



# nerej

## **Regulatory changes & impact to commercial property**

April 10, 2014 - Appraisal & Consulting

The New England Chapter of the Counselors of Real Estate met March 25 for its second chapter luncheon of the year. The program, New Changes in State Regulations and their Effect on the Use, Development, and Appraisal of Commercial Property, was held at the offices of Greenberg Traurig, LLP and was attended by chapter CREs and their guests, as well as counsel and commercial clients of Greenberg Traurig.

The topic was selected given the Massachusetts Legislature, Massachusetts Department of Environmental Protection and the city of Boston have been developing new guidelines that may further limit the way commercial property may be developed and operated. Presentations included an update on development activity at and proximate to the Boston Convention and Exhibition Center (BCEC) and large scale changes in environmental regulations including Contingency Plan Changes/Vapor Intrusion, EPA/DEP Stormwater Program and Boston Energy Reporting and Disclosure Ordinance.

### **BCEC Development Plans**

Howard Davis, director of capital projects at the Massachusetts Convention Center Authority, provided a detailed overview of the BCEC expansion and associated hotel development. The expansion of the BCEC is projected to increase Boston from a midsize convention host to a Top 5 convention center. Along with the expansion of the center itself, additional hotel rooms are a critical component to the success of the expanded facility and include both mid-priced and headquarters hotel facilities.

James Masterman of Greenberg Traurig, added detail on the acquisition of property associated with the BCEC with an emphasis on the detail in handling the process of the land acquisitions.

### **Large Scale**

### **Environmental Regulations**

A detailed review of environmental regulation associated with the Massachusetts Contingency Plan and Vapor Intrusions was presented by Bill Gibbons, P.G., LSP, senior project manager of Vertex Engineering. Gibbons outlined the various components of the updated regulations, which are expected to include some streamlining of the Massachusetts Contingency Plan including simplification of tier classifications, more clear closure terms and more options to close sites. He also summarized expected changes associated with Vapor Intrusion including mitigation systems and how deed restrictions may become part of the permanent solution.

Ham Hackney of Greenberg Traurig followed and provided a brief update on EPA/DEP Stormwater Programs, which are also in development and forthcoming.

Christopher Milton of Greenberg Traurig provided a summary of the Boston Energy Reporting and Disclosure Ordinance (BERDO) including the potential impact to appraised value. Milton noted similar ordinances in numerous cities nationally (NYC, Seattle, Minneapolis, Austin and SF among

others) and provided insight into ordinance goals to reduce energy usage and operating costs, along with expected positive environmental impacts. As the scope of the ordinance takes effect over time, energy efficient buildings are expected to be attractive to tenants (disclosure begins after 2015) and possible appraisal impacts include enhanced rental rates, reduced expenses and higher values for efficient buildings among other impacts.

The chapter would like to thank Greenberg Traurig and its presenting clients with an additional thank you to Peter Nichols, CRE and Jonathan Nichols, Esquire.

#### 2014 Calendar of Events

- \* 2014 Midyear National Meetings, May 4-7 - The Four Seasons - Austin, TX
- \* June Summer Social Event - Date and Location TBD
- \* "Hot Topics" Luncheon, September 2014, TBD
- \* 2014 Annual Convention, October 26 - 29 - Fairmont Copley Plaza - Boston, MA

#### 2014 New England CRE

##### Chapter Officers

- \* Jill Hatton, TurtleRock Investment Mgt., chapter chair and secretary;
- \* Peter Nichols, NorthStar Ally LLC, vice-chair;
- \* John Baczewski, Real Estate Fiduciary Services, LLC, treasurer;
- \* Donald Bouchard, Lincoln Property Company, membership vice chair;
- \* Julie McIntosh, Capital Crossing Servicing Co., LLC, board member;
- \* Martha O'Mara, Corporate Portfolio Analytics, board member; and
- \* Harris Collins, CB Richard Ellis - NE Partners, board member.

Jill Hatton, CRE, is the 2014 New England/Upstate N.Y. CRE chapter chair, Boston, Mass.

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