

2014 Annual Report



City of Kingsport

Building Division



Building Division Staff

Dee Morgan, Building Official

Keith Bruner, Master Building Inspector

Chris Ferrell, Senior Electrical Inspector

Michael Duncan, Inspector II

Joel Spencer, Inspector II

Kristen Hodgson, Secretary

The Kingsport Building Division issues an annual report at the end of each of calendar and fiscal year to summarize the department's activities regarding permitting, inspections, and substandard housing abatement. The report is also a useful tool in tracking and analyzing changes in the construction industry over time.

When comparing annual totals over time, it is important to note any statistical outliers that can have extreme effects on averages. There are two notable events to keep in mind when reviewing this report. First, in 2013, the largest permit in the city's history was issued for Eastman's Corporate Business Center, the cornerstone of their Project Inspire initiative. With an estimated construction cost of over \$74 million, this permit alone accounted for 40% of department revenues for the year. Second, in July of 2014, the city experienced severe thunderstorms with record size hail and a tornado in the Rock Springs area. While the high winds and tornado did cause property damage in that community, the most significant impact in permits occurred in the Ridgefields community, specifically the hail damage that led to a noteworthy increase in roofing permits. More permits were issued for residential roofs in 2014 than building permits in all categories combined in 2013. Therefore, when making year-to-year comparisons, there is a dramatic drop in revenue from the previous year coupled with a dramatic rise in the number of permits issued.

This report includes a review of all permits issued, a breakdown of new housing starts, a summary of inspections completed, a comparative revenue analysis, and a discussion on code enforcement activities regarding dilapidated dwellings. Spreadsheets and charts are included to provide a visual representation of the data.

PERMITS

A grand total of 3070 permits were reviewed, processed, and issued in 2014; compared to 2373 in 2013. By category, there were 1,264 building permits, 664 electric permits, 528 mechanical permits, 489 plumbing permits, and 125 miscellaneous permits. Miscellaneous permits include advertising banners, signs, and event tents.

Building permits are issued for all new construction, additions and alternations to existing structures, and the installation of accessory structures such as carports and storage sheds. The valuation of the permits is based on the estimated construction cost, not the market value of the property upon completion of construction. A total of 1,264 building permits were issued with a total construction value of \$79,964,532. In 2013, 660 building permits were issued valued at \$138,934,313. These totals clearly show the impact of Project Inspire in 2013 and the hailstorm of 2014 on permitting the past two years.

An Excel spreadsheet is attached comparing building permits issued the past two years by category.

REVENUE

The annual revenue for the building division was \$446,542. Permit fees account for \$436,797, while plans review fees totaled \$9,745. Compared to the previous year's total of \$552,496, revenue decreased 19%, by \$105,954. It is important to note however, that the permit fee for the Eastman building the previous year was \$186,141.

A chart is included detailing department revenue over the past 5 years. With the exception of 2013, revenue for 2014 has surpassed that of previous years.

NEW COMMERCIAL

Sixteen permits were issued for new commercial development. The largest was for the new ball fields, valued at \$3,699,500. Eastman built three new industrial buildings with a combined construction value of \$1,595,612. Four new professional office buildings were permitted, the largest being the new E-911 building on Unicoi St., valued at \$1,920,700. Lamar Advertising permitted a new office space on Gateway Park Ct for \$1,200,000.

A spreadsheet is attached listing the top 10 new construction permits and the top 10 renovation and addition permits.

NEW RESIDENTIAL

New housing starts are indicative of the growth and stability of an area. A total of 91 permits were issued for new single-family dwellings, compared to 92 issued in 2013. However, the total construction cost increased from \$16,738,977 to \$19,800,148. The average construction cost to build a new home increased nearly 20%, from \$181,945 to \$217,584.

Once again, the most active residential development was the Edinburgh in Rock Springs with 18 new housing starts. Cooks Valley experienced growth with 11 new homes permitted in Anchor Point and 8 permitted in Autumn Woods. Eastern Eight continued their development of Harmony Ridge, permitting five new homes. Holston Habitat for Humanity built two new homes, one in Lynn Garden and one in Highland.

In addition to single-family houses, multi-family housing also saw growth in 2015. Three new buildings were permitted in Breckenridge with 10 apartments each. A new building with 16 units was permitted on Arch Street.

A spreadsheet is attached that breaks down new housing starts by subdivision as well as construction cost.

