

**STATE OF FLORIDA
BUILDING COMMISSION**

IN RE:

FLORIDA HOMEBUILDERS
ASSOCIATION, BUILDERS
ASSOCIATION OF SOUTH FLORIDA,
THE RELATED GROUP, ZOM
FLORIDA, INC., FLORIDA EAST
COAST REALTY, RUDG, LLC,
NEWGARD DEVELOPMENT GROUP,
FLORIDA EAST COAST INDUSTRIES,
VERZASCA GROUP, LLC, and ALLEN
MORRIS COMPANY.

CASE NO. _____

**PETITION FOR EMERGENCY RULEMAKING BY THE
FLORIDA BUILDING COMMISSION**

The Petitioners, pursuant to Subsections 120.54(4) and 120.54(7), Florida Statutes (2014), respectfully petition the Florida Building Commission (the "Commission") to undertake the emergency rulemaking process authorized by the Florida Administrative Procedure Act to implement the two emergency rules attached hereto as Exhibit A in order to avert immediate dangers to the public health, safety, or welfare. The emergency rules that the Petitioners propose the Commission adopt would provide a 90-day delay to the effective date of three provisions of the Fifth Edition of the Florida Building Code (2014) that would otherwise take effect on June 30, 2015.

The provisions are Section 403.6.1, of the Florida Building Code-Building, Fifth Edition (2014) (the "FBCB-2014"), which doubles the number of fire service access elevators required in high-rise buildings, along with certain companion requirements; and

Section R-303.4 of the Florida Building Code-Residential, Fifth Edition (2014) (the “FBCR-2014”), together with Section 402.4.1.2 of the Florida Building Code-Energy Conservation, Fifth Edition (2014) (the “FBCEC-2014”), which involve building thermal envelop testing with a blower door. Two discrete groups of Petitioners (with some petitioners overlapping) request these delays in implementation.

The first group of Petitioners is comprised of the following entities and organizations: Florida Homebuilders Association; Builders Association of South Florida, The Related Group; ZOM Florida, Inc.; Florida East Coast Realty, RUDG, LLC, Newgard Development Group; Florida East Coast Industries; Verzasca Group, LLC, and Allen Morris Company (collectively, “Petitioners-EL”). Petitioners-EL are comprised of, and in some cases represent, developers, builders, or trades involved in the construction, of high-rise buildings in Florida.¹ The high-rise buildings currently being developed, and also those which are to be developed, by Petitioners-EL include, but are not limited to, residential condominiums, market rate apartment buildings, affordable housing, hotels, office buildings and mixed-use buildings. Petitioners-EL specifically request an emergency rule that delays the effective date of Section 403.6.1, BFCB-2014, concerning fire service access elevators for a period of 90 days, to September 29, 2015.

FHBA is a Florida not-for-profit corporation that has more than 6,513 members throughout the State of Florida. FHBA is affiliated with the National Association of Home Builders (NAHB) and has 25 local/regional affiliated home builders associations throughout the

¹ For the purpose of this Petition, the terms high-rise building or high-rise mean a building with an occupied floor that is more than 120 feet above the lowest level of fire department vehicle access.

State of Florida. FHBA aims to “serve, advance and protect the welfare of the home building industry in such a manner that adequate housing will be made available by private enterprise to all Americans.” FHBA’s core mission is one of advocacy and its legislative, legal and political initiatives work together to create the best possible economic and regulatory environments for our members to succeed. FHBA enjoys a legacy that spans more than 65 years. BASF is a local association, affiliated with FHBA, that represented individuals and businesses in the residential construction industry in South Florida. A significant number of FHBA and BASF’s members will be subject to sections 303.4, 402.4.1.2, or 403.6.1. and will be adversely affected by their current effective date.

FHBA also represents the interest of its members engaged in the construction of single home residences in Florida and specifically requests an emergency rule the delays the effect date of Section R-303.4, FBCR-2014, and Section 402.4.1.2, FBCEC-2014, when invoked by Section R-303.4, FBCR-2014, for a period of 90 days, to September 29, 2015.

