

Toomey Initiative Leadership Discussion – July 25, 2012

Facilitator:

Richard Perlmutter, Principal, Argo Development Company and Chair of Mission Advancement, ULI Washington,

Attendees:

Scott Brideau, Studio Principal at Little Diversified Architectural Consulting

Peter Clark, Right of Way Acquisition Specialist, Montgomery County Maryland

Ellen McCarthy, Arent Fox, former Washington, D.C. Planning Director

Stephen Hutto, Head of Retail Development, AvalonBay Communities

Robin Eve Jasper, Executive Director, NOMA BID

Erica Leatham, Partner, Ballard Spahr, LLP

Michael Pitchford, Director, Community Preservation and Development Company

Martha Ross, Fellow at the Metropolitan Policy Program, Brookings

Peter Shapiro, Director, Director of the Chesapeake Center for Public Leadership at the National Labor College

Mark Viani, Partner, McGuire Woods

Staff:

Lisa Rother, Executive Director, ULI Washington

Bernadine Dullaghan, Manager, ULI Washington

1. A region's economic prospects will rise and fall in response to an ever more interdependent world economy.

- The membership agrees with the premise generally.
- The idea of an interdependent world economy is not necessarily related to infrastructure projects that move goods, but is about the economic safety and security of other governments.
- The larger financial institutions and intellectual services firms are rethinking their investments based on the global economy. The current round of European financial problems has created more of a cautious approach to business expansion.
- In Washington, DC there has always been a certain amount of insulation from outside economic influences because of the presence of the Federal government sector. With the dysfunction of the Congress related to passing a Federal budget and the decline in growth of the federal government's office space demand, this region no longer has a secure cushion and needs to pay more attention to diversifying industry.

- The growth in the core of D.C. proper should maintain a healthy economy for the region but the areas outside the Beltway may be negatively impacted.

2. The shift to high tech and medical business will persist. Economically successful regions will be able to recruit faculty and students interested in technology transfer and commercial development of their research.

- The membership agrees with this premise generally but thinks that only those who pursue this as their “main attraction” and identity will be most successful.
- The Washington, DC region has significant amounts of research being done here but much of it is tied to the Federal government. This creates a high bar to moving to commercial development because of the high level of security surrounding the research and because the federal procurement process is antithetical to maximizing profit.
- Research in this area is often shared through technology transfer initiatives of the Federal government which provides excellent information but no profit.
- The Washington, DC region is devoid of informal and formal networking institutions across sectors so it is not apparent that the sources of venture capital and support for commercializing research are available. There is not an organization that plays the broad connecting and mentoring role required for connecting venture capital with research products.
- Regions that have the most success in commercializing research have created a definitive identity as places where capital is available and the universities and institutions create a broad network of collaboration opportunities based on the emphasis on research (i.e. Research Triangle, Silicon Valley, etc)
- While startups have a need for a particular type of office space that accommodates the alternative work strategies that many embrace, the real key to commercializing their work does not follow from the type of office they occupy.

3. Educated young people (Gen Y) want to live and work in areas with lots of urban action and amenities.

- The membership generally agrees with this premise.
- It is a mistake to view any particular generation as a monolith with simply defined characteristics; much of the research and talk seems to focus only on the college educated, more affluent sector of the generation.
- It has been observed both through research and anecdotally that a trend in cities is for people to wait longer to marry and start families, or to not ever get to this stage in their life. Therefore, the availability of good schools and family activities no longer dictates the desirable places to live.
- High student loan burdens make it more difficult to afford more money to spend on housing costs. Parental subsidies are offsetting this in many cases, but aging Baby Boomer parents are becoming increasingly concerned about the resources they will have as they continue to live longer.