ADDITIONS/ALTERATIONS

This category contains all types of renovations, additions, and structural changes. A total of 111 residential permits were issued valued at \$3,363,840 compared to the 114 permits valued at \$2,418,087 in 2013. Seventy-four commercial permits were issued valued at \$18,414,986, compared to 98 permits valued at \$13,382,389 the previous year.

ACCESSORY STRUCTURES

Accessory structures include carports, decks, garages, patios, porches, pools, and utility sheds. A total of 152 permits valued at \$2,427,484 were issued in 2014, compared to 181 permits valued at \$1,565,347 in 2013.

ROOF PERMITS

All reroofing projects require a permit. Due to the storm in July, residential roof permits increased significantly. A total of 738 permits were issued valued at \$7,250,991. In 2013, there were 94 permits issued valued at \$750,565.

MISCELLANEOUS PERMITS

Various permits are required that fall into a subcategory under building permits issued. Among these are permits to demolish or move a structure, permanent signage, and temporary advertising banners and event tents. Twenty-five demolition permits and one move structure permit were issued. There were 8 permits for advertising banners, 15 for event tents, and 102 sign permits.

INSPECTIONS

Inspectors performed 6031 on-site construction inspections, an increase of 503 from the previous year. Factors influencing the increase in inspection activity were the sewer line connections in Rock Springs and the volume of roofing permits. In addition to inspecting the new roofs under construction, the inspectors spent much of the summer and fall in the areas most affected by the storm of July to ensure that all construction projects were permitted and inspected. Several out of town contractors were working in the area and inspectors made sure each was aware of the policies, procedures, and code requirements of our department.

Inspections are broken down by category. There were 1423 general building inspections performed, these include foundations and footings, framing, insulation, roofs, and final inspections. There were 2118 electrical inspections; rough-in and final inspections are required for all new construction and renovation projects. Electrical service upgrades and meter replacements also require inspections. There were 1326 mechanical inspections performed. The mechanical category is varied, including everything from heat pump and furnace installation or replacement, ductwork, natural and propane gas accessories and piping, to commercial and industrial equipment. Plumbing permits accounted for 1164 inspections. New construction and renovations require plumbing rough-in and final inspections. Also, all new or replacement sewer connections must be permitted and inspected. These totals reflect only construction related inspections on permitted projects. They do not include assistance to various city departments, advice calls to contractors and homeowners, or responses to general citizen inquiries and complaints.

A chart is included that compares permits issued and inspections performed by category for the past five years.

CERTIFICATES OF OCCUPANCY

Certificates of Occupancy are issued for all commercial projects as well as new residential permits. In 2014, there were 78 certificates issued for new housing, 35 for commercial renovations, and 9 for new commercial construction.

PERSONNEL

Building Official J. Dee Morgan oversees a staff of four inspectors and one secretary. All inspectors are required to be certified by the state and must maintain their certifications through continuing education courses. Training opportunities are often provided by local professional organizations that the department actively participates in. Building Inspector Joel Spencer currently serves as President of the Upper East Tennessee Building Official Association and Master Inspector Keith Bruner is the 1st Vice-President of the Tennessee Building Official Association.

Due to the requirements of state law, Kingsport was required to update the building code editions adopted and enforced in the city. Building Division staff worked closely with homebuilders and contractors during the transition and in August formally adopted the 2012 International Building Code, the 2011 National Electric Code, and the 2009 International Energy Conservation Code. Building Official Morgan was invited by the Greater Kingsport Homebuilders Associated to discuss the significant changes in the new codes.

SUBSTANDARD HOUSING 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 citizens. Once a

property has been identified as dilapidated, the department works with property owners 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 must 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 city can have the structure demolished and a lien placed against the property.

Inter-department restructuring has allowed more cooperation between building inspectors and Code Enforcement Officer Melanie Adkins. Officer Adkins has relocated to an office in the Improvement Building and communicates daily with inspectors regarding derelict properties and citizen complaints.

The process for substandard housing abatement, from identifying the property to successful rehabilitation or demolition is lengthy. During the past year, code hearings were held for thirteen properties. One was successfully repaired, nine have been demolished, and three are awaiting demolition by order of the Building Official.

