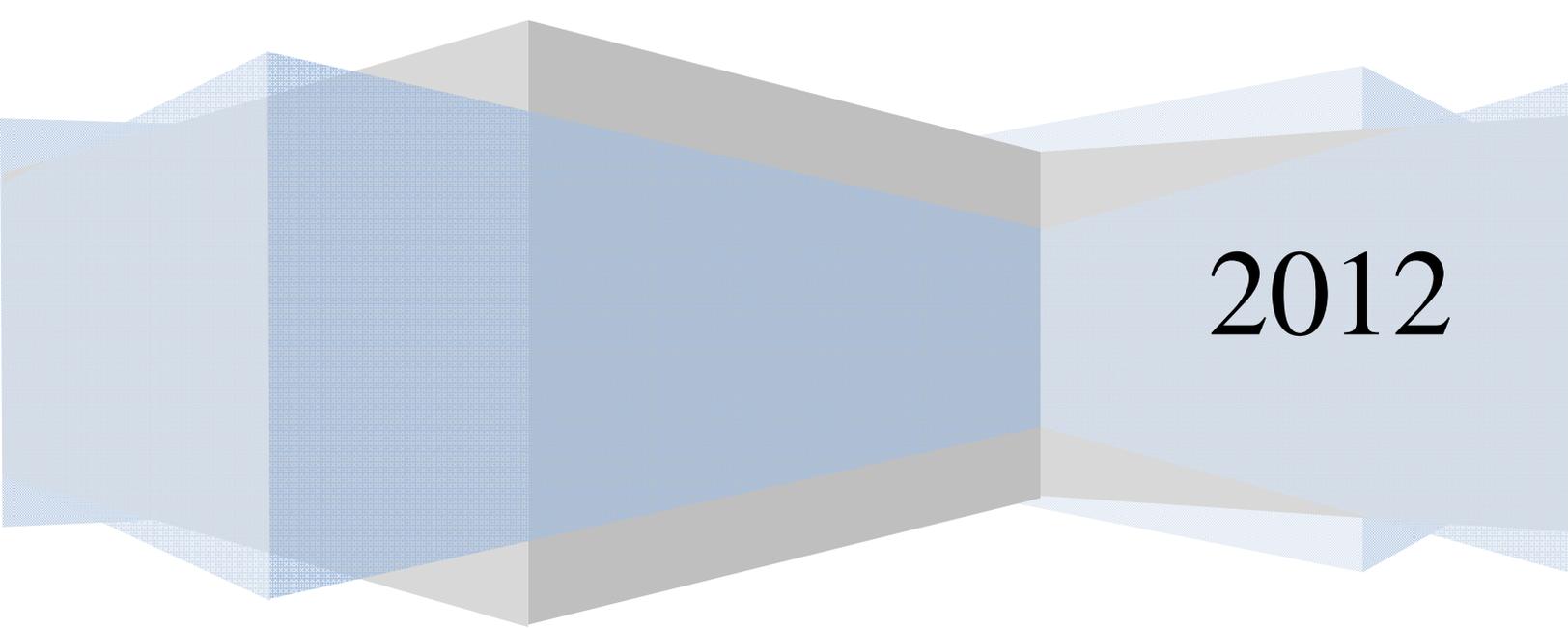


**MASSACHUSETTS
PERMIT REGULATORY OFFICE**
Annual Report



2012

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INTRODUCTION

The Massachusetts Permit Regulatory Office (MPRO) was established in 2006 to work with new and existing businesses to help foster job creation efforts by assisting with permitting, licensing, and regulatory processes. Since 2006, MPRO has worked with a wide variety of stakeholders including local officials, regional groups, legislators, private sector interests and state agencies to further the state's efforts to continue to make Massachusetts a great place to live, work, and play. Essential to making Massachusetts a great place to live and work is to create an environment which supports businesses and the job creation. Staying true to its core mission, MPRO continues to work with its partners to implement tools which can increase the efficiency and effectiveness of local and state government in support of housing and job growth and to look for new opportunities and partnerships which will further enhance the economic development climate in the state.