- The cost of owning a car exacerbates the debt burden so many young people opt out of that status for a longer period of time. Because of this, they want to live in areas where they can get to places on foot or by transit or taxi, especially because they have been educated about the risks of drinking and driving through the MADD campaigns of their generation.
 - Active, authentic communities within inner ring suburbs are attracting Gen Y because they offer the convenience and amenities of a city lifestyle without being in the core of the city with its associated levels of congestion.
 - Development is reducing the size of individual units so that costs are reduced; this is possible because rich amenities are being created both in individual residential buildings and in neighborhoods.
4. **Cars are becoming less relevant for people under 30. Regions with multimodal transportation systems are expected to attract an increasing number of households in this age bracket.**
- The membership generally agrees with the premise that **owning** a car may be less relevant but there is still a need and desire to have access to cars for activities and needs that require them.
 - Elimination of minimum parking requirements should be initiated in areas where there is good transportation so that resources are not wasted on facilities for parking the cars that people own in diminishing numbers.
 - It is important that the multimodal transportation systems get financed and built; there are places where development is approved prior to the availability of alternative transportation systems and this does not create an environment that is conducive to using only public transportation.
 - As the under 30 generation ages and creates families, the need for a car will likely increase; many say they don't need or want a car now, but will at some point in their life when their needs and routines change.
5. **There is growing demand by families for walkable mixed use communities in the suburbs. Apartment projects are expected to concentrate around mass transit stations and near suburban town centers, gradually turning single use commercial strips into mixed use corridors.**
- This is true in the Washington, DC region. A major example is Tysons Corner, Virginia where the Metro rail system is being extended and new mixed use development is being completed to maximize its value. In White Flint in Montgomery County, the same is happening. Merrifield in Fairfax County and Rockville Town Center in Montgomery County are additional examples of this trend which is happening especially adjacent to major rail stations.
 - This trend is apparent for educated, middle and upper income families but may not be the same case for ethnic minorities and less affluent populations. Providing affordable housing within these new areas is critical to extend the opportunity to experience these places to lower skilled residents and workers.

- There is a need to create communities that are authentic, that do not look like a Hollywood set. Creating connections to existing neighborhoods can enhance the opportunities to make this happen; it is not possible to have a thriving Main Street without connectivity.
- The concept of live/work units has not taken hold and should not be continued to be included in new communities.
- The mix of uses in communities needs to be reevaluated as the retail market changes. With more online shopping for goods, retail that provides experiences is becoming more valuable. In addition, the amount of retail needed is evolving; not every building in a mixed use area needs to have a retail component.

6. The growing population of retirees will have less interest or means to live in traditional retirement communities.

- The membership mostly agrees with this premise.
- There will clearly continue to be interest by some retirees in the lifestyle choice of a retirement community where they can drive golf carts and have their social life and their needs taken care of in a traditional retirement community. This will likely be most relevant for those on the upper end of the age spectrum who have the means to buy into such a lifestyle.
- In ethnic communities and for people of less means, options such as granny flats and living with children or relatives will remain a choice for retirees.
- For those who have medical needs, an option such as a continuing care retirement community where they can be supported through the continuing stages of the aging process will be optimum.
- People are working longer because they remain healthier and because their retirement incomes are less secure because of the financial boom and bust cycles of recent years. An optimum housing type for this group may be aging in place so long as they have access to services and goods.
- Naturally occurring retirement communities where people can age in place and services are brought to them either in single family neighborhoods or high rise buildings is an option that will remain more attractive, especially for those who live in homes or condominiums where there are no mortgages.
- Retirees want to stay in proximity to children and grandchildren so will look for living options that suit them and are in the same general areas where their extended families are living.

7. Successful regions will collaborate across jurisdictions.

- The membership believes there is a need to collaborate across jurisdictions but acknowledges that the Washington, DC region is among the most fractured in the country, with two states and the District involved in collaboration efforts.
- There is a distinction between collaboration and shared governance.