CONCLUSION

In conclusion, commercial and residential building in Kingsport remained strong in 2014. Inspection activity is anticipated to increase with continuing concerns such as the roofs in Ridgefields, construction of the Eastman Corporate Building Center, and sewer line installation in the Colonial Heights community. Growth is expected in residential development with the continued build out of Edinburgh and the beginning of The Summit in Preston Park. Anticipated commercial developments include a new grocery store and gas station at Parkway Plaza on Lynn Garden Drive.

City of Kingsport
Comparative Summary
Permits Issued 2013 - 2014

	2013		2014	
	<u>Count</u>	<u>Value</u>	<u>Count</u>	<u>Value</u>
RESIDENTIAL PERMITS:				
ACCESSORY STRUCTURES	181	\$1,565,347	152	\$2,427,484
RESIDENTIAL ADDITIONS	36	\$1,060,391	24	\$829,345
RESIDENTIAL ALTERATIONS	78	\$1,357,696	87	\$2,434,495
NEW SINGLE-FAMILY	92	\$16,738,977	91	\$19,800,148
NEW MULTI-FAMILY			4	\$2,849,999
NEW GROUP HOME	2	\$520,000		
ROOF RESIDENTIAL	94	\$750,565	738	\$7,250,991
COMMERCIAL PERMITS:				
COMMERCIAL ADDITIONS	9	\$2,824,015	6	\$887,400
COMMERCIAL ALTERATIONS	78	\$10,243,734	66	\$17,456,112
ADDITION/ALTERATION CHURCHES	7	\$393,290	1	\$2,683
ADDITION/ALTERATION SCHOOLS	4	\$381,350	1	\$68,791
NEW INDUSTRIAL	4	\$2,334,383	3	\$1,595,612
NEW PROF OFFICE/MED/BANK	4	\$75,480,586	4	\$4,217,700
NEW RETAIL/RESTAURANT/MALL	6	\$6,155,352	6	\$6,207,000
NEW SERVICE STATION	1	\$650,000		
NEW SOCIAL/REC/AMUSEMENT			2	\$4,463,033
ROOF COMMERCIAL	44	\$2,067,955	28	\$1,013,411
NEW CARWASH			1	\$408,000
OTHER:				
COMMUNICATION TOWER			5	\$172,885
FOUNDATION ONLY	7	\$143,835	5	\$211,543
GRADING	10	\$16,204,637	10	\$1,512,900
NON-HOUSEKEEPING SHELTERS	3	\$62,200	5	\$168,000
TOTAL	660	\$138,934,313	1239	\$73,977,532

City of Kingsport

Top Ten New Construction Permits 2014

<u>Address</u>	<u>Owner</u>	<u>Construction Cost</u>
2017 Brickyard Park Dr	City of Kingsport	\$3,699,500
141 Unicoi St	E-911 Board	\$1,920,700
2020 Gateway Park Ct	Lamar Advertising	\$1,200,000
1025 Konnarock Rd	Tennessee Electric	\$947,000
1455 E Center St	Mac's Medicine Mart	\$947,000
1750 Lincoln St	Eastman	\$819,308
2617 E Stone Dr	Cook Out	\$800,000
350 Clinchfield St	Kingsport Carousel Project	\$763,533
1600 E Stone Dr	Krispy Kreme	\$750,000
1708 E Stone Dr	The Center at Stone	\$685,000

Top Ten Renovation Permits 2014

<u>Address</u>	<u>Owner</u>	<u>Construction Cost</u>
2300 Pavilion Dr	National Healthcare Corporation	\$5,700,000
1800 Legion Dr	J Fred Johnson Stadium	\$4,590,850
1664 E Stone Dr	Kroger's	\$1,500,000
1205 E Stone Dr	Chik-fil-A	\$650,000
600 E Main St	TNT Sportsplex	\$604,981
2637 E Stone Dr Suite F	East Coast Wings & Grill	\$636,340
210 Broad St	Macado's	\$510,000
1220 E Stone Dr	Courtesy Subaru	\$302,918
2500 W Stone Dr	Wal-Mart	\$264,000
6 Sheridan Sq Suite 100	Wellmont Pain Management Center	\$240,000

