

Boston Business Journal - by **Mary Moore**

Greg Peterson, an attorney with Tarlow Breed Hart & Rodgers

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A bill being considered in the Massachusetts Legislature would give a three-year extension to shovel-ready commercial, industrial and residential real estate development projects throughout the state — holding permits that were approved between January 2008 and Jan. 1, 2011.

At its core, the legislation addresses the reality that many developers have been hit hard by the recession and tighter lending, many of them unable to move projects forward due to a lack of financing. The bill would extend the expiration deadlines that generally accompany a variety of permits necessary to build projects — from building to environmental permits.

The bill passed the Senate several weeks ago as part of a larger package of economic development legislation introduced by Senate President Therese Murray and is being supported by NAIOP Massachusetts — and as such, generally has the support of the state's development community. A separate stand-alone bill that covers the same issue is being considered in the House Ways and Means Committee, and Gov. Deval Patrick also has included language related to this issue in economic development legislation he is supporting.

The time period the bill covers — permits issued between 2008 and through 2010 — reflects what is generally considered to be the crux of the recession and lending crisis crippling many development projects.

“We ought to make sure that all hard work that had been done obtaining permits at local regional and state levels didn't evaporate in the middle of this downturn,” said Greg Peterson, an attorney with **Tarlow Breed Hart & Rodgers** who represents developers. Peterson said 75 percent of his developer clients are struggling with stalled projects.

“What I'm hearing from clients is that, in the middle of this downturn, when they can't get financing and tenants aren't sure they want to commit to leases, they've got variances and permits that are going to expire. In the middle of all this, with no money coming in, they're being asked to spend money on lawyers and engineers to get extensions to renew permits to keep a development job alive.”

Critics include the **Massachusetts Municipal Association**, which represents cities and towns and argues that the proposed legislation will tie up developable property for three years and hamstring communities in their planning processes. Permit extensions, they said, should continue to be provided on a case-by-case basis rather than under blanket provision.

“It's mind-boggling,” said Geoffrey Beckwith, executive director. “There would be countless examples where promised economic activity would be delayed, essentially giving developers the opportunity to sit on permits.”

Bill supporters are focused largely on jobs and tax revenue. If developers face the prospect of resubmitting to the approvals process, they are much more likely to walk away, said Tamara Small, director of policy and public affairs for NAIOP Massachusetts. In development, she said, time is money.

NAIOP estimate that re-approvals would require two years or more in additional time and costs or more, rendering project financially infeasible.

Jobs would be lost, said Small. So, too, would various forms of tax revenue related to the construction — income tax from workers, property tax related to the increased value of the new building, sales tax when the building or units get sold.

The projects already have been approved, said Small, and the bill would simply preserve the intent of those approvals.

But Beckwith said that additional time could mean the world of difference for an ever-changing community.

“A stronger proposal for a property could come in, but the property could just sit there without any activity on it at all,” he said