As set forth more fully below, emergency rules are necessary for the FBC-2014 provisions, as well as for both groups of Petitioners, to allow for: (a) high-rise projects that are already well into the development process, but which will not be able to apply for a building permit before June 30, 2015, to have additional time to apply for a building permit before the FBCB-2014 goes into effect; (b) additional one and two family houses to be permitted under an edition of the FBCB that will not translate into delays at the time of certificates of completion and attendant increased costs; and (c) time for the Commission to undertake normal rule making procedures outlined in Section 120.54,

Florida Statutes (2014), to adopt a rule extending the time for the respective code provisions to take effect that is long enough for the Commission to either: (1) fix the language in the applicable provisions of the FBC-2014 that have precipitated the need for a delay in the provisions' effective dates; or (2) provide for sufficient time for the Florida Legislature to have an opportunity to fix the language, as would have already happened had the Legislature not adjourned *sine die*, if the Commission finds it is unable to do so for jurisdictional or other reasons.²

I. THE COMMISSION'S STATUTORY AUTHORITY FOR EMERGENCY RULEMAKING.

Section 120.54(4), Florida Statutes (2014), governs this proceeding. If the Commission "finds that an immediate danger to the public health, safety, or welfare requires emergency action, the agency may adopt any rule necessitated by the immediate danger." § 120.54(4)(a), Fla. Stat. In those instances, the Commission "may adopt a rule by any procedure which is fair under the circumstances if": (1) "[t]he procedure provides at least the procedural protection given by other statutes, the State Constitution, or the United States Constitution"; (2) the Commission "takes only that action necessary to protect the public interest under the emergency procedure"; and (3) the Commission "publishes in writing at the time of, or prior to, its action the specific facts and reasons for finding an immediate danger to the public health, safety, or welfare and its reasons for concluding that the procedure used is fair under the circumstances." § 120.54(4)(a)1-3, Fla. Stat.

² A separate petition for the Commission to undergo the normal rulemaking process is being filed simultaneously with this Petition.

II. THE COMMISSION'S ADOPTION OF THE FIFTH EDITION OF THE FLORIDA BUILDING CODE (2014).

On or about May 20, 2013 the Commission commenced its triennial rulemaking cycle to create and adopt the Fifth Edition of the Florida Building Code (2014)(Vol.39, No. 98, F.A.R. May 20, 2013). On August 22, 2013, the Commission held a rule development workshop where it opened Rule 61G20-1.001 for development to address the statutorily required triennial Florida Building Code update process. On December 5, 2014, the Commission adopted a proposed rule to adopt by reference the FBCB-2014. (Vol. 40, No. 234, F.A.R., December 4, 2014). As set forth in a Notice of Correction published on January 6, 2015 (Vol. 41, No. 03, F.A.R., January 6, 2015), the effective date of the FBCB-2014 is June 30, 2015.

In adopting the FBC-2014, the Commission, its staff, and its technical advisory committees ("TACs") considered hundreds of changes that occurred between the 2009 and 2012 editions of the International Building Code, and the 2009 and 2012 editions of the National Electrical Code (NFPA 70), both of which are foundational codes for the Florida Building Code. They also considered hundreds of proposed Florida-specific amendments to the foundation codes, ultimately leading to the adoption of FBC-2014 on December 5, 2014. Once the FBCB-2014 was adopted, it could not take effect any sooner than 6 months after publication of the updated code, § 553.73(6), Fla. Stat. (2014), to allow for persons who work in or around the development and building industries (*e.g.*, architects, contractors, building officials) to review and familiarize themselves with the new code edition before it takes effect.

Between the time that the FBCB-2014 was adopted and now, architects and life safety consultants for a number of the Petitioners and others similarly situated studied and familiarized themselves with FBCB-2014 as the statute intended. Two major concerns in particular were noted (one for Petitions-EL and one for Petitions-BD): the requirement for a second fire service access elevator along with the required companion features; and the provisions found in the Residential and Energy Conservation Codes mandating “blower door” testing for one and two family dwellings.