**City of Kingsport
New Housing 2014**

Single-Family Dwellings

Units per Development		Units per Cost	
Anchor Point	11	< \$100,000	8
Autumn Woods	8	\$100,000 -- \$199,999	37
Chase Meadows	2	\$200,000 -- \$299,999	28
Edinburgh Channel	18	\$300,000 -- \$399,999	14
Harmony Ridge	5	\$400,000 -- \$499,999	1
Polo Fields	6	> \$500,000	3
Old Island	8		
Whisperwood	2		
Other	31		
TOTAL:	91	TOTAL:	91

Average Cost: \$217,584

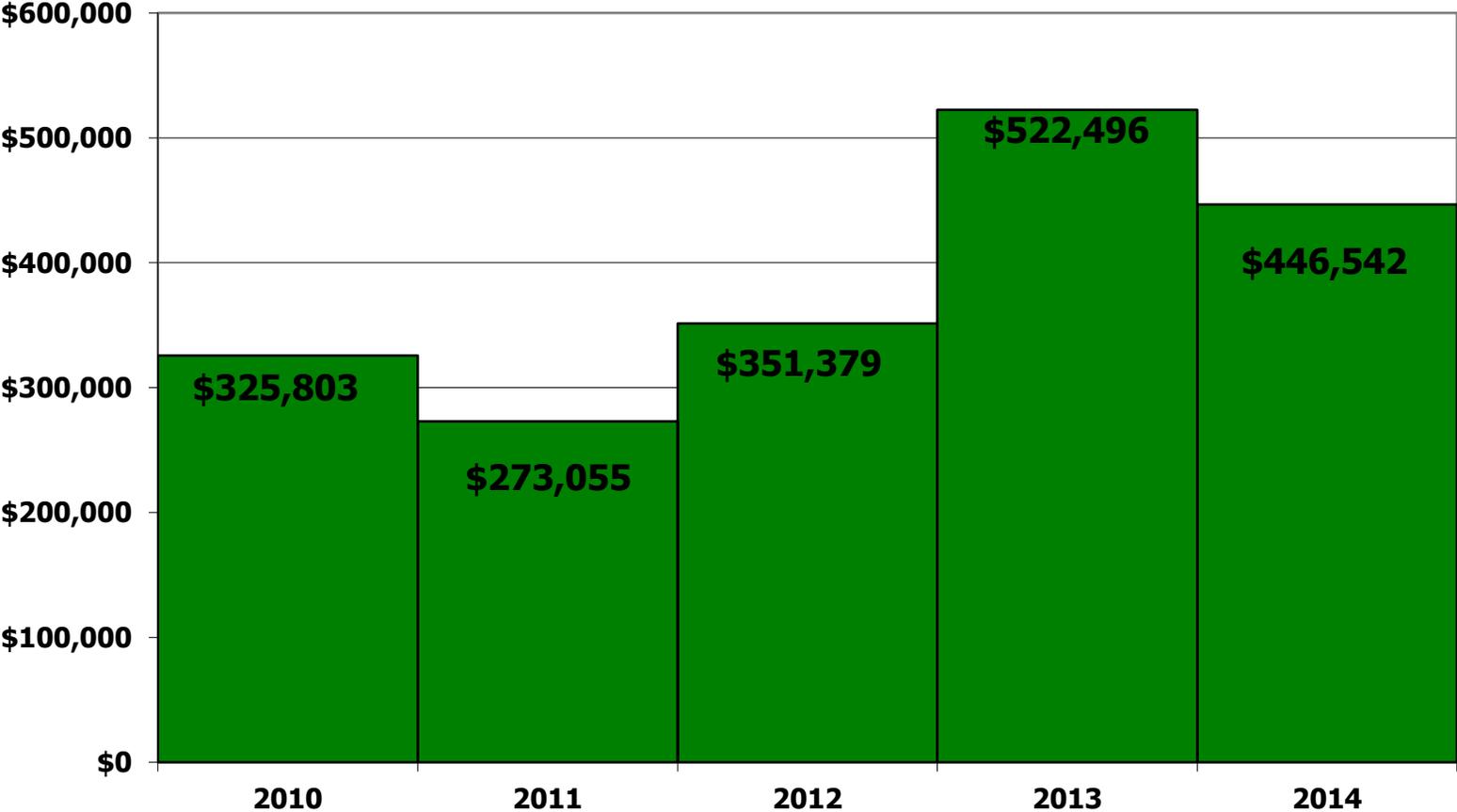
Total Cost: \$19,800,148

