

BUILDING DIVISION CALENDAR YEAR 2004

NARRATIVE CONSTRUCTION REPORT

STATISTICAL GRAPHIC PRESENTATION

PREPARED BY: TERESA JOHNSON, BUILDING DIVISION

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ANNUAL REPORT
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Calendar year 2004 shows Kingsport's building industry and economy holding strong and growing. There are substantial increases posted in the areas of total permits issued, estimated construction cost, and on-site construction inspections. New housing starts, single and multi-family, are increased along with additions/alterations and remodelings. With an uncertain national economy and cautious consumers it is refreshing to see growth in the new housing markets.

PERMITS

A total of 915 building permits were issued, an increase of four over calendar year 2003 with an estimated construction cost of **\$86,341,662** an increase of **\$22,792,304**. A combined total of **2,709** permits were issued in the four categories of building, electrical mechanical and plumbing. An Excel spreadsheet is attached with the individual listings.

SINGLE-FAMILY DWELLINGS

New housing starts are an indicator of growth and stability in an area. A total of **122** new single-family dwelling permits were issued in calendar year 2004, an **increase of 22** new homes. New housing has increased for the third calendar year with **102** in 2003 and **87** in 2002. The estimated cost of the homes was **\$18,659,615** an increase of **\$6,031,115** with an average cost of **\$152,948** an increase of **\$29,140** from calendar year 2004. The largest construction cost single-family permit was issued in December 2004 at **\$875,000** to be built on Spring Creek Wynd in the Orebank community.

The chart below shows a comparison of the homes for 2004 and 2003. There were five Habitat for Humanity homes constructed in Kingsport with some being built on vacant lots where substandard dwellings were demolished and eight manufactured homes were placed on existing lots in the City.

	2004	2003
25,000 – 50,000	16	18
51,000 – 100,000	35	33
101,000 – 200,000	45	38
201,000 – 300,000	21	12
301,000 – 400,000	0	1
401,000 – 500,000	4	0
801,000 – 900,000	1	0
TOTAL	122	102

SUBDIVISION STATISTICS

It is important to see which of Kingsport's subdivisions show activity in 2004. Several of Kingsport's longstanding, established subdivisions are becoming filled with minimal room for expansion. The Allendale Estates subdivision shows the largest growth with eleven issued in a newly opened section of the area. The second highest was Stone Edge off Bloomingdale Pike with ten issued, and Bailey Ranch third with nine issued. Willowbrook, Palomino Estates, and Preston Forest all have seven permits posted. An older subdivision, Rotherwood Hills had six homes permitted on Watterson and Stafford, mid-range homes, while Allendale Estates are higher construction cost homes. The Lynn Garden area, Breckenridge (off Eastern Star Rd), and Ridgefields posted five permits each with Windridge and Cooks Valley having four each. A chart of the subdivisions and permits issued is listed below:

Allendale Estates	11
Stone Edge	10
Bailey Ranch Rd	9
Preston Forest	7
Willowbrook	7
Palomino	7
Rotherwood Hills	6
Lynn Garden	5
Breckenridge	5
Ridgefields	5
Cooks Valley	4
Windridge	4
Edens Ridge	4

Woodmont Ave	3
Carrington Ct	3
Preston Park	3
Sky South	3
Highland	3
Shady Side	2
Allen Dr.	2
Windrush	2
Rivermont Cir.	2
Spring Creek Wynd	1
Netherland Heights	1
St. Erics Ct.	1
Other areas	12

MULTI-FAMILY DWELLINGS

Individual permits are issued for condominium units. This area of Kingsport's housing industry has shown substantial increases in both 2002, 2003 and 2004. Kingsport's condominium market was full for a few years with only minimal activity. However, for the second calendar year Kingsport has seen new condo. developments. A new development is underway off Panay drive, Pinebrook Place, with 36 permits issued at an estimated cost of \$1,368,00. A second new area is Cooks Pointe' off Cooks Valley Road with eight permits issued costing \$752,000 and the remaining two on Bellingham Court costing \$250,000. A total of 46 permits were issued, an increase of six permits from Calendar Year 2003 and an estimated construction cost of \$2,370,000.