MPRO is an active participant in helping Massachusetts and the Executive Office of Housing and Economic Development (EOHED) achieve the goals established by the Choosing to Compete in the 21st Century Economic Development Plan published in December 2011. MPRO has been tasked with leading efforts to implement 6 out of the 55 objectives outlined in the plan which will help further the state's goal of "supporting regional development through infrastructure investments and local empowerment". These tasks include:

- 3.1.1 Plan ahead for growth by identifying priority development areas for job and housing growth through regional planning efforts that include public and private participation;
- 3.1.2 Plan ahead for growth by identifying priority development areas for job and housing growth through regional planning efforts that include public and private participation;
- 3.1.3 Enlist state agencies such as Mass Development and Mass Housing to provide targeted assistance to accelerating development within identified priority areas;
- 3.1.4 Enlist state agencies such as Mass Development and Mass Housing to provide targeted assistance to accelerating development within identified priority areas;
- 3.4.1 Give priority in state infrastructure investments to local priorities that have been evaluated and supported by a regional process; and
- 3.4.3 Create a clear and transparent feedback mechanism for municipalities when local priorities are not funded.

PLANNING AHEAD FOR GROWTH

While the Massachusetts Permit Regulatory Office is actively working on many different ways to help achieve the goals listed above, MPRO's work can be specifically highlighted through the Executive Office of Housing and Economic Development's Planning Ahead for Growth Strategy which takes a comprehensive view of future development in Massachusetts. At its core, the Planning Ahead for Growth Strategy includes: planning promising placing for growth, creating prompt and predictable zoning and permitting, investing in public infrastructure and marketing to businesses and developers areas of interest



The Planning Ahead for Growth Strategy has been developed by EOHEd and MPRO as a way to clearly articulate the economic development and housing land use goals of EOHEd. Acknowledging and embracing Massachusetts' strong municipal home rule structure, the Planning Ahead for Growth strategy is based on a bottom up approach of working with communities and regions to incorporate their land use goals into the dialogue with the state to implement the tools which will make Massachusetts an attractive and prosperous place to live and work.

By establishing the four core elements of the Planning Ahead for Growth Strategy, municipalities, regions and state agencies have a clear and transparent framework within which new initiatives, projects and development can take place.

IDENTIFY

Identifying Promising Areas for Growth

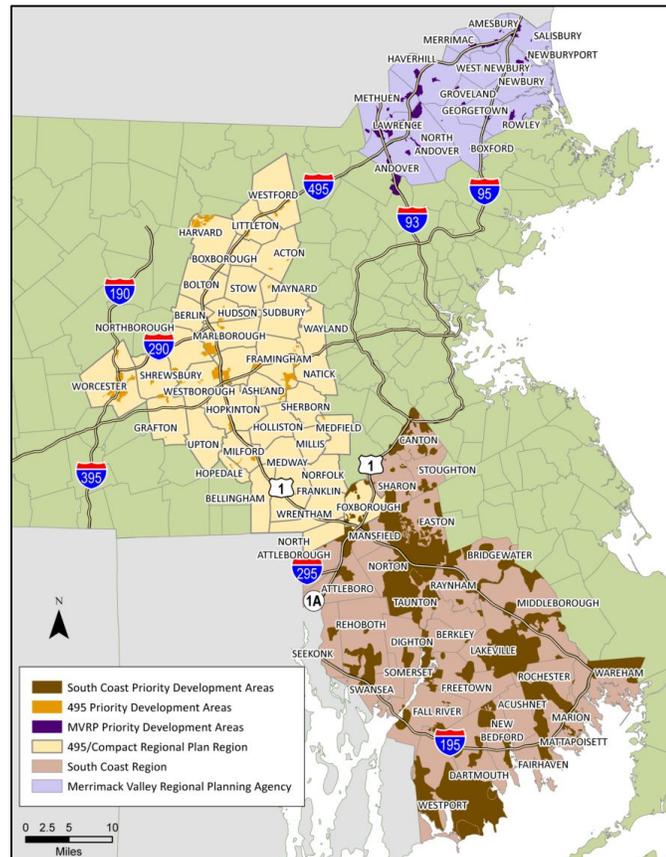
Regional Planning Efforts

The Massachusetts Permit Regulatory Office has promoted the advancement of several regional planning efforts. Regional plans are developed in partnership with municipalities, regional planning agencies, state agencies and stakeholder groups such as chambers of commerce and environmental advocacy organizations. The Plans are developed to identify at a local, regional and state level places which are appropriate for growth and preservation, known as Priority Development Areas and Priority Preservation Areas.

