

# Charting the Future of the National Capital Region

1957 - 2007 - 2057



MAY 30, 2007



**How many people will be here 50 years from now? Who will those people be? What about our economy? Will it still be strong 50 years from now? What will it cost to buy a house 50 years from now? Remember when you bought a house 35 years ago compared to what it's worth now? Don't you wish you still had that house? How large will this region be? Fifty years ago, does anybody in this room recall ever having a conversation about climate change? How will that affect us 50 years from now?**

**--Jim Vance, Moderator**

***Charting the Future  
of the National Capital Region***

# OVERVIEW

With a flurry of questions on the region's long-range outlook, NBC4 veteran newscaster **Jim Vance** set the stage for the discussion at *Charting the Future of the National Capital Region 1957-2007-2057*. The lively, thought-provoking Metropolitan Washington Council of Governments (COG) forum featured a distinguished panel of leaders, who have spent the better part of their careers studying and working in the National Capital Region.



**COG Futures Forum Panel: Lang, Fuller, Vance, Tregoning and Rogers**

MedStar Health's **Michael Rogers** – formerly COG's executive director, **Dr. Stephen Fuller** of George Mason University, **Dr. Robert Lang** of Virginia Tech and **Harriet Tregoning** of the District of Columbia Office of Planning reflected on the region's past and identified key challenges over the next half century. They also fielded questions from an audience of over 200 leaders from the public, private and civic sectors who were gathered at The George Washington University – Marvin Center to participate in the special COG 50th anniversary event. Several participants asked if the current regional governance structure would work in the future, while others stressed the importance of more comprehensive planning – including better social services to those most in need. The dialogue suggested a re-commitment to the regional cooperation at the core of COG's mission.

**By 2057**

**the average home in metropolitan Washington will likely cost more than \$14 million (pg. 5)**



**the area will be part of a mega-region stretching from Baltimore to Richmond (pg. 7)**

**energy use and climate change will be key factors in determining the region's prosperity (pg. 9)**



# RETROSPECTIVE

Michael Rogers, Executive Vice President-Corporate Services, MedStar Health



**Tysons Corner before the suburban boom. (Source: FCCC)**

In 1957, Washington DC was still a sleepy southern city. Its neighboring jurisdictions in Maryland and Virginia were sparsely developed bedroom communities. The federal government was the area's largest employer. In 1957, the region was more homogeneous. It was majority white and minority African American. Only 4 percent of the population was foreign born.

The region was disconnected in 1957. The Beltway did not exist. Metrorail did not exist. Dulles Airport did not exist. Regional governance was different as well. A board of commissioners that was appointed by the federal government ran the District of Columbia. Montgomery County and Prince George's County didn't have county executives. And Fairfax County voters didn't directly choose their chairman. In 1957, the Metropolitan Washington Council of Governments (COG) was formed, a test experiment by local officials to encourage coordination on issues related to growth in the region.

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From 1957 to 2007, growth and development have transformed the region and stretched its boundaries. Today, the majority of the region lives in the inner suburbs of Montgomery County and Prince George's County in Maryland and Arlington County, Fairfax County, and the Cities of Alexandria, Fairfax and Falls Church in Virginia. Outer suburbs like Loudoun County, Prince William County and Frederick County, Maryland are growing at the fastest pace of all. Workers commute from many directions – some from as far as Baltimore, Pennsylvania, West Virginia or from their homes via telework.



Dulles Airport, at first ridiculed for being in a remote corner of the region, is now our busiest airport, attracting major development along its corridor. The Beltway, which opened for use in 1964, has had a huge impact on where growth has occurred in the region. Metrorail was another key initiative by past leaders that has had a great influence on today's region. It is currently experiencing record ridership levels. Environmental infrastructure has made the region drought resistant, and a highly-advanced waste water treatment system has allowed the region to continue its rapid growth.



**Building Metrorail was one of the most important decisions made by regional leaders in the last half century**

## Observations/Challenges

- *Bold action by past leaders shaped the growth and development of today's region.*
- *To continue prospering, the region must hold on to its core principle of intergovernmental cooperation.*

# GROWTH AND CHANGE

Dr. Stephen Fuller, Director, Center for Regional Analysis, George Mason University



**In 2057, this house could be worth \$14 million.**

In 2057, the National Capital Region will have 9.9 million residents, 8.8 million jobs, and a \$1.7 trillion economy. In 1957, the region was the nation's 9<sup>th</sup> largest economy and ranked 10<sup>th</sup> in population. Today, it is the 4<sup>th</sup> largest economy and ranks 7<sup>th</sup> in population. In 1957, Philadelphia, Pittsburgh, Boston, Detroit, San Francisco and Oakland were bigger than the National Capital Region in terms of economic activity, but their economies were based in manufacturing. While manufacturing declined over the last half century [nationally], the white-collar economy in this region – which is tied to the federal government and the kinds

of spending that the federal government generates – enjoyed sustained growth.