ADDITIONS/ALTERATIONS/REPAIRS

This category historically contains the largest number of permits issued due to the combined residential and commercial permits. All types of remodeling (interior and exterior), additions and structural changes are listed in this area. It also includes residential and commercial roofing permits. A total of 370 permits were issued with a total cost of \$37,186,482. An increase of 27 permits and \$23,450,171. Once again in 2004 the top two permits are listed in the "other" category on the monthly reports. The largest permit was issued at Higher Ground Baptist Church, \$2,265,000, and the second largest issued at DBHS for a new art wing, \$1,800,000. The third and fourth permits were issued in the same building at 2033 MeadowView Lane (Holston Medical Group), Suite 20 \$1,500,000 and Suite 10 \$1,400,000. The top ten permits also include Indian Path Medical Center, Wellmont, and Fort Henry Mall. Permits in this category can range from the simplest homeowner project to a multi-million dollar commercial expansion. The top ten permits are listed below:

1.	1625 Lynn Garden Dr. Higher Ground Baptist Church	\$2,265,000
2.	1800 Legion Drive DBHS – Art Wing	1,800,000
3.	2003 MeadowView Suite 200 HMG Women’s Center	1,500,000
4.	2003 MeadowView Suite 100 HMG Family Practice	1,400,000
5.	2003 N. Eastman Rd. East Stone Commons exterior	1,121,000
6.	2000 Brookside Dr. Indian Path Hospital	696,000
7.	111. W. Stone Dr. Wellmont-2 nd floor	622,000
8.	2101 Fort Henry Dr. Fort Henry Mall-Marquee Cinema	616,000
9.	2033 MeadowView Suite 300 John Deere	575,000
10.	2002 Brookside Dr. Suite 200 East TN OB/GYN	573,993

The East Stone Commons project shows **twelve** renovation permits issued in 2004. The redevelopment of the area will add several new retail stores to Kingsport’s economy. The bulk of the center was demolished with one structure being remodeled and one new shop, Hobby Lobby, now open for business. The remainder of center will be listed under the new business category.

SCHOOLS/SIGNS/CHURCHES/ETC.

Included in the “other” category are City schools, Churches, signs, tents, banners, grading permits, etc. The top two addition/alteration permits were listed in this category, Higher Ground Baptist Church and DBHS Art Wing. There were **188** permits issued at an estimated cost of **\$6,747,982**, an increase of **13** permits over calendar year 2003.

Grading permits are an essential component of Kingsport’s building industry with **10** issued with a cost of **\$688,000**. A grading permit is issued to allow site preparation while structural prints complete the review process. The top four grading permits were issued at 1400 Panay (\$200,000)-Pinebrook Place project, 4509 West Stone Drive (\$127,00)-incubator project, 1701 Blakewood Dr (\$100,000)-residential development, and 4 Sheridan Square (\$100,000)-office space development.

Foundation permits are also issued in the “other” category and allows construction to begin before architectural drawings are completed. **Five** permits were issued costing **\$356,126**. The most expensive foundation permit was issued at 1043 Ford town Road (\$200,000). An additional warehouse structure was placed on the Taylor Cutlery project. The foundation only permits prevent delays for the contractor while maintaining Kingsport’s “working” relationship with area builders.

Sign enforcement is a daily task for the Building Division and it is imperative that all regulations are consistently enforced. There were 76 sign permits issued generating \$3,108.50 of revenue. Sign permit fees are now calculated on square footage instead of construction cost resulting in increased revenue in this area. Listed separately but still under the City’s Sign Ordinance, are banner permits, (30 issued) with \$450, tent permits (10 issued) \$150, and demolition (33 issued) \$1,650. All new signage permits including tents and banners must be checked for height and square footage requirements and zoning regulations before the permit can be issued.

ACCESSORY BUIDINGS

Accessory building permits totaled **159** with an estimated construction of **\$1,119,328**, an increase of 17 permits and **\$298,369**. Accessory building permits include carports, garages, decks, sunrooms, gazebos, pools, patios, porches, and utility buildings. These buildings can be attached or detached to the principle structure. Setbacks must be checked before issuing permits to ensure zoning compliance. Homeowners purchase the majority of accessory building permits in the warmer weather months.

NEW COMMERCIAL

New commercial permits in calendar year 2002 show expansion in the categories of general retail, professional offices, service garages, restaurants, medical and industrial structures. A total of **30** permits were issued with an estimated construction cost of **\$20,258,255**, which is an increase of **5** permits. Kingsport’s commercial/industrial base is showing steady growth over the past few years with our economy still strong.

Below is a listing of the top ten commercial permits for calendar year 2005:

1.	2003 N. Eastman Rd. East Stone Common Shell-7 retail spaces	\$3,785,928
2.	1217 Stewball Circle Holiday Inn Express	3,325,000
3.	4500 West Stone Drive Walgreen’s	1,700,000

4.	1043 Fordtown Rd. Warehouse expansion	1,500,000
5.	2004 N. Eastman Rd Suite 50 Goody's	1,400,000
6.	2003 N. Eastman Rd. East Stone Commons-Pet Smart	949,000
7.	3 Sheridan Square Shell – office spaces	825,000
8.	1260 Jan Way TCI Tire	725,000
9.	1750 Lincoln St. ECC – Bldg. 265F	694,442
10.	2003 N. Eastman Rd Suite 30 –	658,000