III. FBCB-2014 PROVISIONS ON FIRE SERVICE ELEVATORS.

Section 403 of the current version of the Florida Building Code, i.e., the Fourth Edition of the Florida Building Code (2010) (the “FBCB-2010”), which remains in effect until June 29, 2015, pertains to “high-rise buildings,” and Section 403.6 of the FBCB-2010, in particular, addresses “[e]levator installation and operation in high-rise buildings.” Section 403.6, FBCB-2010, contains a “[f]ire service access elevator” subsection, which provides as follows:

403.6.1 Fire service access elevator. In buildings with an occupied floor more than 120 feet (36 576 mm) above the lowest level of fire department vehicle access, *a minimum of one fire service access elevator shall be provided* in accordance with Section 3007.

§ 403.6.1., FBCB-2010 (emphasis added).

During the six-month review period following the Commission’s adoption of the FBCB-2014, architects and consultants for Petitioners-EL came across revised language in Section 403.6.1 as part of the various other amendments that the Commission adopted with the new code. As amended, the 2014 version of Section 403 provides the following

relevant language regarding “[f]ire service access elevator[s]”:

403.6.1 Fire service access elevator. In buildings with an occupied floor more than 120 feet (36 576 mm) above the lowest level of fire department vehicle access, *no fewer than two fire service access elevators, or all elevators, whichever is less, shall be provided* in accordance with Section 3007. Each fire service access elevator shall have a capacity of not less than 3500 pounds (1588 kg).

§ 403.6.1, FBCB-2014 (emphasis added). This new amendment is scheduled to take effect on June 30, 2015.

The emphasized language in both the 2010 and 2014 versions of Section 403.6.1 of the Florida Building Code highlight the relevant and principal difference between the former and newly adopted provision. In short, the FBCB-2010 requires only *one* fire service access elevator to be provided in accordance with Section 3007, but the FBCB-2014 *doubles that requirement* and mandates *at least two* fire service access elevators to be provided in accordance with Section 3007.³ If implemented as written, Section 403.6.1 of the FBCB-2014 will have a catastrophic effect on Florida’s economy and the building, design, and real estate development industry and will result in job losses significant in nature.

When the amended version of Section 403.6.1 takes effect on June 30, 2015, numerous development projects throughout the State of Florida that are in the development process, but which have not yet applied for a building permit, will become

³ It should be noted that the concerns and difficulties with providing a second fire service access elevator are not based on the providing of a second such elevator alone, but the adding of a second fire service elevator complying with the requirements for fire service access elevators and associated requirements mandated by Section 3007.4 and 3007.5 (in FBCB-2010) and 3007 (in FBCB-2014).

subject to the new two-fire-service-access-elevator requirement (the “Second Elevator Requirement”). Because of the amount of time it normally takes to complete the entitlements process(es) for large and very large developments, as well as the amount of time it typically takes to prepare construction documents after the entitlements are approved and granted, many of these projects were commenced well before the FBCB-2014 was even published in December 2014. Nevertheless, the construction documents for these large-scale projects may not be sufficiently complete by June 29, 2015, to apply for building permits as necessary to be vested under the current version of the Building Code, the FBCB-2010, which has only one fire-service-access-elevator requirement.⁴

As of the date of this filing, there are approximately 122 high rise projects, including a mix of condominium and rental projects, representing 41,631 units throughout Florida, that currently are in the planning and/or design stages and will be greatly impacted by the new Second Elevator Requirement. Exhibit B. At the most basic level, the addition of a second fire service elevator will require a redesign of these projects. Exhibit B. But these necessary redesigns will have dramatic consequences on the financial feasibility of a high rise development.

