



COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

CHICAGO CHAPTER

March 14, 2013

Kathleen Therese Meany, *President*, Board of Commissioners  
David St. Pierre, *Executive Director*  
Metropolitan Water Reclamation District of Greater Chicago  
100 East Erie Street  
Chicago, IL 60611

Dear Commissioner Meany & Executive Director St. Pierre,

NAIOP, the Commercial Real Estate Development Association, is a professional real estate organization with chapters located throughout North America. NAIOP was founded in 1967 and represents commercial and industrial developers, property owners, real estate professionals and investors. The 15,000+ members of NAIOP are responsible for much of the development of office and commercial property in North America and the Greater Chicago Metropolitan Area.

The Chicago chapter of NAIOP has been closely following the developments of the proposed Metropolitan Water Reclamation District of Greater Chicago (MWRD) Watershed Management Ordinance (WMO) process. We have also reviewed the MWRD draft WMO Economic Impact Study (EIS) Engineering Analysis Report prepared by Christopher B. Burke Engineering, Ltd. dated June 11, 2011 and the Real Estate Economic Impact Study: Impact of the Watershed Management Ordinance (WMO) prepared by SB Friedman and Company dated November 9, 2012 (EIS).

We primarily focused on the results of the commercial and industrial projects portion of the analysis. Based on the studies, the detention volume requirements would increase for these developments between 69% and 185% and the development costs for construction would increase by 173% and 2,100%. The cost increase noted is for the "no loss of developable land" scenario. The increase in costs for detention under the draft WMO is staggering compared to the current ordinance requirements.

The EIS has also concluded that the communities that are applying the current MWRD Sewer Permit Ordinance (SPO) will be significantly impacted by the proposed WMO. Per the EIS, the result of the WMO on development in these communities will result in some or all of the following impacts: higher rents for new developments, decreased property values for Cook County in-fill sites and possible alternate site development outside of Cook County.

Re-development of existing property for many suburban communities is crucial for their economic stability. The impacts of the WMO will at the very least slow the rate of re-development in these communities and will negatively impact Cook County as developments and tax dollars are taken outside of the County.

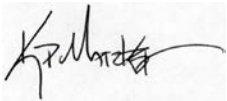
We understand that responsible storm water management and water quality is important to everyone within Cook County but we are requesting that the MWRD review the proposed WMO and consider a more balanced approach. We believe that less restrictive detention requirements and the implementation of Best Management practices can be incorporated into the new WMO without negatively impacting re-development. We applaud the Board for their actions in trying to help alleviate flooding through regional improvements. We believe the benefits from the regional projects will be much more significant than hundreds of smaller sites with detention volumes increased by 69% to 185%.

We request that you re-consider the parameters of the proposed WMO and work with the real estate community to develop more suitable alternatives to the proposed WMO requirements. We would appreciate an opportunity to meet with you and further discuss these issues. We will contact you in the next week to schedule a time to talk.

Very Truly Yours,



John Heiberger, President, NAIOP Chicago



Kevin Matzke, Legislative Co-chair, NAIOP Chicago



Jim Clewlow, Legislative Co-chair, NAIOP Chicago

cc:

Michael A. Alvarez  
Frank Avila  
Barbara J. McGowan  
Cynthia M. Santos  
Debra Shore  
Mariyana T. Spyropoulos  
Kari K. Steele  
Patrick D. Thompson