Three of the top ten permits were for the East Stone Commons project. This “redevelopment” will give a needed boost to Kingsport’s retail base. A total of 24 building permits have been issued (both new construction and alterations) at this development (both new commercial and alteration commercial). The MeadowView area shows growth with a new Holiday Inn Express under construction, a new tire center on Jan Way just off South Wilcox Drive and a new building underway at Sheridan Square. The Taylor Cutlery Warehousing has expanded on Fordtown Road and a small retail center was begun and completed on West Stone Drive. Two restaurant permits were issued in Calendar Year 2004, one at East Stone Commons for McAlister’s and one to Golden Corral for the re-building of the facility on N. Eastman Road. There is a new office space center at Netherland Inn Road and West Stone Drive and a new Walgreen’s under construction at the corner of West Stone and University Blvd (Old Pizza Hut site). Kingsport shows new commercial growth in all areas of retail, medical/professional offices, hotels, restaurants and our school system. A listing of the thirty permits is attached at the end of this report.

DEMOLITION

Thirty-three demolitions permits were issued in Calendar Year 2004. Twenty-one were for single-family substandard dwellings with the remainder being for commercial demolition to allow redevelopment. The single-family dwellings were demolition either through our Code Hearing process by owner compliance requiring no legal action. Three older houses were demolished on South Wilcox to allow expansion of the Sheridan Square development, older concrete structures were demolished at the corner of East Stone Drive and Idle Hour Road with two new banking facilities now under construction. The Pizza Hut on West Stone Drive (Allandale) and a new

Walgreen's is now under construction. A more complete listing of demolitions and substandard abatement will be addressed later in this report.

REVENUE

A total of **2,705** permits were issued in calendar year 2004 in the four categories of building, electrical, mechanical, and plumbing. There were **915** building permits issued, an increase of four permits from 2003 but an overall decrease in total permits issued. However, the combined annual revenue **increased by \$40,701.25** with building permits showing the greatest increase of **\$35,989.55**.

While the number of permits issued decreased by 340, revenue significantly increased and building permits did increase by four issued. Building permit fees are calculated on estimated job cost. The larger the job cost, the larger the permit fee and the smaller the job cost the smaller the fee. An Excel spreadsheet and charts are attached showing a comparison of past three calendar years.

INSPECTIONS

Calendar year 2004 posts **5,387** on-site construction inspections, an **increase of 345** over calendar year 2003. This section has the four main categories of building, electrical, mechanical, and plumbing. The largest increase is in the building and electrical areas. The largest number of recorded inspections occurred in December 2004 at **621**. Five months posted 500+, four months 400+, two months 300+ and one month at 200+. The top three months were December (621), July (537), and November (520). An Excel spreadsheet is attached with the monthly inspections and annual total by category. Construction inspections can be performed in as little as 15 minutes or as long as 1-2 hours depending on the type of request and size of the project. The East Stone Commons project is requiring a minimum of 1-2 daily inspections. These numbers reflect only on-site construction inspections and do **not** include assistance to various City Departments, advise calls, and general citizen requests.

Certificates of occupancy are now readily accepted and expected by Kingsport's contractors and financial institutions. There were **78** residential certificates issued in 2004. A CO cannot be issued until all final inspections are recorded and approved on the system. The document is printed, signed by the Building Official and given to the contractor/homeowner. Certificates are issued to homes that are new or have additions/remodeling done to the structure.

PERSONNEL

The Building Division is staffed with the Building Official, one Senior Building Inspector, four Building Inspectors and two Secretaries. There was no change in personnel in Calendar Year 2004, however, Dee Morgan was promoted to **Senior Building Inspector**. Dee has been a Building Inspector for eleven years and is very deserving of the promotion. Electrical Inspector Chris Ferrell caught an Adult Education class during the Fall session on the National Electrical Code. There was approximately twenty students from the Kingsport area. It was well received and he is considering teaching again in the Spring of 2005.

SUBSTANDARD DWELLING ABATEMENT

Calendar Year 2004 shows a very productive year with a record number of substandard dwellings razed, dwelling rehabilitated and property redeveloped. **Thirty-eight** demolition permits were issued in 2004, an increase of **nine** permits over 2003. Below is a listing of the numbers involved.

Single-family dwellings razed	21
Commerical buildings razed	12
Scheduled for demolition	10
Dwellings repaired to Code	9
Dwellings being repaired	12
Scheduled for hearings	10
Dwellings being investigated	10

There was no "high-profile" demolition in 2004, however, all demolitions were the result of several Departments cooperative efforts helping to keep Kingsport's neighborhoods and citizenry safe. When possible, owners are allowed to repair their houses keeping them on Kingsport's tax base. The repairs are closely monitored to ensure Code compliance. Homes were rehabilitated in 2004 with still in the repair process. Code hearings are held on an "as-needed" basis with the next hearing to be held in the Spring.