Redesigning creates the very real possibility of the following: 1) developers being unable to secure the necessary changes to the entitlements they have previously secured

⁴ Indeed, one or more of the entities comprising Petitioners-EL have projects that were commenced with timing such that under typical circumstances they would have comfortably been able to apply for a building permit on or before June 29, 2015. However, unanticipated delays in the entitlements process, such as unplanned multiple continuances of hearings critical to attaining necessary entitlements, have made it so that even if construction drawings could be, or even are, ready to submit with a permit application prior to June 30, those petitioners are now unable to do so.

in order to include a new second fire service access elevator; and 2) the significant loss of usable square feet for these projects; and the loss of market timing.⁵ It is estimated that approximately 44 of the 122 high rise projects in the pipeline will be cancelled in light of this amendment. Exhibit B.⁶ In other words, 18,311 of the 41,631 presently in the pipeline throughout the state will be completely lost or abandoned. Exhibit B. In practical terms, then, what the implementation of Section 403.6.1, FBCB-2014, ultimately translates to is a dramatic – and irremediable – reduction in the revenue generated by construction and unit-owner household spending, as well as the loss of numerous jobs and potential earnings for those who could have otherwise been employed. Exhibit B.

The actual statistics that demonstrate these trends are even more alarming. As expert economist Hank Fishkind, Ph.D, of Fishkind & Associates, Inc., opines,⁷ if Section 403.6.1, FBCB-2014, goes into effect, the State of Florida can expect to suffer deleterious consequences over the next three years due to lost or cancelled development,

⁵ A developer (or lender or investors) who is concerned that a many months to a year or more delay will result in a project that does not come to market during appropriate market conditions will likely discontinue the project resulting in a financial loss to the developer and investors, but a much smaller loss than might have been incurred if the delayed project came back to market during unfavorable market conditions.

⁶ For example, various development projects are moving forward based on *pro formas*, with ascertained budgeted construction costs and an ascertained minimum amount of usable square feet. Increases in construction costs, combined with a loss of usable square feet, will result in the financial infeasibility of certain projects. Those projects will be cancelled to protect the developers and investors from larger losses than they might otherwise incur if constructed under different or the prior code's requirements. It should be noted that public entities supported by property tax revenues will be hit with unanticipated revenue shortfalls, having planned on the revenues from these large projects in the pipeline that will no longer break ground.

⁷ The Petitioners will file a full report to supplement the truncated report attached to this Petition as soon as it becomes available.

including:

- a total loss of 58,700 jobs.⁸
- a net construction loss of \$8.4 billion;⁹
- a net loss in household spending of \$2.8 billion;¹⁰
- a direct economic impact of a loss of \$10.8 billion to the economy;
- a total economic impact of a loss of \$21.1 billion to the economy; and

Exhibit B. The foregoing projected losses will then undoubtedly stress the still-recovering banking system, with the potential to create a weakened or even failed system, in which developers who borrowed from banks in the tens of millions (in some cases over 100 million) dollars for land will have no way to pay back interest and principal on such sums due and owing.

IV. FBCB-2014 PROVISIONS ON BLOWER DOOR TESTING OF BUILDING ENVELOPES

A. The Revised Language of Sections R303.4 and R402.4.1.2, FBCB-2014.

The FBCB-2014 also imposed new thermal envelope testing and mechanical ventilations requirements. Those provisions read as follows:

⁸ Development projects employ a number of people. These employees are fed and otherwise serviced by small businesses in the neighborhood surrounding each of these construction sites. They each either pay rent or have mortgages that they are able to afford based on the typically high-paying jobs that are found at these high-rise construction sites. When one of these projects gets cancelled, the construction workers then find themselves unemployed. As a result, they may find it difficult or impossible to pay their mortgages or rent.

⁹ This figure actually includes a 20% reduction in the total loss, to account for the fact that some money generated by Florida development is directed outside of the state.

¹⁰ This figure actually assumes that half of all buyers will be accommodated elsewhere in Florida.

