

# Building Code Series 1 TAG

## Meeting Notes

**Date:** Tuesday, December 7, 2021

**Meeting Location:** WebEx Event

### Call to order:

Scott McKown called the meeting to order at 1:01 PM

### Attendance:

TAG Members present: Scott McKown (DLI), Karen Gridley (DLI), Irene Kao (League of Minnesota Cities), Charlie Vander Aarde (Metro Cities), Nick Erickson (Housing First Minnesota), Brian Hoffman (City of St. Louis Park), Kurt Welker (Welker Custom Homes), Barry Greive (Target Corporation), and Simone Fischer (MSR Design), and Ken Hinz (CBS Construction Services, Inc)

TAG members absent: John Smith (Michaud Cooley Erickson)

Guests attending: Chad Payment (DLI), Amanda Spuckler (DLI), Steve Shold (DLI), Brittany Wysokinski (DLI), Jeff Lebowski (DLI) Scott McLellan (DLI), Kate Perushek (DLI), Lyndy Logan (DLI), Ellwood Zabel, Chris Weaver, Rick Hermans, Daniel Wald, Sarah Strong, David McDonald, Matt Spellman, Joseph Briscar, Jerad Bankston, Daniel Lightfoot, John Davis, Julie Hagstrom, Karlee Weinman, Ben Rabe, Collin Brecher, Scott Anderson, Angie Wiese, Roger Larson, Russ Landry, Katherine Teiken, Nick McNeely, Karlee Weinmann, Senator Rich Draheim, and Representative Steve Elkins

#### 1. Call to order

- WebEx instructions/procedures

2. Scott McLellan, Director, Construction Codes and Licensing, presented an overview of the [Minnesota energy code adoption process](#).

3. Discussion of codes must be adopted by law prior to 2026 and return on investment requirements for updates to residential energy code requirements:

- TAG members' consensus is that the review and adoption of model codes should continue on a six-year cycle with the adoption of 2024 editions of the model codes. The current statutory language prohibits the adoption more frequently than six years, with the exception of the energy codes, and will allow for the adoption of the 2024 edition of the model codes. The TAG members recommend

that any changes to the statutory language refer to a publication year for the model codes and maintain the six-year code adoption cycle.

- The code adoption process in Minnesota is robust and includes cost considerations.
- A TAG member thought a statutory change is needed to ensure that the residential energy code is adopted on the same six-year cycle as the other I-codes.
- The TAG members' consensus is that any return on investment requirements for energy code updates should apply only to new one- and two-family dwellings and townhouses. TAG members recommend excluding residential remodels from return on investment requirements because it is too difficult to calculate and varies based on factors like building condition, compliance with current code requirements, and project scope.
- The TAG members were unable to come to a consensus regarding a return on investment and its calculation.
  - There are discrepancies in how different stakeholders calculate costs and return on investment.
  - A viewpoint expressed is that a five-to-six-year payback period is appropriate so that code changes pay for themselves within the adoption cycle.
  - A longer return on investment period may be more appropriate. It is difficult to calculate return on investment because it varies based on the methodology used as well as energy type and costs, building type, and region. It is also difficult to quantify other benefits of the energy code such as improved human comfort.

#### 4. Discussion of permit fee calculation.

- TAG members discussed a uniform fee scheduled for the entire state.
- TAG members representing municipalities and building officials expressed concerns about assessing permit fees based on square footage because new residential construction also has varying degrees of complexity and a more complex projects of the same square footage require additional inspection services.
- Municipalities would have to update their systems for the to calculate new residential construction based on square footage and all other construction based on valuation.
- A TAG member expressed concerns that that homeowners are overcharged for permit fees for new construction, and this is reflected by municipalities generating permit fee revenue that exceeds building department expenses in a given year.
  - Annual permit fee revenue fluctuates depending on annual building volume. For larger commercial projects, the fee collected is for inspection services performed over several years.
  - Municipalities are not required to report permit fees collected specifically for new one- and two-family dwellings and townhouses so it is unclear if residential development is generating excessive permit revenue.

## Next Meeting:

Date: December 21, 2021

Time: 1:00 PM

Location: WebEx Event

**Meeting Adjourned:** 2:30 PM

**Prepared by:** Scott McKown