The Building Division continues to have increased success in substandard dwelling abatement the previous three years and will continue our efforts in 2005.

PROPOSED PROJECTS IN 2005

The Building industry is difficult to predict over the course of a year, however, there are several projects under discussion and plans in the review process. While most of the building permits have been issued for the East Stone Commons project, subcontractor permits will be issued in 2005. The MeadowView area continues to grow with a new hotel and professional office underway. The first few days of 2005 posts permits at Providence Pt, a 36 multi-family development, and Chili's at East Stone Commons. New plans are received daily and projects planned.

SUMMARY

Calendar year 2004 shows an increase in new single-family and multi-family housing starts, revenue, and on-site inspections. All areas of Kingsport show commercial growth from West Stone Drive to East Stone Drive to Airport Parkway, to MeadowView, to East Star Road. As warm weather approaches, and with warm weather during the Winter months, the first quarter of 2005 should show an increase in all types of construction. New plans are received daily and meetings scheduled with potential developers and homeowners. Overall calendar year 2005 promises to be prosperous and exciting.

BUILDING DIVISION

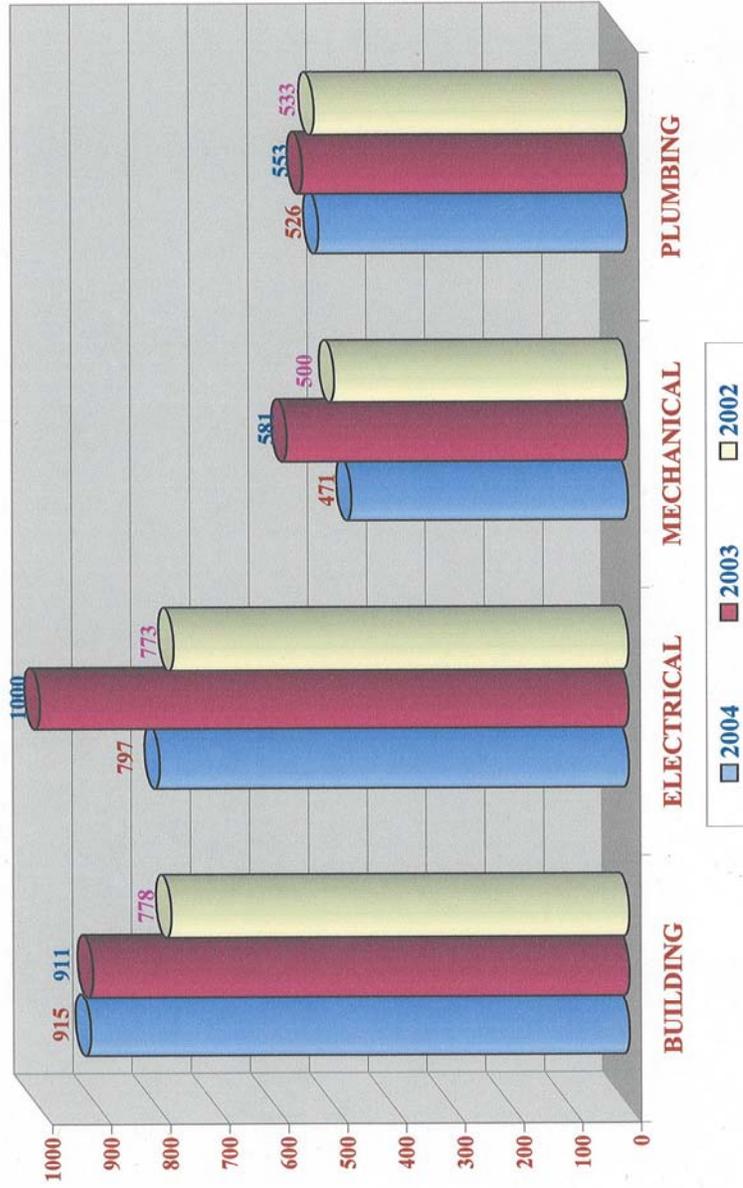
GRAPHICS PRESENTATION CALENDAR YEAR 2004

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PERMITS ISSUED CALENDAR YEAR 2004

	BUILDING	ELECTRICAL	MECHANICAL	PLUMBING	TOTALS
JANUARY	52	66	50	35	203
FEBRUARY	52	43	24	17	136
MARCH	78	67	44	44	233
APRIL	72	71	26	47	216
MAY	93	78	40	33	244
JUNE	95	64	30	48	237
JULY	90	64	30	43	227
AUGUST	98	80	28	43	249
SEPTEMBER	69	74	36	60	239
OCTOBER	64	63	48	49	224
NOVEMBER	75	68	46	44	233
DECEMBER	77	59	69	63	268
TOTALS	915	797	471	526	2709