Job Growth and Distribution			
	Total Jobs	% Federal	% Services
1957	791,900	31.8%	26.6%
2007	3,921,100	9.5%	47.6%
2057	8,836,800	6.5%	49.8%

Source: Center for Regional Analysis, George Mason University

In the next half century, the region will continue to add more people, but at a slower growth rate. Northern Virginia will grow faster than suburban Maryland, and the suburbs will outpace the District of Columbia. By 2057, 92 percent of the region's population will be suburban. Despite the population growth, the region will add more jobs than work-age people. The region will also add 2 million households over the next 50 years or 40,000 per year – which is a number much higher than the current rate. The average household income will be \$1.3 million in 2057, but an average priced house will cost \$14 million.<sup>1</sup> Today, it takes 3½ times the average household income to afford the average priced house. In 2057, it will take 11.7 times the average household income, creating a huge affordability problem. In Los Angeles, an average priced house currently costs 8.8 times the average household income.

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The region's economy or gross regional product will be \$1.7 trillion in the next 50 years. However, about \$370 billion – a number that is the size of our current economy – will be lost to people who commute in and leave every night and go home.

Household Income and Housing			
	Income	House Price	Housing Price/ Income
<b>1957</b>	<b>\$7,100</b>	<b>\$13,960</b>	<b>1.96</b>
<b>2007</b>	<b>\$137,600</b>	<b>\$477,400</b>	<b>3.50</b>
<b>2057</b>	<b>\$1,307,300</b>	<b>\$14,061,000</b>	<b>11.70</b>
Current Year \$			

Source: Center for Regional Analysis, George Mason University

<sup>1</sup> For a perspective on inflation, the 1957 house in 2007 dollars would cost \$78,874 and the 2057 house in 2007 dollars would cost \$2,478,000. (calculations based on Office of Management and Budget figures)

This non-taxable “leakage” will create serious fiscal implications to local governments and highlights the growing dependence on non-local residents to do our work.

## Observations/Challenges

- *The National Capital Region faces a future labor force shortage that jeopardizes its ability to meet the requirements of a more advanced economy.*
  - *Housing supply and affordability are two of the greatest threats to the region’s future economic potential.*
  - *The growing dependency on non-local workers will have serious fiscal impacts.*
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## PLANNING ON A MEGAPOLITAN SCALE