R303.4 Mechanical ventilation. Where the air infiltration rate of a dwelling unit is less than 5 air changes per hour when tested with a blower door at a pressure of 0.2 inch w.c (50 Pa) in accordance with Section R402.4.1.2 of the *Florida Building Code, Energy Conservation* the dwelling unit shall be provided with whole-house mechanical ventilation in accordance with Section M1507.3.

R402.4.1.2 Testing. The building or dwelling unit shall be tested and verified as having an air leakage rate of not exceeding 5 air changes per hour in Climate Zones 1 and 2, and 3 air changes per hour in Climate Zones 3 through 8. Testing shall be conducted with a blower door at a pressure of 0.2 inches w.g. (50 Pascals). Where required by the *code official*, testing shall be conducted by an *approved* third party. A written report of the results of the test shall be signed by the party conducting the test and provided to the *code official*. Testing shall be performed at any time after creation of all penetrations of the *building thermal envelope*.

During testing:

1. Exterior windows and doors, fireplace and stove doors shall be closed; but not sealed, beyond the intended weatherstripping or other infiltration control measures;
2. Dampers including exhaust, intake, makeup air, backdraft and flue dampers shall be closed, but not sealed beyond intended infiltration control measures;
3. Interior doors, if installed at the time of the test, shall be open;
4. Exterior doors for continuous ventilation systems and heat recovery ventilators shall be closed and sealed;
5. Heating and cooling systems, if installed at the time of the test, shall be turned off; and
6. Supply and return registers, if installed at the time of the test, shall be fully open.

Sections R402.4.1 and R402.4.1.1 incorporate the blower door testing requirement by reference.

Blower door testing is used to measure the airtightness of a structure and the airflow between building zones, to test the airtightness of ductwork, and to locate any leaks in a building envelope. Under the 2010 Building Code, the airtightness of residential buildings could be tested either through use of blower doors or by visual

inspection. Currently, approximately two-thirds of the single family homes constructed in Florida are measured for airtightness using visual inspection. Unless the effective date is delayed, the new provisions – like those relating to emergency elevators described above – will become effective on June 30, 2015.

B. The Emergency

Implementation of the blower door and mechanical ventilation requirements imposed by FBCB-14 by June 30, 2015, creates both a public welfare and a public health emergency.

The normal rate of single home construction in the State of Florida is 100,000 homes per year. While the rate of construction has not fully recovered from the effects of the Great Recession, single homes are currently being built at the rate of between thirty and fifty thousand homes per year. Even at that reduced rate, there are insufficient home inspectors certified to conduct blower door testing to meet the needs of the residential home construction industry as it recovers from the recession.

For example, there are less than 10 entities qualified to conduct blower door testing in the Florida Panhandle. It is estimated that the direct additional cost of conducting blower door testing – not including the delay costs associated with “waiting in line” for a certified inspector to become available – will range from \$200 to \$300 per house. *See Exhibit C (Ltr. from Arlene Z. Stewart, Chair, FHBA Green Building Council).*

In addition, the results of the blower door test will often trigger the need for additional mechanical ventilation. The mechanical ventilation provision in FBCB-14 is

unclear and could easily be interpreted to result in an oversized application, resulting in an additional cost per house ranging anywhere from \$300 to \$2500 and creating the potential for excess energy loss – the very problem that the airtightness testing is intended to prevent. *See* Exhibit C. A delay in the effective date of these Code provisions is necessary to avoid the economic impacts associated with the blower door and mechanical ventilation requirements and to allow the Commission time to clarify the intent of the mechanical ventilation provision either through rulemaking or declaratory statement.

The new blower door testing and mechanical ventilation requirements also raise the specter of harm to the public health. There is real concern that the airtightness standard established in FBCB-14 is not appropriate for Florida’s warm and humid climate. Buildings are constructed without sufficient exchange of air can quickly be overcome with the growth of harmful mold.

