METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

One Region Moving Forward

COG BOARD OF DIRECTORS MEETING

DATE: June 13, 2012
TIME: 12:00 Noon
PLACE: COG Board Room

District of Columbia
*Bladensburg**
Bowie
Charles County
College Park
Frederick
Frederick County
Gaithersburg
Greenbelt
Montgomery County
Prince George's County
Rockville
Takoma Park
Alexandria
Arlington County
Fairfax
Fairfax County
Falls Church
Loudoun County
Manassas
Manassas Park
Prince William

**Adjunct Member*

PLEASE NOTE: Chairman Principi will begin the meeting promptly at 12:00 noon. Lunch for members and alternates will be available at 11:30 a.m.

AGENDA

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
(12:00 Noon)

Chairman Frank Principi
Supervisor, Prince William County

2. ANNOUNCEMENTS
(12:00 – 12:05 p.m.)

Chairman Principi

a) COG 2012 Leadership Planning and Work Session (July 20-21)
b) Executive Director Search Committee Update
c) Recognition of Outgoing Board Member(s)

3. EXECUTIVE DIRECTOR'S REPORT

(12:05 – 12-15 p.m.)
a) Outreach
b) Legislative and Regulatory Update
c) Information and Follow-Up
d) Letters Sent/Received
e) General Counsel's Report

4. AMENDMENTS TO AGENDA
(12:15 – 12:20 P.M.)

5. APPROVAL OF MINUTES OF APRIL 11, AS AMENDED, AND MAY 9, 2012
(12:20 – 12:25 p.m.)

777 North Capitol Street, NE, Suite 300, Washington, D.C. 20002
202.962.3200 (Phone) 202.962.3201 (Fax) 202.962.3213 (TDD)

www.mwcog.org

6. **ADOPTION OF CONSENT AGENDA ITEMS. (Items A, B and C have been carried over from the last Board Meeting.)**
   (12:25 – 12:30 p.m.)

A. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE DISTRICT DEPARTMENT OF THE ENVIRONMENT (DDOE) FOR THE POPE BRANCH POST-CONSTRUCTION RESTORATION MONITORING PROJECT

The COG Board will be asked to adopt Resolution R22-2012, authorizing the Executive Director, or his designee, to submit a proposal and execute a contract with DDOE to perform physical aquatic habitat, water quality, and macro invertebrate sampling for evaluating post-stream restoration project success in the Pope Branch watershed, and to prepare a final report summarizing results and recommendations from the monitoring effort. The project duration will be 4 years from contract execution. The amount of the contract shall not exceed $130,000 funded by DDOE and a total cash match of $20,000 provided by COG from budgeted and planned COG urban watershed program funds, i.e., $5,000 per year for the FY 2013 to 2016 period.

Update: Since May 9, the COG proposal was submitted to DDOE, and COG has received a contract which reflects the terms and conditions as presented at the last COG Board Meeting. The contract is now going through the COG review process prior to execution by the Executive Director.

RECOMMENDED ACTION: Adopt Resolution R22-2012, which includes ratifying any actions taken since the last Board Meeting retroactive to May 9, 2012.

B. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ACCEPT AND EXPEND GRANT FUNDS FROM THE NATIONAL FISH AND WILDLIFE FOUNDATION TO SUPPORT IMPLEMENTATION OF AN ANACOSTIA STORM WATER BIORETENTION PROJECT

The COG Board will be asked to adopt Resolution R23-2012, authorizing the Executive Director, or his designee, to accept and expend grant funding in an amount not to exceed $175,000 from the National Fish and Wildlife Federation for the purpose of developing and implementing a storm water bioretention facility and associated educational signage at the Langston Golf Course/National Park Service Kenilworth Gardens in the Anacostia Watershed, and the expected duration of the grant is through September 2013. No matching funds are required.

This will expand upon an existing successful partnership between COG, the Anacostia Watershed Restoration Partnership, and the National Park Service in their efforts to manage storm water, a major factor in the Anacostia River's water quality.

Update: Since May 9, COG's Executive Director accepted and received grant funding of up to $175,000 from the National Fish and Wildlife Federation.

RECOMMENDED ACTION: Adopt Resolution R23-2012, which includes ratifying any actions taken on this matter since the last Board Meeting retroactive to May 9, 2012.

C. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT TO PROCURE AND IMPLEMENT NEW ASSOCIATION MANAGEMENT SOFTWARE

The COG Board will be asked to adopt Resolution R24-2012, authorizing the Executive Director, or his designee, to enter into a contract not to exceed $230,000 with the selected vendor for software procurement and implementation services. The Executive Director, or his designee, is additionally authorized to enter into hosting and support agreements with the vendor for an initial contract period not to exceed 5 years. Association Management Software (AMS) is specialized software used by membership associations to manage their membership contact information and membership engagement. COG wishes to provide enhanced member services on a software platform that improves the frequency and ease of member communication, reduces duplicate systems records management, streamlines committee support tasks, and allows for new cost-recovery event hosting. The AMS will also provide information to the COG website and integrate video recordings of committee meetings. On April 11, 2012, the COG Board of Directors authorized the release of a Request for Proposals for Association Management Software. The approved FY 2012 and FY 2013 COG Work Program and Budget include $320,000 in the Capital Repair & Replacement Plan to fund the Association Management Software project. A more detailed memorandum on the benefits and funding of the Association Management Software is included in the Board Meeting packet.

RECOMMENDED ACTION: Adopt Resolution R24-2012, which includes ratifying any actions taken on this matter since the last Board Meeting retroactive to May 9, 2012.

D. RESOLUTION AUTHORIZING COG TO ISSUE A CONTRACT TO DEVELOP A BUSINESS INTEGRATION IMPLEMENTATION PLAN FOR THE DISTRICT OF COLUMBIA

The Board will be asked to adopt Resolution R25-2012, authorizing the Executive Director, or his designee to receive and expend up to $120,000 to develop and write a Business Integration Implementation Plan that will assist the DC Homeland Security and Emergency Management Agency to leverage products and support of the Washington Regional Threat and Analysis Center (WRTAC) and the DC City-Wide All-Hazards Fusion Center, with funding for this effort to be provided through a subgrant from the State Administrative Agent (SAA). No COG matching funds are required.

RECOMMENDED ACTION: Adopt Resolution R25-2012.

ACTION AGENDA

7. APPROVE "REGION FORWARD 2012 BASELINE REPORT"
(12:30 – 12:45 p.m.)

Eric C. Olson
Vice Chair, Prince George's County Council
Chairman, Region Forward Coalition

In 2011, the COG Board established the Region Forward Coalition to oversee implementation of the adopted *Region Forward* report and Compact. During their April meeting, Coalition members reviewed and approved the first Region Forward Baseline Progress Report which measures our region's success in attaining the 28 goals, targets and indicators of *Region Forward*. The Board will be asked to approve the report—the first product of the Region Forward Coalition, for transmittal and action by COG and TPB policy and technical committees, as well as use by other Region Forward stakeholder organizations.

RECOMMENDED ACTION: Briefing and Adoption of Resolution R26-2012, accepting the "Region Forward 2012 Baseline Report."

SPECIAL MONTHLY LEARNING SESSION

8. ECONOMIC GROWTH AND COMPETITIVENESS: LEARNING SESSION – INDUSTRY LEADERS PANEL
(12:45 – 1:45 p.m.)

This month marks the fourth Economic Growth and Competitiveness learning session. It features a panel of industry leaders from across the National Capital Region who have been asked to address opportunities for growth in their respective industries. They will take a look at the factors that have led to their company's success thus far and discuss potential barriers to future growth. In addition, they will share their thoughts about whether there is a role for regional organizations like COG to help strengthen the economic competitiveness of the region.

Panelists:

Michael J. Knapp
CEO and President
Orion BioStrategies, Inc.

Robert Templin
President
Northern Virginia Community College

Sarah L. Oldmixon
Director, Workforce Initiatives
The Community Foundation for the National Capital Region

Bruce Gudenberg
Vice President, Partnerships and Alliance
Destination DC

RECOMMENDED ACTION: Presentation and discussion.