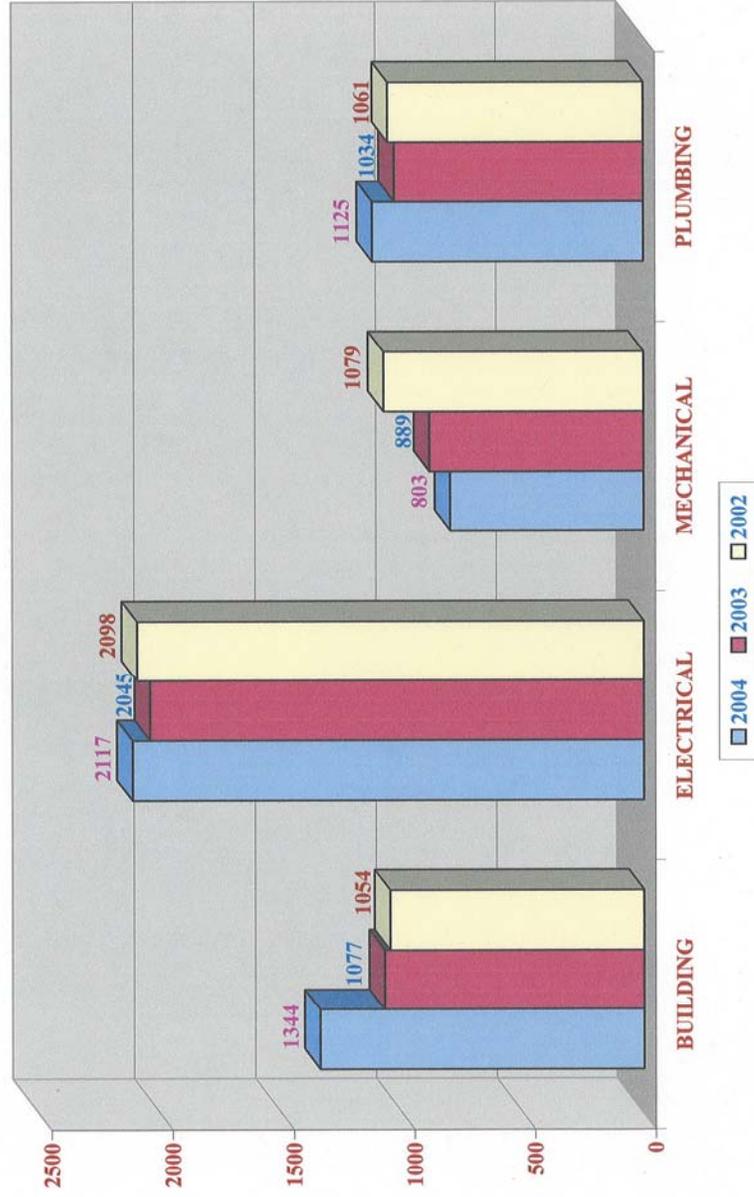
PERMITS ISSUED CALENDAR YEAR 2004-2003-2002



ON-SITE CONSTRUCTION INSPECTIONS CALENDAR YEAR 2004

BUILDING ELECTRICAL MECHANICAL PLUMBING TOTALS						
JANUARY	64	156	94	85	399	
FEBRUARY	76	128	51	57	312	
MARCH	78	67	44	44	233	
APRIL	102	178	67	85	432	
MAY	108	223	52	84	467	
JUNE	114	196	32	98	440	
JULY	115	240	57	125	537	
AUGUST	117	181	51	75	424	
SEPTEMBER	131	197	50	123	501	
OCTOBER	133	185	81	104	503	
NOVEMBER	135	167	94	124	520	
DECEMBER	171	199	130	121	621	
TOTALS	1344	2117	803	1125	5389	