The Massachusetts Permit Regulatory Office has worked closely on the development of the South Coast Rail Economic Development Corridor Plan, the 495/MetroWest Development Compact Plan released in March 2012 and is currently completing regional planning efforts in the Merrimack Valley Planning Commission region. With the completion of the Merrimack Valley planning efforts in 2013, 83 communities will have identified Priority Development and Priority Preservation areas.

In addition to the regional planning efforts led by the state, several regional planning agencies have advanced efforts to identify areas for growth and preservation in additional communities. Current efforts underway by the Metropolitan Area Planning Commission and the Central Massachusetts Regional Planning Commission will result in an additional 44 communities completing the mapping efforts at a local and regional level.

In 2013, MPRO will evaluate opportunities to expand the state's regional planning efforts and the identification of priority areas. It is MPRO's goal to work with the 44 communities currently working with the Regional Planning Agencies to adopt state approved priority areas and to evaluate additional regions which may benefit from regional planning efforts.



Housing that Works

The Housing that Works initiative supports reasonably dense, reasonably located housing development through the identification of promising places for housing production that support compact development. By increasing the supply of dense, well-located housing, the cost of housing will be more affordable to those at or near the median. Massachusetts will need to address the increasing demand for median income or “workforce housing” opportunities to be able to maintain and attract many employers whose workers will seek reasonably priced housing in areas near their jobs and close to amenities.



Assembly Square, Somerville

Many communities are already building this type of housing such as Reading, Somerville, Easton, Haverhill, Boston, and Lowell. The Housing that Works initiative will highlight the many benefits that can be achieved in communities where new multi-family mixed use development is supported and will work with new communities to help facilitate the next generation of housing which will help sustain Massachusetts’ economic recovery and continue to make Massachusetts a great place to live and work

Working with Partner Agencies

EOEEA’s Global Warming Solutions Act – MPRO has worked with the Executive Office of Energy and Environmental Affairs for the past several years to support the Green **Massachusetts Global Warming Solutions** House Gas reduction goals established as a result of the Legislature’s Global Warming Solutions Act. Many of the policies that MPRO works on regularly and that are outlined in this report help support GHG reduction goals. In 2013, MPRO will work with EOEEA to incorporate the Planning Ahead for Growth strategy into the set of policies which will be monitored and evaluated to ensure the state is moving towards a healthier future.



MassDOT’s GreenDOT Goals – MPRO has worked closely with MassDOT to incorporate bicycle and pedestrian friendly goals into targets for the MassWorks Program. The types of land use supported by Planning Ahead for Growth and the Housing that Works initiative help advance MassDOT’s mode shift goals of increasing the number of transit riders and increasing opportunities for pedestrians and cyclists to access amenities without the need for a car.



EOANF’s State Land Disposition Model – In 2012, MPRO partnered with EOANF to evaluate the state’s land disposition procedures related to some of the state’s most promising locations for new private development. Through the process of developing a new disposition

model for certain state owned properties, many of the Planning Ahead for Growth goals were incorporated into the model ensuring that the future reuse of state properties will be consistent with market realities and ensure projects include housing and economic development which is consistent with the state's sustainable development principles.



