



PROCEDURE FOR DETERMINING SUBSTANTIAL IMPROVEMENT

Lisbon's zoning regulations in Section 10.15 require for structures located in the Special Flood Hazard Area (SFHA), that "all new construction, substantial improvements, and repair to structures that have sustained substantial damage which are residential structures shall have the bottom of the lowest floor, including basement, elevated one (1.0) foot above the base flood elevation (BFE). Section 10.15.3 defines *Substantial Improvement* as, "any combination of repairs, reconstruction, or improvement of a structure taking place during a one-year period in which the cumulative costs equals or exceeds fifty percent of the market value of the structure. The market value of the structure should be: (a) the appraised value of the structure prior to the start of the initial repair or improvements, or (b) in the case of damage, the value of the structure prior to the damage occurring. For the purpose of this definition "substantial improvement" is considered to occur when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure; it can also occur with, and include, substantial damage. The term does not, however, include any project for improvement of a structure required to comply with existing health, sanitary, or safety code specifications, which are solely necessary to assure safe living conditions."

Market value, as related to substantial improvement and substantial damage of the structure, shall be determined by the property's tax appraisal value of the structure minus land value prior to the start of the initial repair or improvement, or in the case of damage, the value of the structure prior to the damage occurring. Other methods may be considered to determine an acceptable market value, subject to prior approval of the Building Official/Flood Administrator.

The **cost** of the addition, alteration or repair shall be established by a detailed written contractor's estimate. The estimate, as related to substantial improvements, shall include but not be limited to, the cost of any reconstruction, rehabilitation, addition, alteration, repair or other improvement of a structure and shall be established by a detailed written contractor's estimate. It shall also include the cost of materials (interior finishing elements, structural elements, utility and service equipment); sales tax on materials, building equipment and fixtures, including heating and air conditioning and utility meter; labor; built-in appliances; demolition and site preparation; repairs made to damaged parts of the building worked on at the same time; contractor's overhead; contractor's profit and grand total; and the cost of septic systems. Items to be excluded include: cost of plan specifications, survey costs, permit fees, water supply wells, landscaping, sidewalks, fences, yard lights, irrigation systems, and detached structures such as garages, sheds, and gazebos.

The detailed estimate shall be clearly printed on the business letterhead of the general contractor and signed and dated by same. For insured structures damaged by flooding, the cost of repair can also be determined by an NFIP claims adjuster (structure only, not contents). Please utilize the attached form as a worksheet for development of the estimate:

ARCHITECT/CONTRACTOR ESTIMATE WORKSHEET
FOR REPAIR, ALTERATIONS, RENOVATIONS OR ADDITIONS FOR
STRUCTURES WITHIN FLOOD ZONES

Please provide a construction cost for all work proposed in order to determine whether the total construction cost exceeds the substantial improvement threshold. In addition, "**Procedure for Determining Substantial Improvement Construction**" categories shall be addressed by providing a monetary amount for each of the following items. Please add additional scope line items where necessary.

1. Excavation, Clearing Grubbing & Back Filling	\$
2. Demolition/Removal	\$
3. Patching, Blending & Replacement of Siding, Roofing & Masonry Extensions	\$
4. Framing	\$
5. Roofing Materials, Flashing	\$
6. Leaders, Gutters & Dry-wells	\$
7. Siding	\$
8. Insulation	\$
9. Sheetrock, Taping or Other Wall Materials	\$
10. Tile Work	\$
11. New Masonry Walls, Stairs, Floors, Fireplaces & Chimney	\$
12. Bathroom Fixtures	\$
13. Kitchen Fixtures	\$
14. Windows & Doors	\$
15. Patching, Blending & Replacement of Siding, Roofing & Masonry Extensions	\$
16. Flooring	\$
17. Staircases	\$

18. Trim	\$
19. Painting	\$
20. Electrical	\$
21. Plumbing	\$
22. Septic Improvements or Sewer Reconnecting	\$
23. Heating, Ventilation & Air Conditioning	\$
24. Staining, Wall Papering & Plastering	\$
25. Security, Intercom & Sound Systems	\$
TOTAL, Page 2	\$
SUBTOTAL from Page 1	\$
GRAND TOTAL	\$

Please note that FEMA, Substantial Improvement/Substantial Damage Desk Reference (FEMA P-758-May 2010, specifically requires that “the normal “market” value or “going rate” for labor must be included in the estimates of the cost of improvements and the costs to repair.” (Section _____). At minimum, this mandates a general industry standard “hourly” rate for trades given the estimated time for job completion.

Signature, Owner, Architect or Contractor

Date

Company Name _____

Address _____

Phone Number _____ Email Address _____