A delay in the effective date of these Code provisions will provide the Commission time to more carefully consider whether Florida-appropriate modifications should be adopted, as provided in section 553.73(7)(c), Florida Statutes (2014).

V. EFFORTS TO ADDRESS THESE ISSUES LEGISLATIVELY

When the FBCB-2014 was published and the updated Section 403.6 was found to raise the concerns described above, the Commission was not in one of its rulemaking cycles. The Legislature, however, was in session. Some of Petitioners went to the Legislature to seek relief.

Over a period of several weeks, Petitioners worked out appropriate legislative language and met with legislators and representatives of Florida’s fire marshals and

inspectors. The result was consensus legislation in both chambers of the Legislature, that passed committee votes with unanimous support. The legislation, in pertinent part, provided that Sections 553.73 and 553.908, Florida Statutes be amended to add the following:

553.73(20) The Florida Building Code may not require more than one fire service access elevator in residential occupancies where the highest occupiable floor is less than 420 feet above the level of fire service access and all remaining elevators are provided with Phase I and II emergency operations. Where a fire service access elevator is required, a 1-hour fire-rated fire service access elevator lobby with direct access from the fire service access elevator is not required when the fire service access elevator opens into an exit-access corridor, which can be no less than 6 feet wide for its entire length that is a minimum of 150 square feet with the exception of door openings, and has a minimum 1-hour fire rating with three-quarter-hour fire- and smoke-rated openings; and, during a fire event, the fire service access elevator is pressurized and floor-to-floor smoke control is provided. However, where transient residential occupancies occur at floor levels more than 420 feet above the level of fire service access, a 1-hour fire-rated fire service access elevator lobby with direct access from the fire service access elevator is required. The requirement for a second fire service access elevator is not considered to be a part of the Florida Building Code and, therefore, does not take effect until July 1, 2016.

553.907 Inspection. . . . Notwithstanding any provision of the Florida Building Code or other provision of law, mandatory blower door testing and mechanical ventilation for residential buildings or dwelling units takes effect on April 1, 2016.

CS SB 1232, §§ 22 & 27, 2015 Leg. Sess. (Fla. 2015).

Unfortunately, the legislative session ended just a few hours short of the final vote

needed for passage of the legislation. With the Legislature now out of session, and the extreme unlikelihood that a curative bill will be taken up in the upcoming special session, using emergency rulemaking procedures is *the only available mechanism* that has the ability to delay the effective date of Sections 303.4, 402.4.1.2, and 403.6.1 in FBCB-2014 for 90 days to: (1) allow for development projects that cannot be ready to file an application for building permit by June 29, 2015, additional time to hopefully be ready and file an application for building permit within 90 days after an emergency rule takes effect; (2) to allow the Commission to commence the rulemaking process to provide for an additional, longer extension of the effective date as necessary for the Commission to evaluate, and amend as appropriate, to resolve the issues of concern as described in this Petition; and/or (3) to allow the Commission time to consider a declaratory statement resolving the current issues regarding the application of the mechanical ventilation requirement. This action is necessary to protect the public interest. See § 120.54(4)(a)2., Fla. Stat. (“[a]gency may adopt [an emergency] rule by any procedure which is fair under the circumstances if ... [t]he agency takes only that action necessary to protect the public interest under the emergency procedure”).

To adopt an emergency rule, Section 120.54(4) requires the Commission to find “an immediate danger to the public health, safety, or welfare.” § 120.54(4)(a), Fla. Stat. The devastation to Florida’s economy that will result should Sections 303.4, 402.4.1.2, and 403.6.1 of the FBCB-2014 go into effect not only satisfies, but also surpasses, the statutory threshold, as does the real threat to the public health of Florida’s residents posed by the immediate implementation of Sections 303.4 and 402.4.1.2.