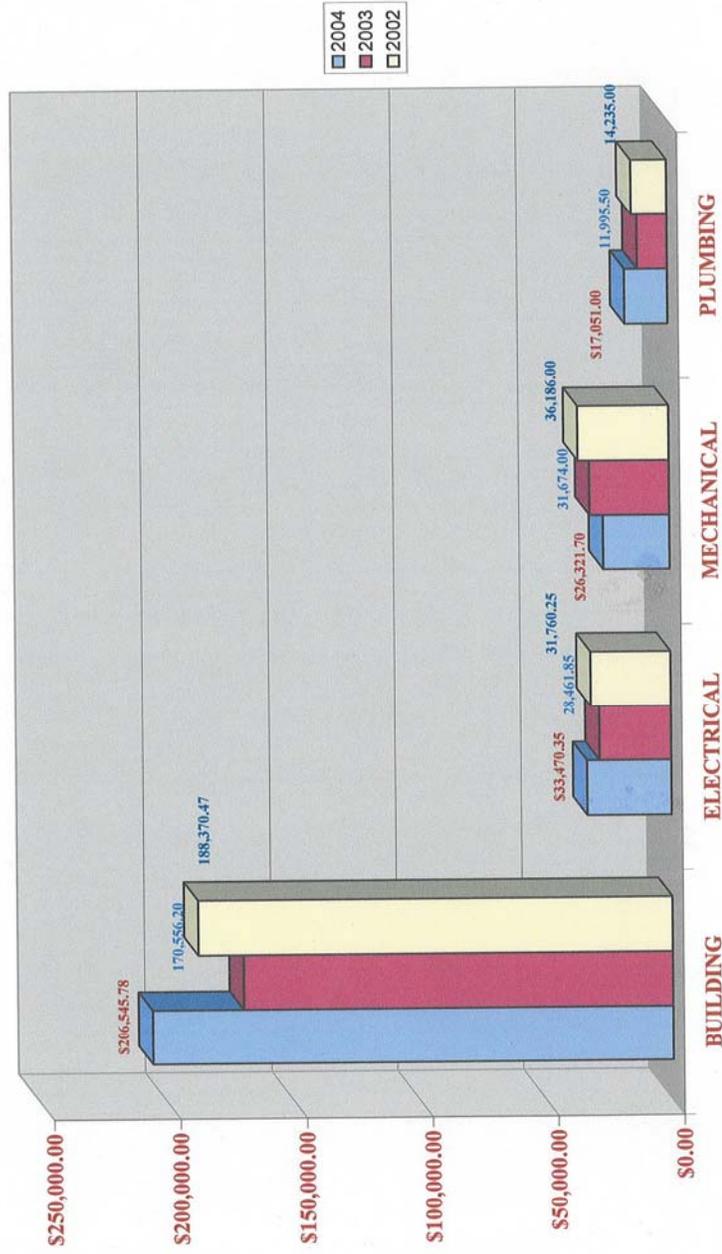
ON-SITE INSPECTIONS CALENDAR YEARS 2004-2003-2002



BUILDING DIVISION REVENUE CALENDAR YEAR 2004

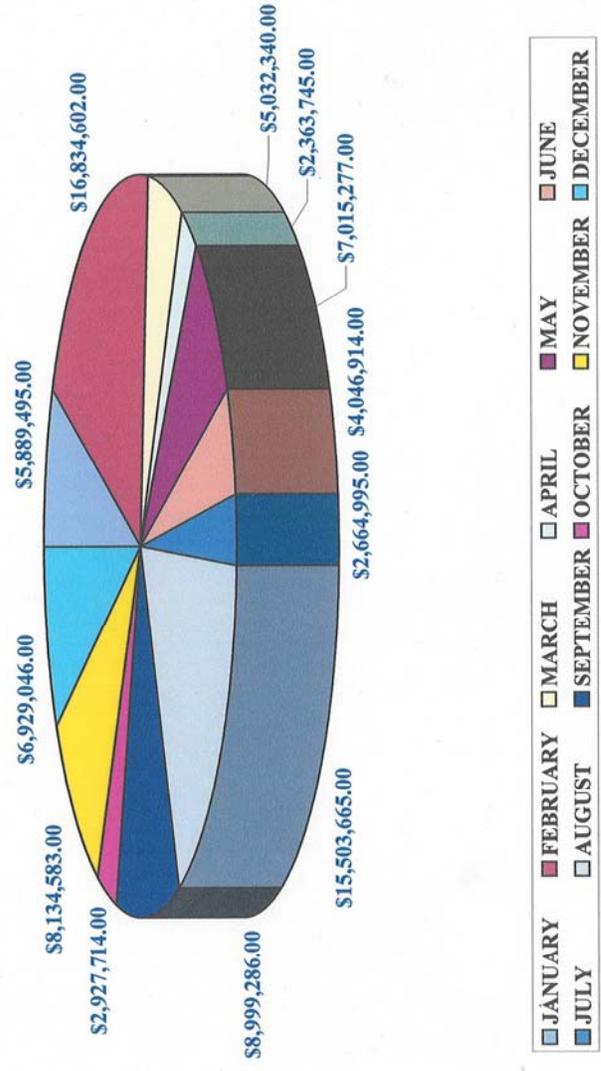
	<u>BUILDING</u>	<u>ELECTRICAL</u>	<u>MECHANICAL</u>	<u>PLUMBING</u>	<u>TOTALS</u>
JANUARY	\$15,821.75	\$2,730.50	\$2,126.00	\$945.00	\$21,623.25
FEBRUARY	\$10,572.25	\$1,425.20	\$892.00	\$795.00	\$13,684.45
MARCH	\$15,269.75	\$2,437.70	\$2,400.50	\$1,479.00	\$21,586.95
APRIL	\$7,487.00	\$2,699.00	\$1,840.00	\$1,200.00	\$13,226.00
MAY	\$19,667.25	\$2,982.20	\$2,713.00	\$1,166.00	\$26,528.45
JUNE	\$13,530.25	\$1,796.40	\$1,740.50	\$1,257.00	\$18,324.15
JULY	\$9,958.78	\$2,026.00	\$2,862.00	\$1,284.00	\$16,130.78
AUGUST	\$38,225.75	\$2,655.65	\$1,292.20	\$1,632.00	\$43,805.60
SEPTEMBER	\$8,944.00	\$2,906.15	\$4,487.00	\$1,647.00	\$17,984.15
OCTOBER	\$24,928.50	\$5,006.25	\$1,763.00	\$1,776.00	\$33,473.75
NOVEMBER	\$22,201.00	\$3,658.00	\$2,101.00	\$1,134.00	\$29,094.00
DECEMBER	\$19,939.50	\$3,147.30	\$2,104.50	\$2,736.00	\$27,927.30
TOTALS	\$206,545.78	\$33,470.35	\$26,321.70	\$17,051.00	\$283,388.83