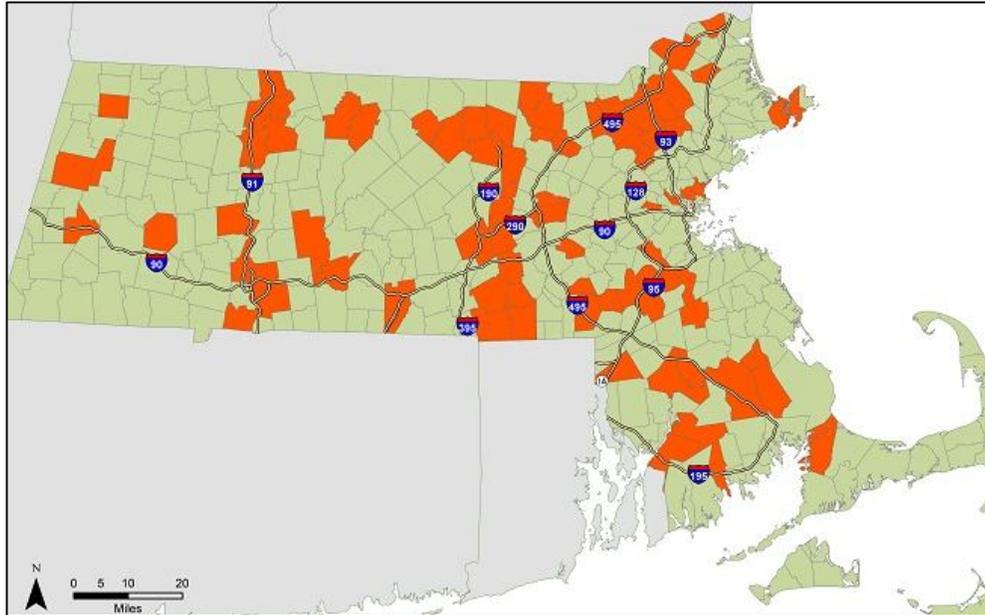
DEP's Brownfields Support Team – MPRO continues to be actively involved in the Brownfields Support Team Initiative led by Lieutenant Governor Murray and the Department of Environmental Protection. In 2012, MPRO concluded its work with the Brockton BST resulting in the successful use of EPA funds to evaluate nine sites in downtown Brockton with potential contamination risks. Since the BST, the City of Brockton continues to see success in the revitalization of its downtown with several promising private development projects moving forward in 2013. MPRO's work on the BST will continue in 2013 in Amesbury where MPRO will act as the co-team lead with MassDevelopment to identify and address environment concerns which will help facilitate the redevelopment of the lower millyard section of the City.

CREATE

Creating Support for New Growth through Prompt and Predictable Permitting

Chapter 43D: Expedited Local Permitting

In addition to helping with specific development projects, MPRO has focused its efforts on working with communities who have identified appropriate locations for growth within their communities to advance their efforts to promote growth by implementing prompt and predictable permitting measures and to adopt zoning which supports the community's desired growth.



Chapter 43D Communities

One of the ways MPRO assists with the advancement of development projects is in working closely with municipalities on efforts to streamline the local permitting processes through the Chapter 43D Expedited Permitting Program and other means. The Chapter 43D program guarantees a 180 day permitting process at the local level. This program has been successful in all areas of the state and now boasts 171 sites in 83 communities with at least 3 additional communities actively pursuing designation in early 2013. The Chapter 43D program was also enhanced as part of the Jobs Bill in August 2012 by expanding to enable communities to adopt 43D on sites zoned for housing, a use previously prohibited through the program.

Chapter 43E: Expedited State Permitting

As part of Chapter 240 of the Acts of 2010, the legislature created Chapter 43E: Expedited State Permitting that provides 6-month permitting for development projects that are located on Chapter 43D Priority Development Sites and within designated Growth Districts. On behalf of EOHED, MPRO worked with all state agencies subject to the provisions of Chapter 43E to develop regulations to implement the state expedited permitting process. The final regulations were published on July 8, 2011.

Direct Project Assistance

The responsibility to support new development does not and should not lie solely with municipalities. Recognizing the important role state agencies play in supporting development in the state, the MPRO office works closely with state regulatory agencies to streamline state permitting processes and offer opportunities for increased collaboration among agencies. To that end, MPRO has implemented resources such as the 43E Expedited State Permitting Program and the Permitting Collaborative.

MPRO also participates in efforts led by other agencies to ensure consistency across state offices and to promote economic and housing development which also helps advance state objectives such as green house gas reduction as mandated by the Global Warming Solutions Act and the mode shift goals as outlined by the GreenDOT initiative led by the Massachusetts Department of Transportation (involvement in these initiatives are highlighted in greater detail in the previous section).