VI. IMPLEMENTATION OF EMERGENCY RULEMAKING IS FAIR UNDER THESE CIRCUMSTANCES.

The relief afforded by this emergency rulemaking is limited to those actions necessary to address the threatened harm to the public welfare and the public health. Notice of this emergency rulemaking will be provided through publication of the Commission's agenda. In addition, the Commission is simultaneously considering petitions for formal rulemaking addressing the identical subjects, which rulemaking process will include the full opportunity for those affected and other interested members of the public to participate in the final resolution of these issues.

BASED ON THE FOREGOING, the Petitioners request that the Commission adopt Emergency Rules 61GER15-1 and 61GERT5-2, copies of which are attached hereto.

Respectfully submitted,

Attorneys for Petitioners, Florida Homebuilders Association, Builders Association of South Florida, The Related Group, ZOM Florida, Inc., Florida East Coast Realty, RUDG, LLC, Newgard Development Group, Florida East Coast Industries, Verzasca Group, LLC, and Allen Morris Company

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing by hand
delivery to:

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This 29th day of May, 2015,


Attorney

61GER15-1. Effective Date for Second Fire Service Access Elevator Requirement.

Notwithstanding the Florida Building Code, a second fire service access elevator is not required in buildings with residential occupancies at floors more than 120 feet above the level of fire service access during the period of time that this emergency rule is in effect.

61GER15-2. Effective Date for Blower Door, and Mechanical Ventilation Requirements.

Notwithstanding the Florida Building Code, mandatory blower door testing and mechanical ventilation for residential buildings or dwelling units are not required during the period of time that this emergency rule is in effect.

Effective Date: June 30, 2015.

**SUMMARY OF ECONOMIC
IMPACT OF PENDING
CHANGES TO FLORIDA
BUILDING CODE SECTION
403.6 REQUIRING TWO FIRE
SERVICE ELEVATORS
INSTEAD OF ONE FIRE
SERVICE ELEVATOR**

May 28, 2015

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Executive Summary

- There are 122 high rise condo buildings in planning/design stages today throughout the State of Florida
- These buildings represent 41,631 residential units
- Addition of a second fire service elevator requires building redesign
- Redesign shrinks residential unit sizes, reduces parking, adds time and cost
- Only premier sites and buildings on the Beach can absorb these effects
- Of the 122 buildings, 44 buildings will be cancelled due to the second elevator
- Of the 41,631 residential units 18,311 residential units will be lost
- The net construction loss to the State of Florida is \$8.4 billion over three years
- This reflects spending leakage out of state and adds redesign costs
- It is assumed half of all buyers will be accommodated elsewhere in Florida
- Household spending will be lost among 9,156 households lost to Florida
- The net loss in household spending in Florida is \$2.8 billion over three years
- Direct economic impact is a loss of \$10.8 billion to the Florida economy
- Total economic impact is a loss of \$21.1 billion to the Florida economy
- Total job loss is 58,700 jobs over the three year building code update cycle

Economic Impact of Additional Fire Service Elevator

CONSTRUCTION Impact Summary			
<u>ImpactType</u>	<u>Annual Employment</u>	<u>3-Year Wages</u>	<u>3-Year Output Total</u>
Direct Effect	16,225	\$2,380,827,341	\$8,462,479,891
Indirect Effect	10,991	\$1,668,457,825	\$4,552,119,553
<u>Induced Effect</u>	<u>9,153</u>	<u>\$1,264,257,494</u>	<u>\$3,621,377,394</u>
Total Effect	36,369	\$5,313,542,659	\$16,635,976,838
HH SPENDING Impact Summary			
<u>ImpactType</u>	<u>Annual Employment</u>	<u>3-Year Wages</u>	<u>3-Year Output Total</u>
Direct Effect	17,252	\$1,609,080,712	\$2,373,349,629
Indirect Effect	1,048	\$165,096,608	\$450,956,214
<u>Induced Effect</u>	<u>4,033</u>	<u>\$557,330,939</u>	<u>\$1,597,025,046</u>
Total Effect	22,333	\$2,331,508,259	\$4,421,330,888
SUMMARY of LOSS			
<u>ImpactType</u>	<u>Annual Employment</u>	<u>3-Year Wages</u>	<u>3-Year Output Total</u>
Direct Effect	33,477	\$3,989,908,053	\$10,835,829,320
Indirect Effect	12,039	\$1,833,554,432	\$5,003,075,767
<u>Induced Effect</u>	<u>13,186</u>	<u>\$1,821,588,433</u>	<u>\$5,218,402,440</u>
Total Effect	58,702	\$7,645,050,918	\$21,057,307,527