BUILDING DIVISION REVENUE CALENDAR YEARS 2004-2003-2002

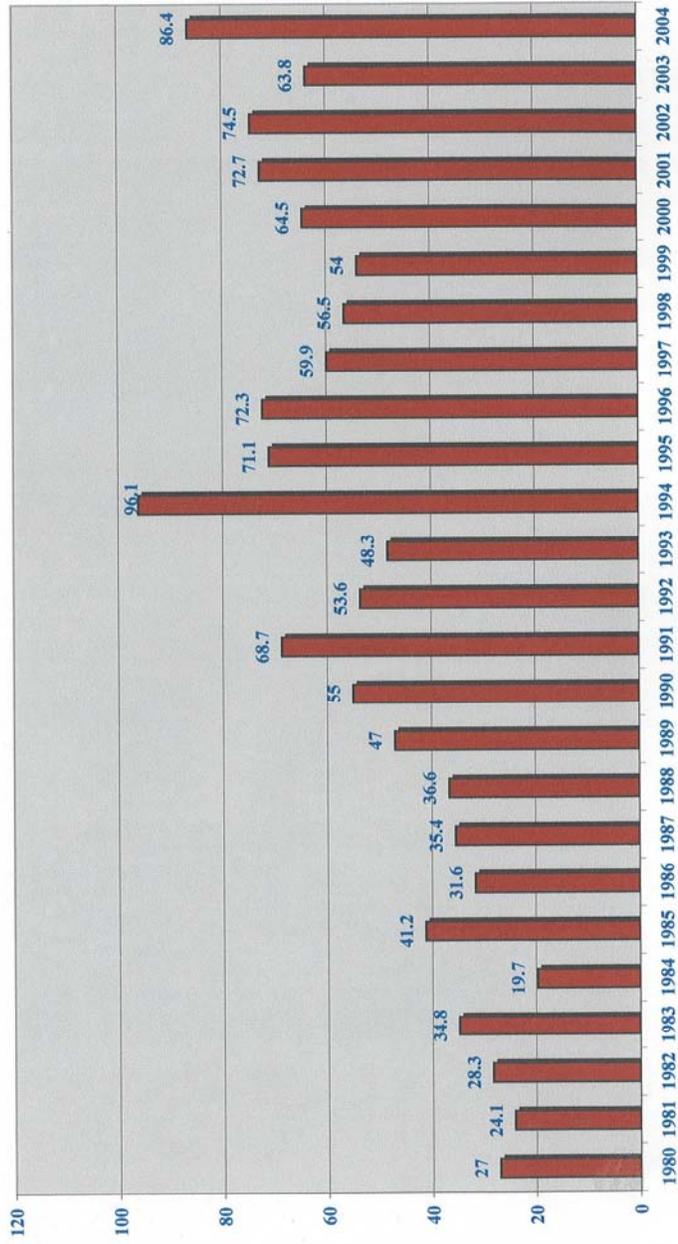


	SINGLE-FAMILY DWELLIN	MULTI-FAMILY DWELLIN	ADDITIONS/ALTERS/REPAIRS	NEW BUSINESS	SIGNS/CHURCH/SCHOOLS	ACCESSORY BLDG	TOTALS		
JANUARY	10	\$1,730,000.00		22 \$ 2,563,449.00	3 \$ 1,468,750.00	13 \$ 91,296.00	4 \$ 36,000.00	\$5,889,495.00	
FEBRUARY	6	\$698,000.00	2 2	\$202,000.00	22 \$ 14,812,000.00	2 \$ 983,958.00	16 \$ 110,144.00	6 \$ 28,500.00	\$16,834,602.00
MARCH	11	\$1,564,000.00	2 2	\$250,000.00	33 \$ 2,017,891.00	2 \$ 1,062,144.00	15 \$ 12,670.00	15 \$ 125,635.00	\$5,032,340.00
APRIL	3	\$232,000.00			28 \$ 1,958,226.00		24 \$ 106,824.00	17 \$ 66,695.00	\$2,363,745.00
MAY	16	\$5,022,000.00	4 4	\$360,000.00	36 \$ 1,460,094.00	5 \$ 1,660,877.00	13 \$ 382,000.00	19 \$ 129,306.00	\$7,015,277.00
JUNE	19	\$2,176,000.00	1 1	\$90,000.00	35 \$ 1,434,664.00		13 \$ 200,461.00	27 \$ 145,789.00	\$4,046,914.00
JULY	9	\$1,372,715.00	1 1	\$100,000.00	38 \$ 953,931.00		22 \$ 127,755.00	20 \$ 110,594.00	\$2,664,995.00
AUGUST	18	\$2,705,000.00			41 \$ 1,852,579.00	5 \$ 8,204,526.00	22 \$ 2,640,320.00	12 \$ 101,240.00	\$15,803,665.00
SEPTEMBER	9	\$1,154,900.00			33 \$ 5,146,790.00	2 \$ 604,000.00	12 \$ 2,006,221.00	15 \$ 87,375.00	\$8,999,286.00
OCTOBER	5	\$753,000.00			29 \$ 1,786,685.00	2 \$ 110,000.00	14 \$ 41,685.00	10 \$ 236,344.00	\$2,927,714.00
NOVEMBER	6	\$1,025,000.00	22 22	\$836,000.00	23 \$ 2,196,233.00	3 \$ 3,026,000.00	11 \$ 1,028,000.00	10 \$ 23,350.00	\$8,134,583.00
DECEMBER	10	\$2,225,000.00	14 14	\$32,000.00	30 \$ 1,003,940.00	6 \$ 3,138,000.00	13 \$ 606.00	4 \$ 28,500.00	\$6,929,046.00