9. OTHER BUSINESS
(1:45 – 1:50 p.m.)

EXECUTIVE SESSION

10. EXECUTIVE SESSION FOR BOARD FOCUS GROUP WITH EXECUTIVE DIRECTOR SEARCH CONSULTANT
(1:50 – 2:50 p.m.)

By motion, the Board of Directors will conclude the public meeting and convene an Executive Session for Board Members to meet with Jim Mercer concerning Executive Director recruitment.

ACTION: Presentation and discussion. No action to be taken.

11. RECONVENE PUBLIC SESSION
(2:50 – 3:00 p.m.)

The Board will reconvene in Public Session.

12. ADJOURN - NEXT MEETING JULY 11, 2012
(3:00 p.m.)

Reasonable accommodations are provided for persons with disabilities. Please allow 7 business days to process requests. Phone: 202.962.3300 or 202-962.3213 (TDD). Email: accommodations@mwcog.org. For details: www.mwcog.org

J:\COG Board\2012\May\Agenda COG Board Meeting 06.13.12.doc

This page left intentionally blank.

AGENDA ITEM #2

ANNOUNCEMENTS

This page left intentionally blank.

AGENDA ITEM #3

EXECUTIVE DIRECTOR'S REPORT

COG outreach report

June 13, 2012

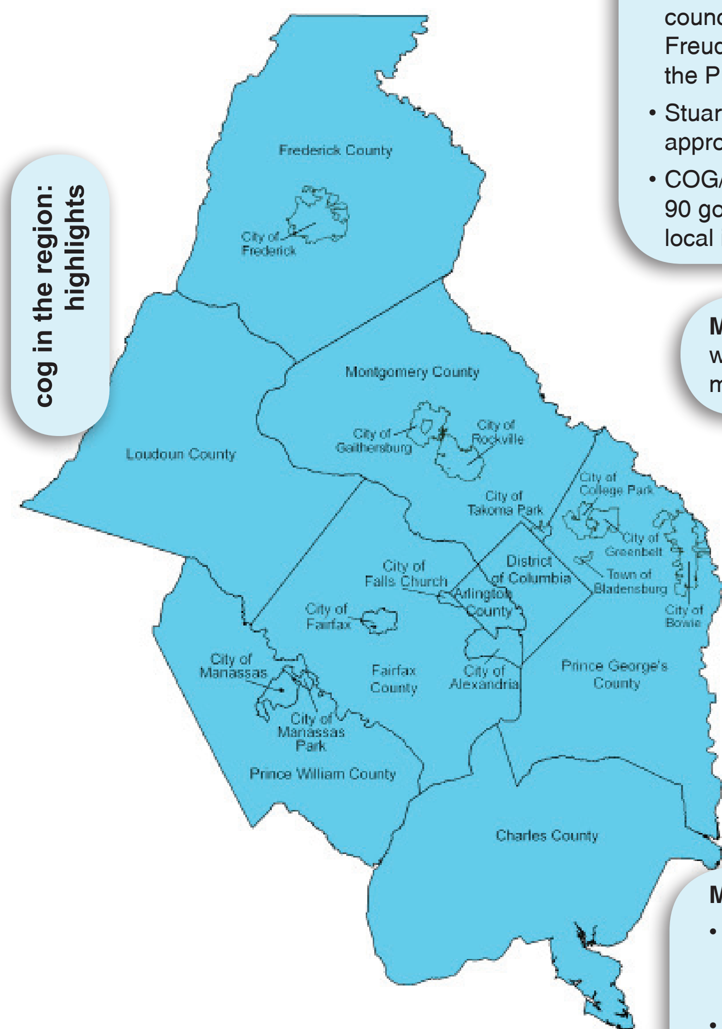
executive director: david robertson

- ***Brookings Water Report.*** Spoke at press event on study on funding to address water pollution from combined sewer systems in DC.
- ***Region Forward.*** Met with members of Washington Regional Association of Grantmakers on initiative.
- ***Freddie Mac Foundation.*** Attended regional meeting with senior officials on transition plan for foundation.

Member Outreach. Met with:

- Board Member Libby Garvey (Arlington County)
- Council Member Karen Toles (Prince George's County)
- Council Member Todd Turner (City of Bowie)
- Christopher Murphy (D.C. - Mayor Gray's Chief of Staff)
- Jim Zumwalt (Manassas Park - City Manager)

cog in the region: highlights



District of Columbia:

- David Robertson spoke with Council Chair Kwame Brown's staff on pending council action on 2012 Blue Plains Intermunicipal Agreement. Stuart Freudberg (DEP) briefed Council Member Mary Cheh's staff and testified to the Public Works, Transportation and Environment Committee on the IMA.
- Stuart Freudberg met with DC Water Director George Hawkins on the approval process for the IMA and other COG-DC Water matters of interest.
- COG/DEP staff hosted a Climate Change Impacts Symposium attended by 90 government, nonprofit, and private sector officials. The event focused on local impacts and using climate data to make planning decisions.

Montgomery County: Tanya Spano and Steve Bieber (DEP) met with County Environmental Director Bob Hoyt on COG's stormwater management programs.

Rockville: Nicholas Ramfos (DTP) presented at the Kaiser Permanente sustainability conference on Commuter Connections.

Prince George's County: Stuart Freudberg, Tanya Spano and Steve Bieber met with County Environmental Director Sam Wynkoop on COG's stormwater management programs.

Fairfax County: Stuart Freudberg participated in a conference call with Congressman Frank Wolf's staff on a helicopter noise forum planned for July in McLean.

Multiple Locations:

- Bike to Work Day, sponsored by COG's Commuter Connections Program, broke its all time record with 12,700 participants at 58 pit stops throughout the region.
- COG's Clean Air Partners Program held its Annual Meeting in Baltimore and recognized area students who won their clean air poster contest. Winners are featured on cleanairpartners.net

COG media report

June 13, 2012

Click on any of the underlined words to read/watch the news item.

TPB Data Shows Transportation Implications of Housing Location

At the May meeting of the National Capital Region Transportation Planning Board (TPB), new data was presented highlighting findings from a household travel survey of several subareas throughout metropolitan Washington, such as Logan Circle in the District of Columbia, Frederick, Maryland, and Woodbridge, Virginia, showing how area residents commute (drive alone, carpool, transit, walking, biking, other) and how mode share differs depending on location. *The Washington Post*, WTOP, and the *Washington Examiner* covered the data release.

Region's Homeless Population Essentially Unchanged From 2011

As the number of homeless people in families in the region has risen, the number of homeless single adults and unaccompanied youths has declined, according to a report released at the May meeting of the COG Board of Directors. The report, *Homeless in Metropolitan Washington*, contains the results of the annual count of the region's homeless population as wells as an analysis of each jurisdiction. The results of the report were covered by *The Washington Post*, WTOP, WAMU, the *Washington Examiner*, ABC 7, the *Afro-American*, *Inside Nova*, *Street Sense*, and several local Patch sites.

Bike to Work Day 2012 Breaks Previous Participation Record

Commuters swapped gas pedals for bike pedals in the metropolitan Washington region on May 18, as 12,700 cycled to work for the annual Bike to Work Day event. More people than ever before participated in this year's event which promotes bicycling as a healthy, low cost commute alternative. Bike to Work Day 2012 exceeded its goal of 12,500 commuters and the number of participants increased by almost 2,000 compared to 2011. The event was covered by several media outlets, including TBD/NewsChannel 8, ABC 7, CBS 9, *The Washington Post*, the *Washington Examiner*, WAMU, the *Washington Business Journal*, WTOP, several local Patch sites, among others.

SOCIAL MEDIA UPDATE

Several interesting topics have been covered lately over RegionForward.org, including:

- The impact of the lack of affordable housing on homelessness in metropolitan Washington
- Examining whether the region's education balance is sufficient for growing the economy in the future
- Taking a more comprehensive look at the state of the region's air quality

Reply. Friend. Tweet. Like. Comment. Retweet.

