Local

Alarm bells ring for Washington regional economy on growth, infrastructure

By **Robert McCartney** Columnist January 18

A pair of loud alarm bells sounded last week for the Washington area's economy, and political leaders from Richmond to Annapolis should take them seriously.

The warning of immediate concern came Thursday at an annual conference of 750 business and civic leaders in McLean. Economics mavens led by George Mason University professor Steve Fuller presented eye-opening data showing that our region has trailed almost every other major U.S. metropolitan area in job growth for the past three years.

Robert McCartney's column on local issues appears Thursdays and Sundays in The Post's Metro section. **View Archive**

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Evidence of sluggishness is all around us, although the public has been slow to take note. Vacant commercial offices in Northern Virginia are at their highest level since 1991. Average wages in the region have dropped for three straight years, an unprecedented decline.

We tend to overlook the slippage partly because we're one of the nation's wealthiest regions. It shouldn't make us complacent.

"You've got all these shiny new restaurants . . . and therefore everybody thinks everything's great," said David Oberting, executive director of Economic Growth DC, a non-profit organization. "They just don't see the underlying weaknesses."

Cutbacks in federal spending are largely to blame, of course, and they can't be helped. But it's worrisome that no other business sectors have emerged to replace Uncle Sam as the region's engine of growth.

The region's top politicians ought to heed calls at the conference for a Washington-area summit to take steps to respond. It would be a good opportunity for Virginia Gov. Terry McAuliffe (D), Maryland Gov.-elect Larry Hogan (R) and District Mayor Muriel Bowser (D) to show common leadership rather than focus only on their own jurisdictions.

They should do more to promote industries with footholds in the region and strong prospects for the future. Examples include cybersecurity, health technology and hospitality.

One prominent local business leader saw real promise for bipartisan cooperation between McAuliffe and Hogan, both of whom are ardent cheerleaders for business development.

"I think what you have in Terry McAuliffe and Larry Hogan is the start of a great partnership," Bobbie Kilberg, chief executive of the Northern Virginia Technology Council, said. "In many ways, they think alike."

She suggested a consortium of universities stretching from Virginia Tech to Johns Hopkins to find commercial uses for new technologies.

The other alarm, of a long-term nature, was rung in a study approved Wednesday by the Metropolitan Washington Council of Governments. It showed how much the region is falling short in investing in infrastructure such as roads, bridges, sewers and the electrical grid.

The staggering figure, considered a conservative estimate: $58 billion over the next 15 years.

That’s how much we need just to “maintain” what government planners view as “critical” building blocks of the regional economy. The cost per resident would be more than $10,000 in extra taxes, user fees, tolls or other charges.

Again, evidence of trouble is all around us. Currently 176 bridges in the region have been rated structurally deficient. The Washington Suburban Sanitary Commission has found that more than half the valves on large water mains don’t function properly because of severe corrosion.

This shortfall in infrastructure spending is hardly unique to our region. The whole country is facing it.

Nonetheless, it’s striking that the report is so much at odds with current budgetary and political realities.

Virginia, Maryland and the District are all wrestling with sizable deficits. There’s no money in the public coffers for big down payments on new infrastructure investments.

Moreover, as Hogan’s election proved in Maryland, voters are in no mood to pay more taxes — at least until they feel they are getting a decent return on the money they’ve already shelled out.

For instance, the Metro transit system is going to have a hard time getting an additional dime until it has proved it has corrected whatever safety lapses caused the deadly smoke incident Monday outside L’Enfant Plaza station.

District Council Chairman Phil Mendelson (D), who initiated the council of governments study, said it was necessary because politicians too often found it easy to ignore the problem.

“The reason [infrastructure] is underfunded is it’s not sexy,” Mendelson said. “It’s far better for me to go out and talk about how I’m going to end homelessness than for me to go talk about how I’m going to put the city on a five-mile-a-year water main replacement schedule.”

The report, he said, was “about raising consciousness.”

We need more of that to rev up the local economy, as well.

For more coverage of the George Mason conference, go to washingtonpost.com/capital_business. For previous columns, go to washingtonpost.com/mccartney.