Source: Fishkind & Associates, Inc. and Minnesota IMPLAN Group, Inc., 2015

April 30, 2015

Doug Buck
Director of Legislative Affairs
Florida Home Builders Association
Dbuck@fhba.com



Doug,

In the wake of Tuesday's Sine Die and the dismissal of the building code bill, I am providing some perspective about the challenges our members and industry face in the implementation of the Florida Building Code, V5 on June 30.

Our Governmental Affairs members have provided feedback on a number of issues with the implementation of the mandatory blower door test in the new energy code. Many of these are simply typical growing pains that come with any new code. However, the concern over the availability of testers and subsequent cost of testing is real and well founded in the Panhandle region. There are less than ten qualified entities located from Pensacola to Marianna that meet both Florida Statute and the restrictive interpretation of the code. While a few businesses have announced they are bringing services to the region, establishing the actual business connections and relationships is months away. Consequently, my brief, independent survey indicates that *houses completed in this period will see a \$200-300 premium per new house in the Panhandle plus any expenses the builder may occur while having to 'stand in line' to get this test done thus delaying the certificate of occupancy.* Similar gouging is reported in the rest of the state, but I do not believe it is as serious because there are adequate numbers of testers. Yet, such blown up costs will continue to be given in bids as long as the Blower Door code section has no cross reference to Florida Statutes. A declaratory statement has the potential to render some relief, but depending on the outcome, that relief would not be felt meaningfully in the Panhandle until Q1 2016.

The blower door test triggers a requirement in the mechanical code for mechanical ventilation, an appropriate provision. I believe there has been so much focus on test requirements that only a few have realized the ventilation standard can be validly interpreted and yet result in an oversized application. Case in point, in my energy class yesterday, I had an AC contractor ask who was responsible for ventilation. This is particularly scary because if the trade responsible, as cited in the 489 statute, doesn't even know to provide the provision, how can they be knowledgeable about how the three codes involved should be applied! In the six weeks since ventilation questions were raised, I've confirmed with some experts that a conservative and Florida appropriate interpretation and application should have no additional cost or an amount less than \$300 (which meets the cost impact code criteria). However, those same experts acknowledge that a liberal and equally valid interpretation is also likely to be made by trades and enforcement officials alike. According to my brief survey, *that liberal application appears to result in a premium of \$300 to \$2500 per new house at minimum but also reintroduces the very energy losing situation that mandatory blower door testing was meant to correct.* When installed in homes that will be occupied by those with respiratory disorders, allergies and/or any similar sensitivities, additional costs from exacerbate health issues are added. I project that between 10%-25% of the houses will have this liberal interpretation resulting in oversized mechanical ventilation in the first six months, until, at minimum, a declaratory statement can be rendered.

As an energy efficiency advocate, I spend a lot of my time at code transitions trying to calm builder concerns and debunk rumors and misconceptions. This is the first time in fifteen years that some of those concerns are warranted, appropriate and serious. As chair of the FHBA Green Building Council, I would be remiss if I did not bring this information to your attention. I am available should you want to discuss ways to educate our industry on the most cost effective ways to implement these provisions or the type of guidance we need to remedy these brewing difficulties. Please know I believe that both provisions, done appropriately, are to the builder's benefit as well as the consumer's and meet Florida's criteria for cost effectiveness. Done poorly and without clear, additional guidance, neither will.

Sincerely,

Arlene Z. Stewart
Chair, FHBA Green Building Council
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