2012 | May Media Counts **TV: 11 Radio: 10 Print: 37 | Views at RegionForward.org: 1,569**

COG Events Calendar

June - July 2012

Updated: June 6, 2012

June 2012	
Jun 9	Outstanding Foster Parent Appreciation Gala & 20th Anniversary Salute to Wednesday's Child 06:00 PM - 12:00 AM Grand Hyatt Washington Contact: Carette Rogers & Susan O'Brien - 202-962-3220 or gala@mwcog.org
Jun 10-14	NARC 46th Annual Conference & Exhibition St. Petersburg Contact: Lindsey Riley - lindsey@NARC.org
Jun 13	COG Board of Directors 12:00 PM - 02:00 PM COG Board Room Contact: Barbara Chapman - bchapman@mwcog.org

June

S	M	T	W	T	F	S
					1	2
3	**4**	**5**	**6**	7	8	**9**
10	**11**	**12**	**13**	**14**	15	16
17	18	19	**20**	**21**	22	23
24	**25**	**26**	**27**	28	29	30

July

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	**11**	12	**13**	**14**
15	**16**	17	**18**	19	20	21
22	23	24	**25**	26	27	28
29	30	31				

COG Events Calendar

Jun 20	Transportation Planning Board 12:00 PM - 02:00 PM COG Board Room Contact: Ron Kirby - rkirby@mwcog.org
Jun 21	Innovations for Sustainable Communities 09:00 AM - 12:00 PM COG Board Room Contact: Alicia Lewis - 202-962-3346 or alewis@mwcog.org
Jun 24-27	Maryland Municipal League Annual Convention Ocean City Convention Center Contact: Karen Bohlen - karenb@mdmunicipal.org
Jun 26	Commuter Connections Employer Recognition Awards 08:30 AM - 10:00 AM National Press Club Contact: Stacey Walker - 202-962-3327 or swalker@mwcog.org
Jun 27	Metropolitan Washington Air Quality Committee (MWAQC) 12:00 PM - 02:00 PM COG Board Room Contact: Joan Rohlfs - jrohlfs@mwcog.org
July 2012	
Jul 11	COG Board of Directors 12:00 PM - 02:00 PM COG Board Room Contact: Barbara Chapman - bchapman@mwcog.org
Jul 13-16	2012 NACo Annual Conference and Exposition Pittsburgh, PA Contact: NACo - nacomeetings@naco.org

COG Events Calendar

Jul 18	Transportation Planning Board 12:00 PM - 02:00 PM COG Board Room Contact: Ron Kirby - rkirby@mwcog.org
Jul 25	Climate, Energy & Environment Policy Committee (CEEPC) 09:30 AM - 12:00 PM COG Board Room Contact: Joan Rohlfs/Stuart Freudberg - jrohlfs@mwcog.org
Jul 25	Metropolitan Washington Air Quality Committee 12:00 PM - 02:00 PM COG Board Room Contact: Joan Rohlfs - jrohlfs@mwcog.org

Metropolitan Policy Program
at BROOKINGS

Cleaner Rivers for the National Capital Region:
Sharing the Cost

Carol O'Cleireacain[1]

"Clean water is non-negotiable and expensive. To ensure the success of the Clean Rivers Project, the region needs a better financing system beyond D.C. Water's narrow rate base."

Summary

- **D.C. Water, formerly the D.C. Water and Sewer Authority (WASA), has embarked on a 20-year, $2.6 billion Clean Rivers Project initiative to nearly eliminate sewage discharge into area waterways.** Like many cities, Washington is partially served by a combined sewer system (CSS) that carries both storm water and sewage. The District's CSS is the legacy of the federal government, which built the system and governed the city until limited home rule in 1973. Today, heavy rains that exceed the capacity of the combined system trigger the release of overflow storm water and sewage into area rivers, ultimately flowing into the Chesapeake Bay. The Clean Rivers Project, mandated by a 2005 consent decree with the U.S. Environmental Protection Agency, will build underground tunnels to store overflow storm water and sewage during rainstorms until it can be sent to a treatment plant.

- **D.C. Water will finance the Clean Rivers Project by issuing long-term bonds backed primarily by revenue from water usage and a new "impervious area" charge.** It is also exploring the extent to which "green infrastructure" can contribute to reduced storm water. The federal government has supported the project, but its contributions are not guaranteed nor have the amounts been predictable. Despite D.C. Water's active and forward-looking management, the Clean Rivers Project raises multiple concerns. These include the burden it will place on District rate payers; the possibility of crowding out D.C. Water's other maintenance and improvement projects; whether and how the beneficiaries of cleaner water downstream should contribute to the cost; the project's interaction with other expensive pollution-reduction mandates in the city and region; the lack of financing forecasts for the second half of the project; and the possibility that D.C. Water ultimately may not be able to afford the project as currently structured.

- **D.C. Water and the Metropolitan Washington Council of Governments should convene a regional coalition to discuss options to pay for the Clean Rivers Project in the context of other water quality mandates in the region.** The regional coalition should discuss options to expand the project's payment base to include a broader range of clean water beneficiaries, in addition to calling for the federal government to make regular and predictable contributions towards the Clean Rivers Project.

I. Combined sewer overflows are a major problem in the District and are a legacy of federal control and neglect.

The nation's capital, like other older American cities, is partially served by a combined sewer system (CSS) in which pipes carry both storm water and sewage or waste water. In dry weather, waste water flows to the Blue Plains Advanced Wastewater Treatment Plant at the southern tip of the District along the Potomac River. After heavy rains, however, the capacity of the combined sewer is often exceeded, and a mixture of sewage and storm water—combined sewer overflows (CSOs)—discharges into the Anacostia and Potomac rivers and Rock Creek, leading ultimately to downstream destinations, including the Chesapeake Bay.

Both storm water and waste water present serious water quality challenges. Storm water is dirty, no matter how it is conveyed. It picks up oil, grease, sediment, and animal waste from streets, gardens, and roofs and sends it untreated to surrounding waterways. Prolonged development has increased the amount of surface areas—rooftops, roadways, and parking lots—that do not absorb water. These impervious surfaces increase the runoff of storm water and snowmelt, making the clean water task more urgent, as well as causing erosion and other environmental problems. Untreated sewage leads to multiple problems: it compromises the safety of drinking water, makes water unfit for swimming or fishing, and causes offensive odors. Actions to improve water quality must address both storm water and waste water, but this paper focuses on sewage in storm water, specifically the need to identify fair and sustainable options to pay for the very expensive infrastructure improvements already underway to reduce CSOs.

Washington's sewers date back to the nineteenth century, when the federal government built an 80-mile CSS that still survives today. Most of what Americans think of as the federal government—the Capitol, the Supreme Court, the Mall and museums, the major monuments, and the White House—lies in the oldest one-third of the city covered by the CSS. Separate storm sewers, which also are old, serve the remaining two-thirds of the city.[2]

Today's combined sewer overflows are the direct result of a federal decision in the nineteenth century to design, build, and then retain the combined sewers. The federal government was responsible for the District's infrastructure until the institution of limited home rule in 1973. A recent study by D.C. Appleseed asserts that the original Army Corps design and construction of the CSO system has proved "significantly defective," with resulting damage to the regional watershed's ecosystems.[3]

Responsibility for water distribution, sewer pipes, and sewage treatment now rests with D.C. Water, formerly known as D.C. Water and Sewer Authority (WASA). D.C. Water is an independent authority with a regional board of directors appointed by the District; Montgomery and Prince George's counties in Maryland; and Fairfax County in Virginia. In addition to serving the District and its residents, D.C. Water also serves the suburban counties represented on the board by treating waste water at Blue Plains from these jurisdictions. A separate entity, the Department of the Environment (DDOE), is responsible for the city's separate sewer system, which covers two-thirds of the city and channels storm water only, and not waste water. The somewhat complicated relationship between D.C. Water and the DDOE is discussed in Appendix A.