Dr. Robert Lang, Director, Metropolitan Institute, Virginia Tech

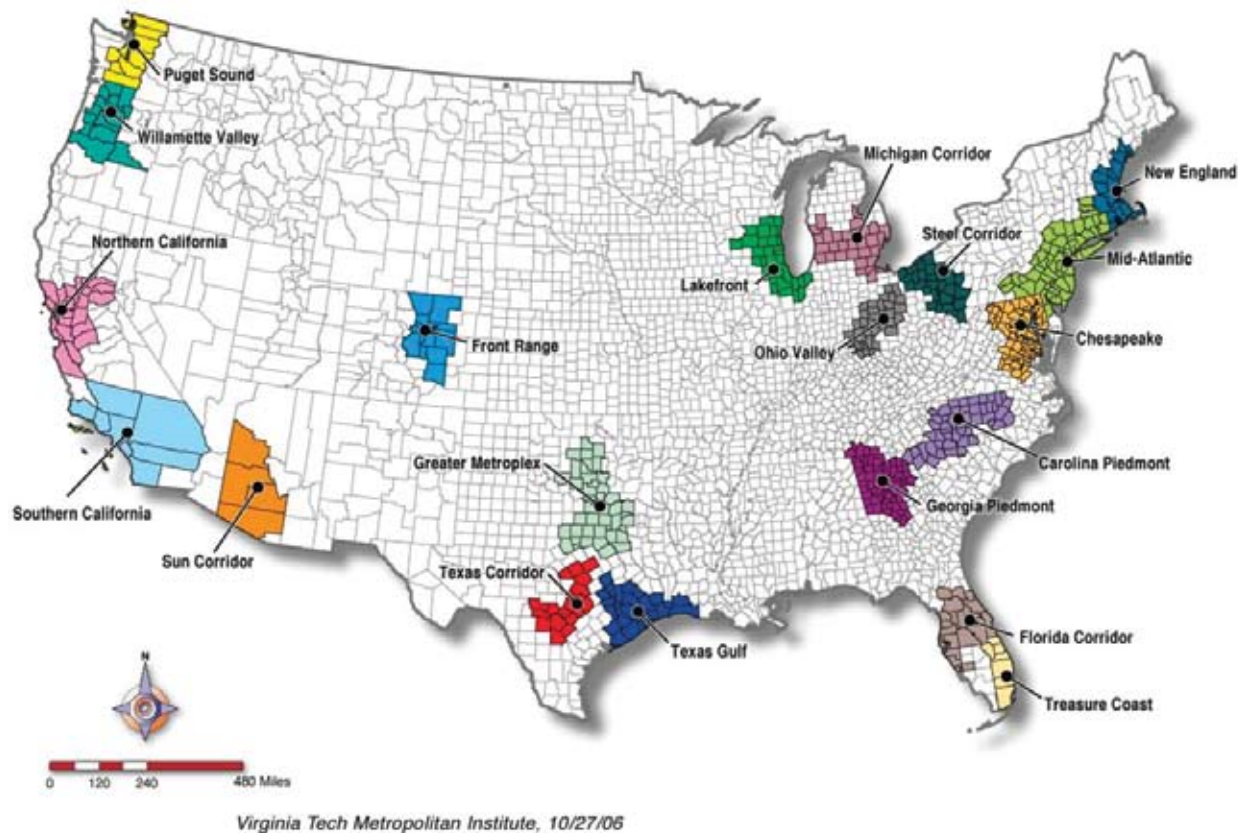


**Improved transportation connections, such as high speed rail, will help slower-growing areas unite with the larger megapolitan region.**

A megapolitan is an area consisting of metropolitan regions that have merged together. The U.S. Census has redone the nation’s geography by developing a model known as a combined statistical area. Washington and Baltimore were grouped together as a test. Because these regions have enough commuters overlapping, their economies have joined together. The growth of these megapolitan regions is a trend that can be found across the nation. Boston and Providence have already run into each other. The same thing is occurring in fast growing areas like Phoenix and Tucson.



## Megapolitan America



*In Caroline County, Virginia, for example, Washington and Richmond are already bumping into one another.*

By the mid-21<sup>st</sup> Century, Baltimore and Richmond will join with the stronger Washington economy to form the Chesapeake megapolitan region. In Caroline County, Virginia, for example, Washington and Richmond are already bumping into one another. Although the county is located much closer to Virginia's capital, a growing number of commuters are trekking to jobs located in the National Capital Region.



The National Capital Region is one of the most polycentric, metropolitan areas in the United States. It has many subcomponents or urban realms of employment that fall back into downtown Bethesda, Arlington County, and even Tysons Corner. This fairly well-managed polycentrism is tied often to rail. The National Capital Region has already undergone rounds of decentralization aided by contemporary transportation and flexibility of employment. Today, people can move further away because the commute is less frequent even though the duration of the commute is longer. Improved transportation connections, such as high speed rail, will also help slower-growing areas unite with the larger megapolitan region.

The Chesapeake megapolitan region is already a multi-state region, which is a potential asset as it faces regional governance challenges. It already crosses the state boundaries that it would reach by the mid 21<sup>st</sup> Century. In the future, the federal government might also mandate that COGs around the country must plan at the megapolitan scale in order to receive federal funds for transportation in the same way it did in the 1960s when it first required planning at the regional scale.

## Observations/Challenges

- *The megapolitan scale is the new reality of large regions such as the National Capital Region.*
- *This scale has important implications for transportation investment, environmental planning, and economic development.*
- *The region is now so big that it has differentiated into semi-autonomous "urban realms" and these realms are how the region should be planned.*

# TALE OF TWO FUTURES: ENERGY, ENVIRONMENT, AND LAND USE

Harriet Tregoning, Director, District of Columbia Office of Planning

Area leaders have an exciting opportunity to reshape the region in the next several decades. They will determine which future vision predominates – a region that spreads out over more land or concentrates around transit and pedestrian-oriented development. The National Capital Region has some of the most

successful urban centers in the nation as well as some of the most extensive sprawl. The future population and job growth will also be accompanied by the construction of new buildings. About 70 percent of the buildings that will exist in 2030 did not exist in 2000.