- The regional transportation system, Metro, is the only example of regional coordination on major infrastructure that exists in the region. There has been, since 9/11, enhanced cooperation in fire and emergency services and the current system for communication and responding in case of a regional threat has been significantly improved.
- Entities are starting to come together around specific shared projects. Two large jurisdictions, Montgomery and Fairfax Counties, have recently begun discussions about how best to enhance the capacity of the American Legion Bridge that spans the Potomac River between their jurisdictions.
- Land use and economic development issues are the most contentious and competitive in the region and our jurisdictions compete with each other rather than collaborating in a way that would make us competitive with other regions, rather than among ourselves.
- Examples like the Atlanta Beltline and Denver's Fastracks are models that the DC region should aspire to for infrastructure funding.

8. What are the greatest challenges to growth and development facing your region?

- The Washington DC region is generally in a positive economic situation so it is not required to focus on one urgent task that needs the attention of the entire region. This may change as infrastructure investment continues to lag behind and existing infrastructure continues to age.
- One of the major challenges to the Washington, DC region is the regional disparities in terms of the distribution of jobs and affordable housing, which are mismatched in terms of location and creates a requirement for massive commuting across the region.
- There is no existing forum or mechanism in place to take on the mantle of leadership for the Washington, DC region in terms of coordination and distribution of regional resources.
- Capacity and reliability of utilities, telecommunications infrastructure, transportation infrastructure, and water and sewer systems are all issues that our region should be dealing with now to avoid critical issues as the systems continue to age and the region continues to put more demands on these elements.
- There is a need to create an accessible, reliable, connected, multimodal transportation system.
- A lack of jobs for those who are not highly educated remains an issue, along with job training to prepare residents for the types of jobs that are available and will grow in the future.

9. In which issue areas discussed in the survey questions above, has your region made the most progress or done exceedingly well to date?

- The redevelopment of active, sustainable neighborhoods in the core of the region, the District of Columbia, is happening at a fast pace.
- The region has several institutions including ULI Washington, the 2030 Group (a private consortium of developers working to influence sustainable regional growth) and the

Metropolitan Washington Council of Governments who are working to bring more attention to the issues of regional cooperation and investment.

- The airport system in the region has been maintained and upgraded and provides excellent access for businesses and tourists into the National Capital Region.
- The expansion of the Metrorail system with the Silver Line to Tysons Corner and beyond is an example of progress. In addition to Tysons Corner, areas like White Flint in Montgomery County, and the Hyattsville Arts District in Prince George's County are being developed into more active centers for living and working.
- The Washington DC region has the highest concentration of Walkable Urban Places in the country and is being encouraged to continue building and developing such places through work being done at Brookings.
- The local bikesharing program, called Bikeshare, crosses jurisdictional boundaries between the District and Arlington County and is being expanded into Montgomery County, Maryland.
- Washington, DC is capitalizing on its role as an international and entrepreneurial city and is moving away from its dependence on the Federal government as its largest and only employer.
- Coordination in the area of Fire and Rescue and Emergency Preparedness has increased exponentially since the events of September 11, 2001.

10. Where and how can ULI at the local level have the most impact on these challenges?

- ULI Washington's Regional Land Use Leadership Institute, which graduated its inaugural class in 2012, provides networking and education among the region's emerging regional leaders.
- ULI Washington's Strategic Plan call for encouraging dialogue between the public and the private sectors and expanding the dialogue to nontraditional land use partners such as medical and educational institutions that provide large anchors for economic development initiatives.
- ULI Washington's programming should continue to include consistent themes about regional challenges and solutions.
- ULI Washington can advocate/educate about best practices in sustainable growth throughout the region and what's at stake if we don't continue to grow by incorporating those best practices and ideas.
- ULI Washington can be visible as an expert, a fact checker, and a truth purveyor.
- ULI Washington should be an entity that counteracts misinformation about growth issues, challenges and opportunities.
- ULI Washington has to continue to strive to create more partnerships throughout the region to make solution based dialogue possible.