The District's status as the nation's capital significantly reduces its tax base and fiscal capacity. Previous analysis has addressed the fiscal constraints imposed on the District by its lack of a state and the special relationship between the District and the federal government.[4] A high proportion of property and sales are exempt from taxation (government, diplomatic, educational, nonprofits, among others). Congress prohibits the District from taxing the earnings of workers living in the suburbs and working in the city. The city's high poverty rates and long-term population decline (recently reversed for the first time in decades) further erode the tax base, limiting the city's ability to meet its fiscal needs, including the ability to maintain and improve its infrastructure. When serious mismanagement and economic downturn led to financial crisis in the 1990s, the federal government imposed a Financial Authority, which balanced the budget and restored fiscal solvency. Throughout this period, the District suffered from restricted spending and, often, further deferrals of needed maintenance, capital replacement and modernization of infrastructure.

Recognizing the need for a long-term solution, President Clinton in 1997 proposed a Revitalization Act to help address the underlying structural causes of the District's fiscal crisis. Highly visible needs, as well as the significant limits and constraints on the city's ability to fund capital projects, led Clinton to include a National Capital Infrastructure Authority (NCIA) to fund $1.4 billion in repairs and construction. Unfortunately, it did not survive into the final Revitalization Act.[5]

However, a 2008 report by the Congressional Budget Office (CBO) recognized the strong case for federal investment in infrastructure, such as the Clean Rivers Project, whose benefits "accrue to broad geographic areas and are not restricted to a class of users that can be charged more directly." The CBO specifically cited as an example "wastewater treatment plants for communities whose water eventually flows into a major resource such as the Chesapeake Bay."[6]

II. In response to federal mandates to reduce combined sewer overflows, D.C. Water developed the "long-term control plan," which will take 20 years at an estimated cost of $2.6 billion.

National policy, beginning with the Clean Water Act (1972),[7] requires localities to obtain permits to discharge CSO flows into surrounding waters, monitor CSO releases, and implement a long-term control plan (LTCP) for minimizing the impact of CSOs on water quality.[8]

In March 2005, D.C. Water reached a legal agreement with the Environmental Protection Agency (EPA), which enforces environmental policy, to reduce CSOs. The LTCP, now known as the Clean Rivers Project, was slated to reduce CSOs by 96 percent by building three large-scale tunnels to store rain overflows until they can be conveyed to Blue Plains for treatment. The Clean Rivers Project is estimated to cost $2.6 billion over 20 years and is part of D.C. Water's Ten Year Capital Improvement Plan. The capital plan addresses infrastructure, including facilities, pipes, tanks, machines, and technology. D.C. Water's revenue— user fees and charges and federal grants— pays for the capital plan and its operating budget, which covers the day-to-day plant operation and equipment. This arrangement means that future improvements and daily operational needs compete for the same income and drive the rates, fees, and charges paid by customers.

The debt service to pay for the current capital plan is a main reason for D.C. Water's budget increases. The Clean Rivers Project is a substantial part of the capital plan. Other mandated improvements, such as the enhanced nitrogen removal project and new technology to recycle bio-solids, are also costly, as is replacing the aging water and sewer pipes.[9] According to D.C. Water, 44 percent of the FY 2010–2019 capital plan is meeting federal mandates (court orders, regulatory standards, permit requirements); 13 percent is to address potential facility failures.[10]

Although the Clean Rivers Project is a 20-year initiative, the capital plan provides annual estimates of the costs and spending only through FY 2019. From FY 2010–2019, D.C. Water expects to spend $1.25 billion on CSO infrastructure, accounting for 30 percent of the capital plan expenditures through FY 2019.

III. Paying for the Clean Rivers Project is a major challenge.

To meet the Clean River Project's multi-billion-dollar mandate, D.C. Water issues bonds to pay for the capital construction. Revenues will service and pay off these bonds as D.C. Water continues to provide normal water and sewer services and upgrades its ongoing operations. Given that the utility's traditional revenue source is fees on users within the District as well as regional wholesale users of water treatment services, some creative thinking about new revenue sources is in order. Both D.C. Water and city residents should consider whether the revenue is adequate to cover not only the debt service to bondholders over this lengthy period, but also ongoing maintenance, new technology, and other needs. No one wants the general maintenance budget to be starved, causing deferred maintenance problems down the road.

A. D.C. Water's revenues are primarily from fees and charges paid by retail and wholesale users, including a new Impervious Area Charge dedicated to fund the Clean Rivers Project.

Most of D.C. Water's revenue comes from charges on retail customers in the District, described further below. In addition, D.C. Water collects slightly less than 20 percent of its revenues from wholesale charges to several surrounding jurisdictions for waste water treatment. Beginning in FY 2011, wholesale payers also annually contribute 7.1 percent of the costs of the Clean Rivers Project, pursuant to the principles of the Intermunicipal Agreement governing their relationship with D.C. Water.[11]

In recent years, operating revenue from retail customers has been growing only as a result of rate increases (in part required by bond covenants). Water use per household has been steadily declining, the result of conservation and low-flow technology. D.C. Water charges a metering fee, which is unrelated to water use, but it is small and cannot be counted on for substantial additional revenue.

To lessen dependence on rate increases for water use, D.C. Water instituted a new Impervious Area Charge (IAC) in 2009, which it deems appropriate for financing the reduction of CSOs. Economic development has increased the amount of surface areas—rooftops, roadways, and parking lots—that do not absorb water. These impervious areas have increased storm water and snow runoff, making CSOs more frequent and the task of reducing and treating them more expensive. By charging the owners of impervious areas, the payment burden is on those thought to be most responsible for run-off. It is expected to encourage rate payers to install "green roofs," porous parking surfaces, and other innovations designed to reduce runoff, which could reduce the volume of CSO needing treatment.

B. D.C. Water fees and charges will increase sharply over the next decade, yet these funds may not keep up with the costs of the Clean Rivers Project and D.C. Water's other ongoing obligations.

The IAC is designed to more fairly reflect responsibility for storm water pollution and encourage cleaner alternatives. It is dedicated to addressing the CSO infrastructure problem and represents the first time D.C. Water has directly linked any of its revenue to any particular part of its operating or capital program. All retail customers pay the IAC, including D.C. households and businesses, traditionally tax-exempt organizations, such as universities, hospitals, the federal and District governments, and the D.C. Housing Authority. Even those without water charges, such as parking lots, are covered by the IAC.