Permit Extension Act FAQ

The Permit Extension Act was created by Section 173 of Chapter 240 of the Acts of 2010 to promote job growth and long-term economic recovery by establishing an automatic two-year extension to certain permits and licenses concerning the use or development of real property. The Act applied to regulatory approvals issued by local, regional or state entities that concern the use or development of real property. The Permit Extension Act was extended by Section 173 of Chapter 238 of the Acts of 2012 by an additional 2 years.

Repeating the process originally established in 2010, MPRO consulted with all state permit issuing agencies to discuss the extension of the Act, to update the Frequently Asked Questions document to help the public understand how the Act affects permits issues by state agencies and to agree on a common process for implementation. The FAQ is available at www.mass.gov/permitextension.

INVEST
Investing in Infrastructure

The MassWorks Infrastructure Program

In September 2010, the Administration announced the creation of the MassWorks Infrastructure Program, providing a one-stop shop for municipalities and other eligible applicants seeking public infrastructure funding to support economic development, housing creation and roadway safety improvements in rural communities. The program was officially established in August 2012 with the signing of the Job Bill (Chapter 238 of the Acts of 2012) The program is centrally administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation (MassDOT) and Executive Office for Administration and Finance (ANF).

The Program represents an administrative consolidation of six grant programs:

- Public Works Economic Development (PWED) Grant
- Community Development Action Grant (CDAG)
- Growth District Initiative (GDI) Grant
- Massachusetts Opportunity Relocation and Expansion (MORE) Program
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Grant Program

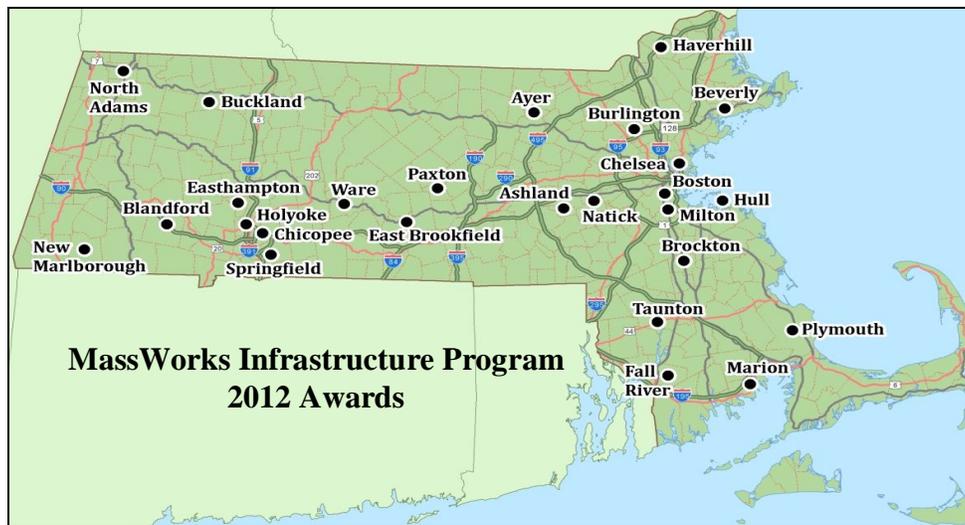
In addition to ensuring the geographic distribution of funds throughout the state, the program has established several funding targets to ensure funds are distributed to projects which adhere to the State's Sustainable Development Principles. The spending targets include 50% of funds for Gateway Cities, 67% of funds in support of transit-oriented development, 100% of funding for housing projects which are 4 units to the acre or greater, 80% for the re-use of previously developed sites, 50% for mixed use projects and 25% for projects of regional significance.

Spending Targets

	Program Spending Target	2011 Spending Achieved	2012 Spending Achieved
Gateway City	50%	50%	49%
Transit Oriented Development	67%	60%	77%
Reuse of Previously Developed Sites	80%	86%	90%
Mixed Use	50%	57%	63%
Density of Housing	100%	100%	100%
Regional Projects (2+ communities)	25%	67%	51%

The MassWorks Infrastructure Program has held two competitive funding rounds since the program's announcement. In November 2012, the program announced the results of its second application round and awarded 26 projects a total \$38.5 million in funding. The program received over 130 applications from communities throughout the state for over \$323 Million in infrastructure demonstrating a significant need for state assistance for infrastructure projects to support economic development and housing creation.