Largest Permit: \$830,000

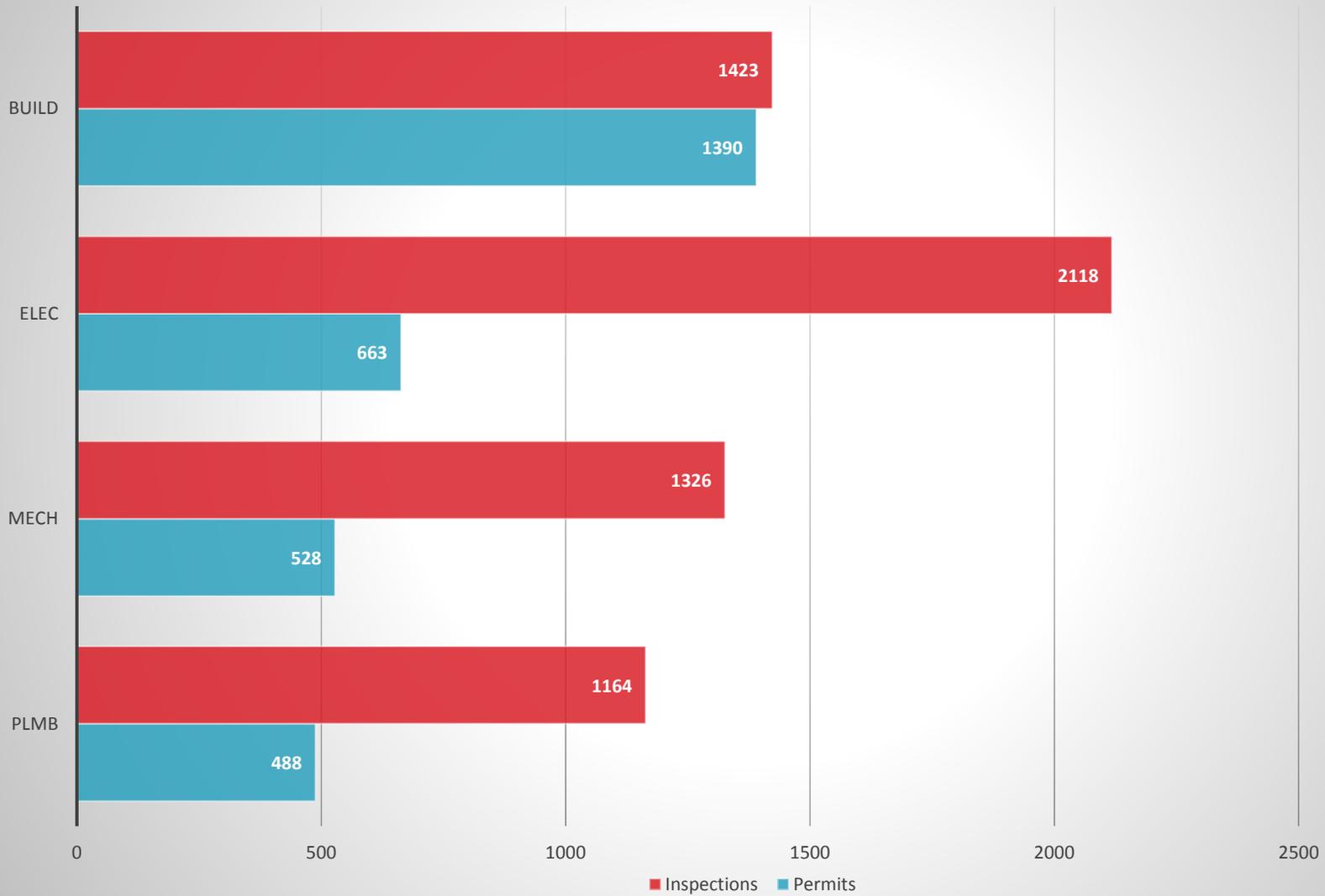
Multi-Family Dwellings

Address	Units	Cost	Buildings
410 Breckenridge Trace	10	\$733,333	1
454 Breckenridge Trace	10	\$733,333	1
504 Breckenridge Trace	10	\$733,333	1
646 Arch Street	16	\$650,000	1
TOTAL:	46	\$2,849,999	4

City of Kingsport
Building Division Revenue
2010 - 2014



City of Kingsport Building Division 2014 Permits and Inspections



**City of Kingsport
Permits and Inspections
2010-2014**