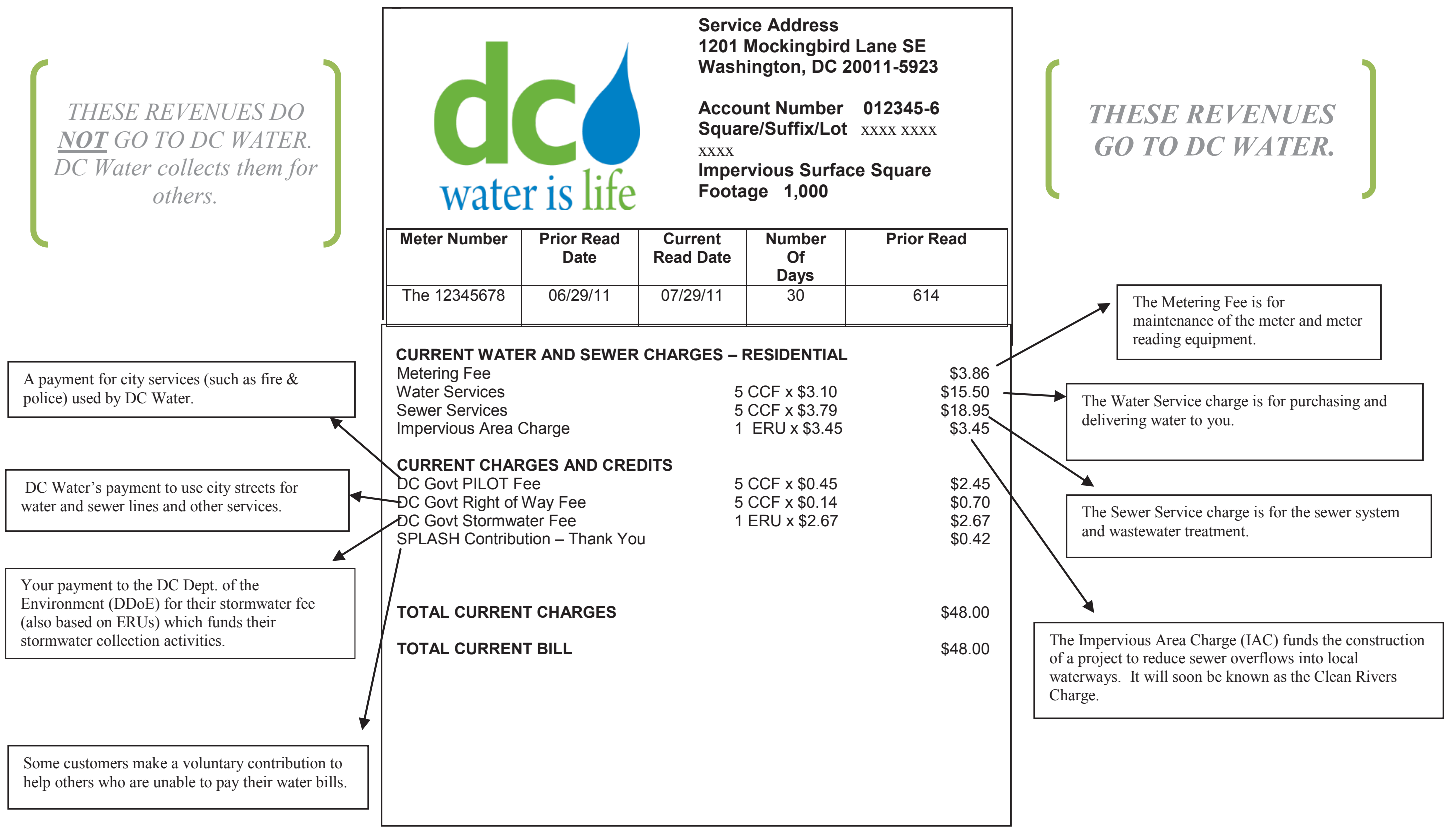
However, revenue from the IAC falls far short of covering the debt service on the bonds for the Clean Rivers Project. D.C. Water estimates that the IAC will generate about $250 million from FY 2010 to FY 2015, with debt service extending for a considerably longer period.[12] The budget projects annual IAC revenue of $15.5 million in FY 2011, growing to $134 million in FY 2019. Annual debt service, in contrast, is projected to rise from about $100 million to more than $250 million over this same period.[13] There are no publically available estimates of the annual revenue from the IAC beyond 2019 or over the entire 20 years of the Clean Rivers Project.

D.C. Water introduced the IAC in spring 2009 at a low rate, intending to increase it annually by significant amounts. In 2010, D.C. Water changed the residential IAC from a single amount to a six-tiered charge depending on the size of the property's surface area. Small to moderate sized residential properties will bear the bulk of the residential charges. D.C. Water forecasts that the 92 percent of residential properties that constitute the lowest two tiers (up to 2,000 square feet of impermeable surface) will pay 78 percent of the residential IAC bill.[14]

The IAC rose from $1.24 per month in FY 2009 to $3.45 per month in FY 2011. In FY 2012, the fee is $6.64 per month, more than quadrupling in four years. The metering fee has also nearly doubled. As a result, even though water use fell and water/sewer rates rose about 9 percent per year, the typical D.C. Water residential monthly bill grew about 13 percent per year over this period.

D.C. Water is projecting that the monthly IAC will be $28.77 by FY 2019, which represents phenomenal growth (more than 2,000 percent from its initial small payment). D.C. Water's customers will notice the impact. By FY 2019, the IAC will account for about 28 percent of D.C. Water's typical residential water bill, as its growth surpasses that of the basic water and sewer rate. District residents can expect to see monthly charges of about $104 in FY 2019, up from typical monthly charges of about $40 in FY 2009.[15]

Figure 1. Sample D.C. Water Bill Explained



Note 1: Water use is billed in CCF. 1 CCF = 100 cubic feet, or 748 gallons. Average D.C. residence uses 6.69 CCF/month.

Note 2: For environmental charges, D.C. residential properties are billed for the amount of impervious area on their property. This is calculated in units of 1,000 sq. ft. – known as an Equivalent Residential Unit, or ERU. 1 ERU=1,000 sq. ft. of impervious surface area. Most D.C. residential properties are classified as 1 ERU.

Moreover, D.C. Water's monthly bill also includes additional charges that the authority collects and passes through to the District government, so the dollar amounts noted above understate the total amount that residents pay for water and sewer services. In addition to this estimated $104 each month in FY 2019 (including D.C. Water's IAC, water services, sewer services, and the metering fee), customers also pay several other fees to the District government. They pay a separate District government storm water fee, also based on impervious surface area; a Payment in Lieu of Taxes (PILOT) for D.C. Water's use of city services; and a Right of Way fee for D.C. Water's use of city streets to access water and sewer lines. D.C. Water does not project these District pass-through charges into the future, and that portion of the bill is ignored here, as it does not represent revenue to D.C. Water. In short, complete reliance on fees, including the IAC, to finance the new costs of the CSO project may be unrealistic.

Figure 1 describes a typical D.C. Water bill. Table 1 in Appendix B presents D.C. Water's projections for their rates and charges (generating their revenues) through FY 2019 as of the start of FY 2012.

C. The water/sewer burden on low-income customers will double.

The IAC is yet another monthly utility payment for households. At some point, customers, especially those with low or fixed incomes, are likely to protest. On average, utility payments represent 6 to 7 percent of household spending. However, they represent a much larger share for low-income households.[16] Compared to households with average incomes, those in the lowest quintile pay 45 percent more of their income towards utilities.[17] Spending on utilities is regressive and recent data indicate it is becoming more so.[18]

Affordability is a real concern in the District, given its 20 percent poverty rate. The District has a persistent group of low-income residents, earning at or below $24,475 a year for a family of three.[19] Moreover, the District's income distribution is becoming more unequal. As a result, in constant dollars, the D.C. Water bill burden will double, from 2.5 percent to 5.2 percent of the top earners in the lowest quintile by 2019.[20] This is a conservative estimate because it focuses only on the charges by D.C. Water and not those that the utility collects on behalf of the District government.

D.C. Water (and by law, the EPA) must pay close attention to the burden of these payments. EPA guidelines suggest that water or sewer charges greater than 2 to 4 percent of median household income are a strain on household budgets.[21] In 2008 (prior to the introduction of the IAC), payments to D.C. Water represented less than 2 percent of District median income for three-fourths of the District's residents.[22]

However, the degree of hardship that D.C. Water bills, including the new IAC, impose on the District's low-income residents is hard to discern. Many low-income residents of the District are not direct customers of D.C. Water. Renters who live in multifamily apartment buildings or Housing Authority apartments are not direct D.C. Water customers. The landlord pays the water and sewer bill, which is covered in the rent. According to D.C. Water, an in-house analysis in 2009 determined that roughly 25 percent of low-income customers receive a D.C. Water bill.[23]

D.C. Water's Customer Assistance Program (CAP) helps low-income homeowners who face payment hardship.[24] Introduced in 2000 for those meeting income eligibility requirements, it has been expanded several times and is administered as part of the District's utility relief programs.[25] To qualify, the rate payer's income must be below 150 percent of the poverty line. Participation in CAP has grown from an average of about 2,680 households annually in 2001–2005 to 6,458 customers in 2010, about 6 percent of residential customers.[26]

D.C. Water spent $1.9 million in FY 2011 supporting low-income District households through CAP, and it expects to spend $2.3 million in FY 2012. These costs are covered with higher rates on all payers. With the growing payment hardship, D.C. Water will face pressure to expand this subsidy, particularly as landlords face pressure to contain the pass-through of rising water bills into rents. All of this will bring further, marginal, pressure on D.C. Water to contain rates, or operating costs, or both.

D. The federal government contributes to the long-term control plan through charges and periodic earmarks.

Federal agencies with buildings and other facilities in the District are D.C. Water customers, paying both water/sewer charges and the IAC.[27] Federal water/sewer payments, from more than 500 accounts, total about 9 percent of D.C. Water's operating revenue. With respect to water charges (not the IAC), D.C. Water's 10 largest government customers provide about three times the revenue as the 10 largest commercial customers, which are universities, hospitals, real estate companies, and other commercial enterprises.[28] All nonresidential IAC assessments are based on estimated square footage of impervious surface areas. Information on the breakdown by payer type of the nonresidential IAC payments is not available, so we are not able to judge the size of the federal agency payments relative to major commercial customers.