Examples of projects funded by MassWorks 2012 funding round include: \$580,000 to the City of Fall River to support roadway improvements which will help facilitate the expansion of the John Matouk & Co. manufacturing facility; \$2 million to the City of Holyoke to support the creation of a new Depot Station passenger platform along the "Knowledge Corridor" Rail Line; and \$365,000 to the Town of Ashland to support sewer pipeline improvements which required for significant new future housing growth near the Town's commuter rail station.



Advancing "Value Capture" Strategies in Massachusetts

Understanding that state dollars dedicated to infrastructure improvements are limited, MPRO has been working with state and quasi agencies on public financing programs which aim to support infrastructure investment through capturing the value that will be created as a result of the new infrastructure. In addition to several existing programs, in 2012 the legislature created an additional tool called the Local Infrastructure Development Program in Section 14 of the Acts of 238 to allow another option for communities to work with private development partners to build the infrastructure needed to support new development projects.

- **Local Infrastructure Development Program** – The Local Infrastructure Development Program empowers municipalities and developers to finance infrastructure investment necessary to support economic development. The program enables the developer to work with a municipality to establish an infrastructure development zone and to place assessments on properties within the

zone which will be used to support bonds issues by MassDevelopment to advance the infrastructure needed. MassDevelopment is currently taking the lead in developing the regulations and other informational materials which will be used to help educate municipalities on this program.

- Infrastructure Investment Incentive Program - MPRO has taken an active role in the Infrastructure Investment Incentive (I-Cubed) Program led by the Executive Office of Administration and Finance. MPRO has participated in the review of the Economic Development Proposals submitted by developers and communities interested in infrastructure funds supported by the I-Cubed Program and working with the Executive Office of Administration and Finance, the Department of Revenue and MassDevelopment, MPRO has helped to evaluate the feasibility of funding the proposed projects through the I-Cubed program.
- District Improvement Financing (DIF) - The DIF program enables municipalities to finance public works and infrastructure projects in a designated area by “capturing” the increase in property tax revenues, or tax increment, derived from new housing, commercial or industrial activity in the designated area and applying the revenues towards the municipality’s development program. In 2012, EOHEP repealed the regulations associated with the DIF program which required substantial review by many state agencies and approval before the Economic Assistance Coordinating Council before DIF proposals could be approved. Because this is a municipally driven program which does not involve any state financing, bonding or other backing, it was determined that the regulations only served to make the process more cumbersome for communities to participate in and therefore were not necessary.

It will be important for communities to understand their options when it comes to “value capture” financing options. To that end, MPRO developed a guidebook, available at: www.mass.gov/mpro to help communities evaluate their options and determine which strategy will work best with their development plans.

MARKET

Marketing Massachusetts and Continuing the Economic Recovery

The Massachusetts Permit Regulatory Office works closely with state and quasi-public agencies such as the Massachusetts Office of Business Development, MassDevelopment and MassEcon who promote Massachusetts as a great place to do business. By highlighting the efforts of the previous three categories outlined above, the state can make a very compelling argument that it is an extremely business friendly location with many municipalities who are ready and willing to invite new job creation opportunities in their community.

In addition to the marketing efforts led by the business support arm of the state, MPRO makes regular appearances before municipal, business and industry groups to promote the new and existing tools which can be used to help foster job growth and to promote the state's friendly business climate. Ensuring that information is available to all those who are interested in the resources offered by the state, regional and local entities to support new economic development is an ongoing effort and one that is essential to conveying that Massachusetts is a welcoming and friendly place to do business.

WEBSITE

The MPRO website is available at www.mass.gov/mpro and provides up-to-date information on all MPRO activities. In addition to information about the regional planning efforts, 43D and 43E program and the MassWorks Infrastructure Program, the MPRO website provides links to a number of resources developed by other executive offices, Regional Planning Agencies and other partners that MPRO works with to help advance the mission of the office.

STAFF

The Massachusetts Permit Regulatory Office is currently staffed by Victoria Maguire who serves as the State Permit Ombudsman/Director, Steve O'Neil who serves as the MassWorks Infrastructure Program Finance Director, Erica Kreuter who serves as a Senior Project Manager and Justin Sterritt who is also a Senior Project Manager.