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**In the future, regional leaders will need to figure out on the supply side how to move quickly to alternative energy sources.**

More so than any other issue, energy will determine which regions succeed in the future. In this region, there are opportunities in the building and transportation sectors to aggressively manage energy demand and accommodate growth. One challenge is to figure out on the supply side how to move quickly to alternative energy sources like hydrogen, wind, solar, biofuels, and nuclear. But the region's success will hinge on how effectively



**COG estimates that 25% of the region is covered by impervious, paved-over surfaces, which lead to water quality problems.**

the demand for energy can be managed. In the transportation sector, for example, passenger travel accounts for more than 60% of the total energy used.

Climate change is another major challenge facing the region. In addition to the environmental concerns, there is an economic incentive to take action. The region must adapt and attempt to shape future policy as the global market increasingly moves away from a carbon-based economy. Growth and development have also placed an enormous strain on the region's natural resources. Between 1986 and 2000, developed land has expanded by 40%, which is five times the population growth for that time span. Estimates from COG show that 25% of the region is covered by impervious, paved-over surfaces, which lead to water quality problems. Air quality is showing signs of progress, but the region remains in federal non-attainment for ozone and fine particulates.

There is currently an incredible convergence of issues that citizens care about – whether it is safety and security, the environment, or their daily commute – and regional leaders need to better integrate these issues.

## Observations/Challenges

- *The National Capital Region has the chance to channel its growth to achieve one (or the other) vision of its future.*
- *Energy-related issues will create big winners and losers among regions.*
- *The region needs to provide resiliency, redundancy and capacity in the region's infrastructure to respond to natural disasters and security needs.*
- *The region needs to protect and reclaim regionally significant natural resource systems and promote less land-consuming patterns of growth.*



# GENERAL DISCUSSION

## Panelist Responses on Selected Questions

### ***On “What kind of jobs, education will be needed for the future?”***

90 percent of the workers in the National Capital Region produce services as opposed to goods. A university education is critical and the region is blessed with having many good universities and colleges and a very highly educated workforce. But we don't have enough of these people yet. -- Dr. Stephen Fuller

### ***On “Can today's government structure handle future issues without being a regional government?”***

Portland, Oregon has the only regional government and people aren't asking them [how can they imitate] it. Regional leaders need to focus on those areas that make sense across that space of cooperation – like the environment, transportation, and economic development – and not get into some of the local autonomy issues. -- Dr. Robert Lang

### ***On “What happens to the working poor in areas of rapid growth?”***

You're starting to see in the region, and I think it's not nearly enough, but almost every jurisdiction is looking at affordable housing... If we want to be a sustainable region, a globally competitive region, we have to be a place that does not have the disparities in every outcome – health, education, employment, wealth, exposure to environmental hazards. --Harriet Tregoning

As the region adds more people, not all of them are going to be prosperous. It's going to put strains on the education system. It's going to put strains on the health care system and we're trying to grapple with finding solutions for expanding coverage for health care for the people we have. --Michael Rogers

### ***On “What is the role of the private sector and public sector in solving issues like affordable housing?”***

Government has to take the lead to bring the private sector in. I don't know why COG isn't the kind of vehicle that can convene public officials and private officials to talk about this problem. --Dr. Stephen Fuller

# LUNCHEON KEYNOTE ADDRESS

Leonard Downie, Jr., Executive Editor, *The Washington Post*



**Downie posed a series of questions on a range of regional issues.**

*I've come as a journalist to ask questions – questions about the future of the National Capital Region and questions about COG's role in helping to shape that future.*

*--Leonard Downie Jr.*

- What progress has been made in protecting the region from another terrorist attack and in recovering from one if the unthinkable should happen?
- Are the region's first responders really ready for the next attack?
- Are the region's businesses, institutions, and families prepared for such an emergency?
- Have the federal, state and local governments allocated enough money for disaster preparedness in the National Capital Region, especially considering its high risk for attack?
- COG has identified the worst choke points on the region's roads and has warned its governments that congestion will more than double in the next 20-plus years if development and transportation plans don't change. Will they?
- What does the difficulty over reaching regional agreement on dedicated Metro funding portend for regional cooperation on even more difficult issues?
- What is COG's responsibility to help find solutions to health-care to underserved areas of the region?
- What is COG's responsibility to help find education solutions?
- What is COG's responsibility to find solutions for [the immigrant populations' diverse needs]?
- Should suburban Maryland and Northern Virginia work more closely with each other and the District of Columbia than with the states in which each is located?

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