In addition to agency payments, federal appropriations have contributed $153.5 million to the Clean Rivers Project to date. According to D.C. Water, the federal contribution equates roughly to a 3.7 percent reduction in the retail rates.[29] The 10-year capital plan, very conservatively, assumes no separate federal money for the Clean Rivers Project. Yet, D.C. Water is upfront about its need for additional federal help:

> In FY2010 D.C. Water received federal funding of $20 million for the CSO LTCP and $25 million has been proposed for FY2011 of which $8.5 million has been received. However, as the total

project spending increases over the years, so does the projected IAC rate. *If additional federal assistance is provided, the Clean Rivers IAC would increase at a slower pace than this ten-year plan proposal assumes.* As noted earlier, this plan assumes jurisdictional contributions to the CSO LTCP under the IMA of 7.1 percent beginning in FY2011.[30] [emphasis added.]

IV. D.C. Water is actively exploring "green infrastructure" to improve water quality and reduce the need for expensive "gray infrastructure," as well as other strategies to raise revenue and reduce costs.

D.C. Water, like water authorities and other jurisdictions around the country, is moving toward greater reliance on "green" infrastructure, which may be cheaper than the "gray" infrastructure (holding tanks, wider pipes, and so forth) at the heart of the Clean Rivers Project. This approach, also known as "low impact development" (LID) and "source controls," prevents and ameliorates some of the serious runoff during storms, by limiting it at source or capturing it into the ground. The approach also offers the aesthetics of green roofs, tree canopies, road greenways, and wetland improvements as well as the promise of local jobs. Its uses are expanding rapidly, although it remains a complement, not a complete substitute, for gray infrastructure. Green infrastructure is easiest to implement with new development, which is relatively rare in D.C. However, green infrastructure is also being used successfully in both the redevelopment and the retrofitting of existing buildings and sites.[31]

The EPA recognizes the benefits of green infrastructure and is working with the National Association of Clean Water Agencies (NAWCA), where D.C. Water is an active member, to give direction for demonstration projects, best practices, and guidelines for its use in long-term control plans and consent decrees.[32] A number of municipalities have already required storm water source controls for new development, and many are embarking on pilot programs for retrofitting (often on public property).[33]

D.C. Water, working under the requirements and time lines of the consent decree, anticipates using a hybrid approach of gray and green infrastructure.[34] To prove that low-impact development can reduce reliance on the more expensive gray infrastructure, D.C. Water is seeking EPA permissions for a multi-year demonstration project, estimated (not yet budgeted) to cost between $10 million and $30 million.[35] The EPA, recognizing the difficult financial conditions state and local governments face as well as significant gains with green initiatives, recently has allowed some cities to include green infrastructure demonstrations in new and amended CSO consent agreements.[36] D.C. Water, if successful, will seek to move forward (with federal consent) with a hybrid approach for the two remaining elements of the Clean Rivers Project: the Potomac River and Rock Creek projects, most of which have not begun; all must be completed by 2025. (The first phase, already underway, is a combination of Anacostia River projects and would not be affected.) The consent decree allows downsizing, but not elimination, of the remaining Potomac and Rock Creek tunnels.[37] This offers the potential of having more time to solve the issues than allowed in the consent decree.[38]

Questions remain about using green infrastructure in the Clean Rivers Project. Will it result in meeting water quality standards? Will it capture enough runoff to reduce CSOs at the same level? Will it prove to be cheaper than gray infrastructure? Will these questions be answered by the 2025 deadline? Cost savings provide the incentive for a concerted effort to answer these questions positively. The window for planning and implementing the green infrastructure for the Clean Rivers Project is very tight.[39]

There may, of course, be other cost efficiencies at D.C. Water. For example, the authority is turning waste into energy to reduce fuel costs.[40] It has an impressive record of minimizing unpaid bills and collecting revenue.[41] Realistically, though, the Clean Rivers Project is the major cost driver behind customers' mounting bills, with the Nitrogen Removal Project (dedicated to sustainability for the Chesapeake Bay area) also carrying a heavy price tag ($1 billion). These costs are not going away nor likely to be significantly abated.

V. Recommendations: D.C. Water, regional stakeholders and the federal government should develop other funding options.

The estimated 20-year cost of the Clean Rivers Project has already grown from the initial $2.2 billion in 2005 to the current $2.6 billion by 2025. Our examination of the payment burden extends only as far as D.C. Water's forecasts: 2019. Costs are likely to continue to escalate. The current trajectory may be unsustainable.

Two options to reduce the burden on D.C. rate payers include: reduce the cost of the Clean Rivers Project; or, spread the costs out among more payers and beneficiaries of clean water. Neither is easy.

DC Water's proposed low impact development demonstration project would lengthen the timeline for the Clean Rivers Project.[42] The proposal will require agreement among a number of actors, including the federal government, the District government, and D.C. Water, which will be a delicate and difficult conversation. Unfortunately, it is not clear, yet, how much D.C. Water's actions to develop green infrastructure might reduce the costs of meeting the goals of the consent decree, or whether the proposal will be approved. So, we focus on strategies to pay for the long-term control plan, as currently configured, more fairly and efficiently.

Below are several recommendations.

A. D.C. Water and the Metropolitan Washington Council of Governments should convene a coalition of regional stakeholders, including the federal government, to discuss options to pay for the Clean River Project, in the context of regional federal water quality mandates, such as the Chesapeake Bay cleanup.

A broader regional coalition is needed for long run cleanup of the Potomac and Anacostia watersheds. A regional conversation would contribute to a shared understanding of the various water cleanup efforts, requirements, and funding pressures throughout the region and how they relate to one another. Such a coalition could lead to more effective regional cooperation and problem-solving related to cleaning up the rivers flowing into the Chesapeake Bay.

The Metropolitan Washington Council of Governments (COG) is well positioned to serve as convener or co-convener. The draft 2012 policy priority for COG's Chesapeake Bay and Water Resources Policy Committee is to "support policies that supplement local funding and provide local governments and utilities with the flexibility needed to meet EPA's and state wastewater, septic, and storm water requirements for restoration of the Chesapeake Bay, Potomac River, and local waters."[43]

In addition to D.C. Water and its customers, other localities in the region face spending pressures in meeting environmental standards, many tied to the Chesapeake Bay. For example, preliminary capital cost estimates to meet the Total Maximum Daily Load requirements to clean up the Chesapeake Bay equal a little less than $1 billion for Frederick County, MD, about $1 billion for Montgomery County, MD, and $845 million for Fairfax County, VA.[44] The federal government does not provide much support for storm water funding, so localities primarily bear these burdens.[45]

The federal government's active and engaged participation is essential. It should not take much persuasion. The EPA, strongly supporting "integrated" approaches, seeks to "encourage regions to work with the states to engage…local partners…", and, in support of recent green infrastructure efforts, is promoting these approaches around the country.[46] The spiraling costs of meeting tighter environmental standards to address pollution from storms are a widespread problem, generating mounting burdens on rate payers and localities throughout the country.[47] Federal, state, and local cooperation in the Capital region, to address funding for the myriad of water quality efforts and mandates, would be a demonstration for the whole country.

The federal government should acknowledge its role in creating the CSO problem and make regular and predictable contributions toward the Clean Rivers Project.

CSO cleanup is a federal mandate; in the case of D.C. Water, the mandate is directed at the system that the federal government built and maintained for years. Although the federal government has contributed about $150 million to the Clean Rivers Project to date through earmarks, these one-off payments are not a dependable, recurring revenue stream. The federal government's impact is regional. In addition to the legacy of the old capital district's aging sewers, federal buildings, laboratories, military installations, and their impervious surfaces are spread throughout the larger suburban region. The impact on the region of the nation's capital city justifies a special federal contribution to D.C. Water's resolution of the CSO problem.