TOTALS	122	\$18,659,615.00	46 46	\$2,370,000.00	370 \$ 37,186,482.00	30 \$ 20,258,285.00	188 \$ 6,747,982.00	189 \$ 1,119,328.00	\$86,341,662.00

CALENDAR YEAR 2004 MONTHLY TOTALS



ESTIMATED CONSTRUCTION COST CALENDAR YEARS 1980-2004



	ADDRESS		CONSTRUCTION COST
1	2003 N. Eastman Rd.	Seven Retail Spaces	\$3,785,928
2	1217 Stewball Circle	Holiday Inn Express	\$3,325,000
3	4500 West Stone Drive	Walgreen's	\$1,700,000
4	1043 Fordtown Road	Taylor Cutlery	\$1,500,000
5	2003 N. Eastman Rd #50	Goody's	\$1,400,000
6	2003 N. Eastman Rd	PetSmart #40	\$949,000
7	3 Sheridan Sqaure #3	Professional offices	\$825,000
8	1260 Jan Way	TCI Tire	\$725,000
9	1750 Lincoln St.	Eastman-Bldg 265F	\$694,442
10	2003 N. Eastman Rd	Suite 30	\$658,000
11	733 West Stone Dr	Crown Plaza	\$545,000
12	4414 West Stone Dr	Pizza Hut	\$543,750
13	1910 N. Eastman Rd	Golden Corral	\$490,000
14	1414 Riverport Rd	Kpt. Parks & Rec.	\$487,000
15	1919 N. Eastman Rd	Cootie Brown's	\$465,000
16	3865 Fort Henry Dr	Office spaces	\$464,000
17	1155 Shipp St	Hardwood Moulding	\$438,000
18	1814 E. Center St.	DBHS Soccer Park	\$417,000
19	Parkway	Kpt. Parks & Rec.	\$387,156
20	1800 Legion Dr.	DBHS Art Wing	\$386,717
21	1616 Netherland Inn Rd	Office spaces	\$312,000
22	2029 Brookside Lane	Warehouse space	\$237,143
23	2002 American Way	Office spaces	\$200,000
24	3077 Ft. Henry Dr-Suite 1	Retail center	\$104,000
25	2003 N. Eastman Rd Suite 10	Sal Saritas	\$117,500
26	2525 Pinebrook Pl	Pinebook place office	\$71,000
27	2003 N. Eastman Rd Suite 20	Marble Slab Creamery	\$70,500
28	3802 Fort Henry Dr	Modular office space	\$39,000
29	3801 Memorial Blvd	Modular office space	\$12,000
30	1747 Fort Henry Dr	Max Max Drive-Thru	\$11,000