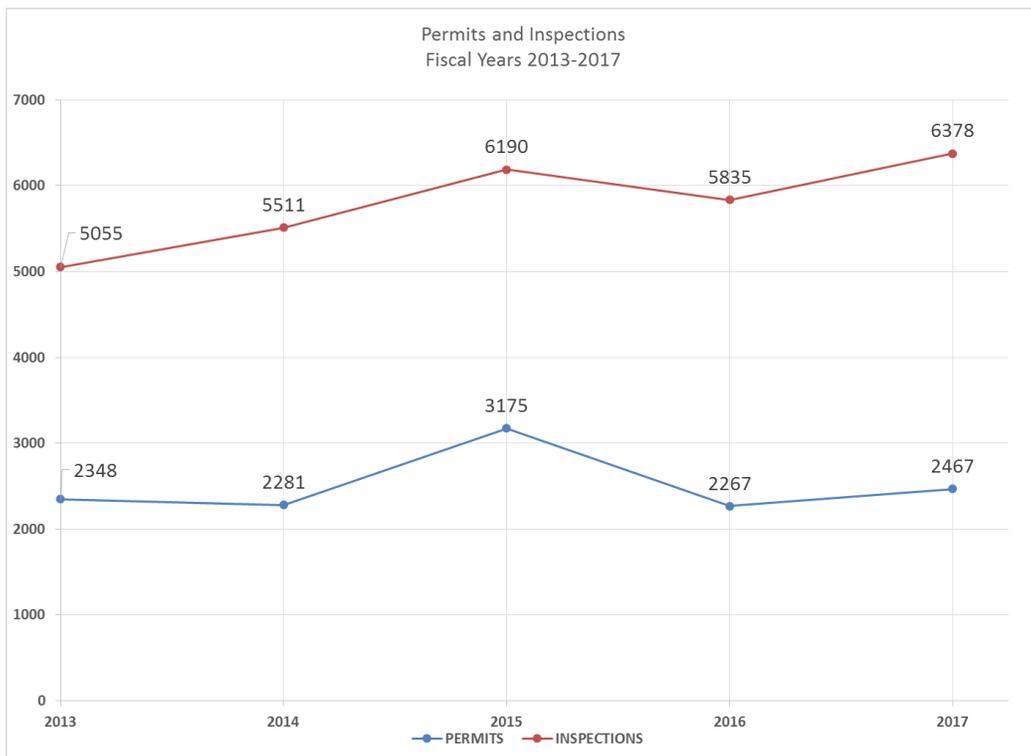


Building permit and plans review fees are based on the estimated construction cost of a project. Electrical and plumbing permit fees are calculated according to the number of fixtures installed. Mechanical permit fees are a combination of total job cost and equipment.

INSPECTIONS

The Building Division performed 6378 on-site construction inspections this year, an increase of 543. Construction inspections relate to issued permits and do not include the inspectors' assistance to various City departments, advice calls, complaints, and general citizen requests. Depending on the type of inspection, scope of the work, and the size and location of the project, a single inspection may take from 15 minutes to 2 hours to complete.

The following chart compares permits and inspections over the past five years.



SUBSTANDARD DWELLING ABATEMENT

The Building Division is dedicated to improving our community through substandard housing abatement. Suspect properties are identified through the cooperative efforts of inspectors, other city departments, and citizen complaints. Once a property has been targeted as dilapidated, the department works with property owners to ensure the property is brought into code compliance for the safety of the neighborhood and

citizens. While rehabilitation is the preferred outcome for such blighted properties, demolition is often the most cost effective means to remove the danger and nuisance of such properties. The Building Official conducts code hearings on an as-needed basis, ruling whether a property may be rehabilitated or razed. If the owner does not comply with an order to bring the property into code compliance or raze the structure, as a last resort the Building Official can have the structure demolished. A lien is then placed against the property to recoup the cost of demolition.

The process for substandard housing abatement, from identifying the property to successful rehabilitation or demolition, is necessarily lengthy. Due diligence must be given to protect the property owner's rights and only after exhausting all other means of communication and cooperation is a structure razed by the city.

During the past fiscal year, five properties were demolished by order of the Building Official. To combat the increasing amount of abandoned or dilapidated dwellings within the city, the department is dedicated to code enforcement to ensure the safety and livability of our community.

FISCAL YEAR 2018

Anticipated projects for Fiscal Year 2018 include a luxury four-story, 263 unit apartment building with ground level retail at the Town Park Lofts at W Sullivan Street and Clearview Behavioral Center on Executive Park. Construction activity at the Blake on Fort Henry Dr is just getting underway with many subcontractor permits yet to be issued.