The regional discussion should rethink the "polluter pays" principle and examine other governance and financing methods to support the Clean Rivers Project and other regional water quality initiatives that benefit all parties.

There has been little analysis or public discussion of how the burden of paying for the Clean Rivers Project will be shared among D.C. Water users and other beneficiaries, or how it interacts with other water quality improvements throughout the region. Current plans (to reduce CSOs and other water quality efforts) are based on the principle that the polluter pays. However, clean water is a public good. Like rivers, the benefits from cleanup flow downstream. All users benefit from it. Unfortunately, manmade, artificial borders obscure the benefits from being recognized, appreciated, and paid for. D.C. Water, as established, was not as "regional" as is needed now to match the costs with the benefits of the cleanup. Governance was designed to oversee fee-for-service sewage treatment, not broader clean water concerns.

As Figure 2 illustrates, the District's CSOs affect the entire region, through the Anacostia and Potomac Rivers, which are part of the Chesapeake Bay watershed. The District generates some storm water pollution, including the worst CSOs, but localities upstream and downstream from the District in the Anacostia and Potomac watersheds also generate pollution.

Regardless of the origin of the problem, all residents and visitors to the region benefit from the cleanup. In a regular market, they would pay for these benefits, but the nature of a public good offers no mechanism to charge them. The mismatch between payers and beneficiaries extends beyond D.C. Water. For example, 80 percent of the Anacostia watershed is in Maryland, upstream of the District. As Maryland works to clean the streams and tributaries to the Anacostia, its efforts risk being neutralized by the District-based CSOs.

The Clean Rivers Project is a mammoth undertaking, but it is only a fraction of the action needed in coming years to ensure the region's water quality. Eliminating the District's CSOs must be supplemented with measures to reduce agricultural runoff, storm water runoff, and other sources of pollution in the Anacostia and Potomac watersheds, leading ultimately to the Chesapeake Bay. Other local jurisdictions are also currently grappling with how to implement and pay for storm water reduction and green infrastructure to comply with their own water quality mandates.[48]

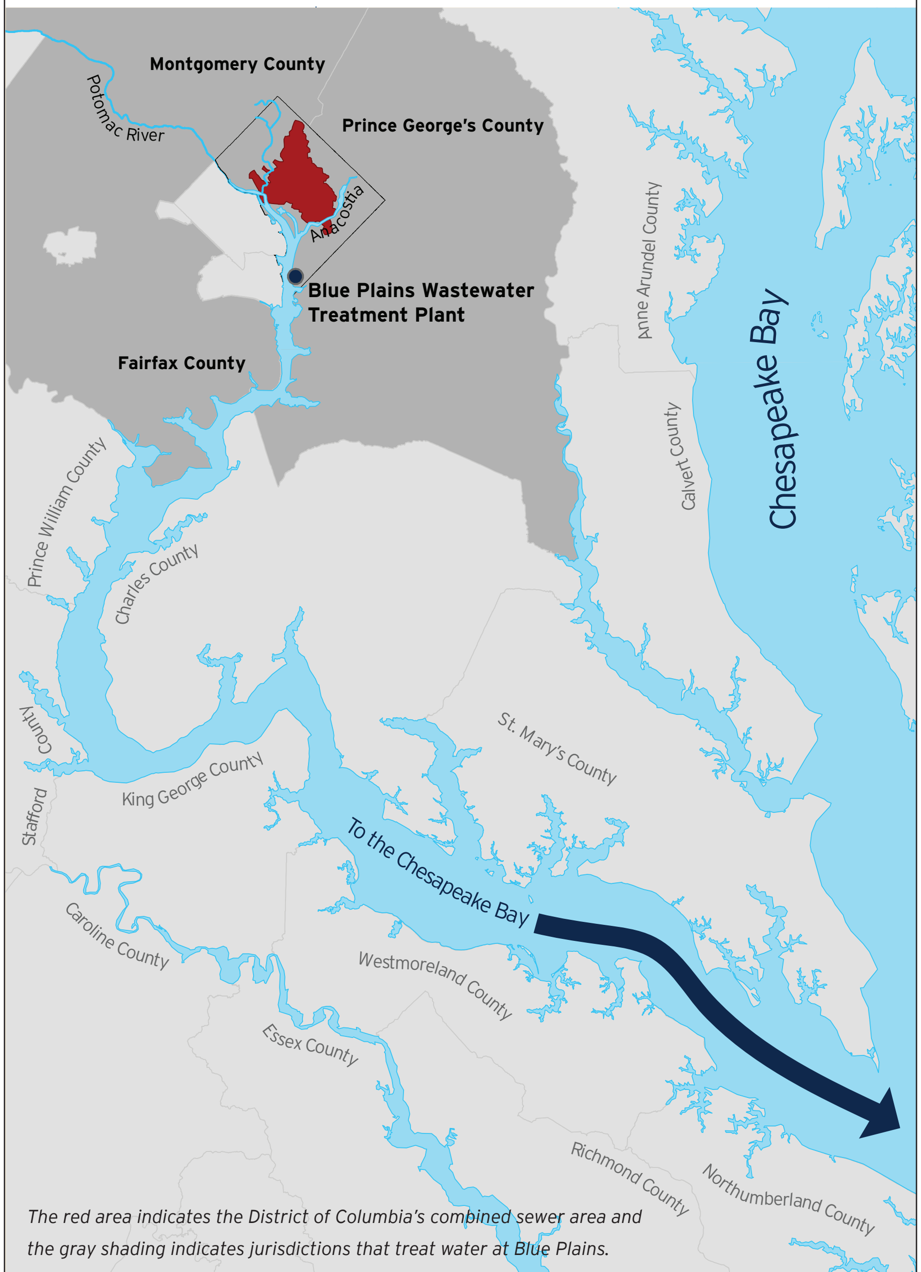
D.C. Water is an independent authority with regional participation and reach. Unfortunately, the regional representation is limited to three suburban counties that use Blue Plains' sewage treatment services: Fairfax County, VA, Prince George's County, MD, and Montgomery County, MD. But a number of other Virginia and Maryland municipalities are downstream of the District and have no links to D.C. Water or the Clean Rivers Project.

A focus on the benefits of clean water also leads back to increased investment by the federal government. The CBO's report, as noted earlier, identified scenarios such as the Clean Rivers Project as a worthy candidate for federal investment owing to the broad geographic areas that benefit from clean water and the difficulty in directly charging the beneficiaries.

B. D.C. Water should expand its city-based revenue by fine-tuning the impervious area charges.

D.C. Water's user charges, including the impervious area charges, capture customers exempt from property taxes (of which there are many in the District). The IAC has the added advantage of not being linked to (declining) water use. Certainly, D.C. Water should look for new fixed charges, even if they cover fewer customers.[49] It should also re-examine the IAC, which is intended to reflect in a direct way the link between development and resulting polluting storm water. There are several possible concerns with the present IAC structure. First, the square footage measure is only a rough approximation to the development-pollution link, which may be subject to challenge as the charge grows. D.C. Water should explore whether square footage alone is sufficiently related to runoff levels.

Figure 2. Downstream Beneficiaries of DC Water's Clean Rivers Project



The red area indicates the District of Columbia's combined sewer area and the gray shading indicates jurisdictions that treat water at Blue Plains.

The second concern is how the charge is distributed among payers. The introduction of the six tiers for the residential customers was meant to introduce a less regressive charge for the residential class. As for the other payers, the IAC is a cost of doing business, which businesses, landlords, and the federal and District governments pass on to customers (or tenants or taxpayers). It may make sense to place a larger burden on them. Certainly these customers have the ability to spread the charge over a broader group of payers, many of whom are beneficiaries of the cleanup. D.C. Water should also examine the IAC component of the charges paid by commercial and federal agency payers to determine how that distribution differs from the burden of the water and sewer user charges. In particular, D.C. Water might want to focus on the aggregate size of the runoff and the ability or inability of some of these payers to make environmental improvements or adjustments. In the case of water/sewer fees, the top "commercial" customers are dominated by universities, hospitals, property developers, hotels, the Soldiers Home, and Amtrak. By far, however, the federal government pays the most to D.C. Water. In 2010, Georgetown University, the top ranking "commercial" payer of water/sewer fees at $2.1 million, was on par with the eighth placed "government" payer, Bolling Air Force Base. D.C. Water's top government customer is the General Services Administration at $6.6 million. Focusing only on IAC payments by governmental and commercial entities along with direct onsite inspection of impervious surfaces and runoff flows may provide a coherent and fairer environmental charge.[50]

Finally, in the interest of transparency, D.C. Water should make public the total annual revenue received from the IAC payments, the distribution by non-residential payers, and the forecast of IAC revenues, by payer, over the 10-year period for which they are projecting IAC rates. Currently, the financial statements combine the revenue from IAC payments with the water and sewer fees by category of payer. Making this information public, as the IAC rate grows over the course of the Clean Rivers Project, will allow District residents to better understand their share of this environmental charge relative to the share being borne by businesses, the federal and District governments, and other large properties.

VI. Conclusion

The Clean Rivers Project and the health of area waterways may be at risk if financing depends solely on D.C. Water's rate structure. The present approach puts the burden to pay for this project on District residents, businesses, and property owners based on the "polluter pays" principle. Such a financing principle could be risky, judging by the projections of costs through FY 2019. What if rate payers' will or ability to pay fails? Using D.C. Water's projections for water and sewer rates and the IAC (which is dedicated to the project), water bills as a share of income for the lowest-income retail customers will more than double by 2019. Utility payments are the biggest proportionate burden for households at the lowest income levels. Will this project continue through to completion at a cost that can be borne by the District's economic and household base alone?

Further, there is no indication of how much more the IAC and water and sewer rates will have to rise between 2019 and 2025 to complete the long-term control plan and meet the stipulated water quality. Over time, there will be pressure to ease rate increases. Any inability to sustain rate and IAC increases may jeopardize project completion. It may also result in deferred maintenance, or the shrinking, delay, and postponement of other basic improvements.

To minimize these risks to a project that will be of enormous benefit to the capital region, the time has come to ensure that all the beneficiaries pay their fair share. Water, like transportation, is inherently cross-jurisdictional. The entire region benefits from cleaner water and must be part of planning, implementing, and funding the cleanup strategy. The current fragmented efforts do not allow for a match between the scale of the problem and its response.

D.C. Water has no authority outside of its narrow rate utility and it has no state government to protect its interest. It needs help to ensure that all who will benefit from this expensive and lengthy project pay for it. The federal government has contributed, but not enough. Every additional federal dollar for CSO clean-up is a dollar in the pocket of D.C. rate payers. The federal government is far from a disinterested party. It is a major beneficiary of cleaner rivers and has championed a cleaner Chesapeake watershed. It was the historic designer, builder, and operator of the District's combined sewer system, which generates the CSOs. It is also the originator of the mandate to clean them up and a party to the consent decree. Through the Bay cleanup, the EPA has put the entire D.C. region on a pollution diet. Part of that diet limits D.C. Water's nitrogen and sediment allocations for CSOs, providing the scientific evidence that the long-term control plan affects the long-term health of the Chesapeake Bay. As such, every jurisdiction in the region has an interest in ensuring that the long-term control plan is funded securely through its completion.

Not surprisingly, no one wants to pay for something if they do not have to. As noted above, other localities are also facing increased costs from storm water management mandates tied to Chesapeake Bay and other water quality policies, leaving them feeling squeezed. A regional convening organized by the Metropolitan Washington Council of Governments and D.C. Water offers a major opportunity for the federal government, the states of Maryland and Virginia, the District of Columbia, and local jurisdictions to sort out a more rational distribution of costs and payments for the benefits associated with clean water, a public good. There is also the need for greater education about the side effects and benefits of this expensive, long-term cleanup. Finally, greater regional participation in future decisions should be encouraged, as the EPA appears ready to do. Options and technology will change over time. Regional transportation planning groups hammer out similar issues; such an approach can work for clean water issues.

Without an active, involved regional effort, D.C. Water's narrow payment base may be stretched too thin to carry out the Clean Rivers Project and meet its legal requirements. If the long-term control plan lacks affordable, dependable financing through 2025, completion may be threatened, putting improved water quality in the region at risk. No one wants that to happen.

Appendix A. The District Department of the Environment (DDOE)

In 2006, the District created its own Department of the Environment (DDOE), with storm water responsibilities for the two-thirds of the District's area covered by the Separate Sewer System. In managing these separate storm sewers DDOE coordinates the Municipal Separate Storm Sewer System (MS4) permit issued by the federal government for storm water.

DDOE also was mandated to levy a fee into an Enterprise Fund to pay for storm water pollution prevention and remediation, which they did in 2009. Like D.C. Water, DDOE's storm water fee is based on impervious surface area. Today, D.C. Water collects both sets of fees—paid by all D.C. rate payers—remitting the storm water charge back to DDOE. The DDOE fees are directed to their Enterprise Fund, dedicated to supporting D.C.'s compliance with the terms of the MS4 permit, and are segregated from other District and D.C. Water accounts.[51]

The DDOE is also enabled by law to offer discounts and grants to property owners to reduce the physical size of impervious surfaces, promote green roofs, rain gardens, rain barrels, low impact development, and downspout disconnections to reduce the flow of storm water. DDOE posted a new rulemaking in August 2011 for a credit program, but currently they offer no such program. The law also requires D.C. Water to coordinate with DDOE to implement their program, and the D.C. Water Board of Directors is on record that there will be an incentive or credit program for the IAC in the future.[52]

In theory, the more successful the DDOE might be in reducing impervious surfaces in the future (arguably incentives and rebates should make a difference in behavior), the more such concessions would bite into the base of D.C. Water's IAC. While one cannot know yet how significant such an impact might be, the impact on revenues would have to be made up by the ratepayers.

The District would seem to be a small territory to have two sewer and wet weather clean-up operations.[53] While jurisdictional and administrative concerns are not the focus of this paper, issues of DDOE/D.C. Water cooperation, coordination, overlap and redundancies might offer fruitful territory for future work and even eventual consolidation and cost savings. Given the District's history, one assumes this might not be easy. However, time often makes the once-unthinkable even possible. It is useful, perhaps, that D.C. Water's current general manager, George Hawkins, is the former DDOE director.

Appendix B. D.C. Water Rates, Charges & Typical Bills

D.C. Water projects water and sewer rates for ten years for planning purposes. The actual rates are set annually through a public process, and may differ from the projections as a result.[54] As shown in Appendix Table 1, the impervious area charge (IAC), introduced at a monthly fee $1.24 in FY 2009, was $3.45 in FY 2011, and $6.64 in FY 2012, more than quadrupling in four years. D.C. Water projects the IAC to climb to a monthly $28.77 by FY 2019. This represents phenomenal growth—more than 2,000 percent from inception; more than 700 percent from FY 2010; and more than 300 percent from the latest, $6.64, rate. For what began as a small payment, the IAC will now have a noticeable impact on the bills facing D.C. Water's customers.

In the four years since the introduction of the IAC (FY 2009 to FY 2012), the typical monthly water-related bill grew about 13 percent per year. This reflects a combination of water and sewer rates increasing about 9 percent per year, plus substantial growth in the other two smaller charges: a more than quadrupling of the IAC; and an almost doubling of the metering fee.

The utility's board and management in mid-2011 marginally reduced the water and sewer rate increase for the following two years. The D.C. Water portion of the typical customer bill grew almost 11 percent in FY 2010 and more than 18 percent in FY 2011. The reductions lower growth in the typical bill to 10 percent in FY 2012 (from what would have been a 13 percent increase).

D.C. Water projects average annual increases in the water and sewer rate of 6 to 6.5 percent from FY 2013 to FY 2017, and then 4.5 percent for FY 2018, and 3.5 percent for FY 2019. Even so, the D.C. Water portion of the typical residential bill will increase by double digits in FY 2013 (10.6 percent) and in FY 2014 (12.1 percent), driven by a more than doubling of the IAC. In the remaining five years through FY 2019, the annual rate of growth of the IAC is projected to double or triple that of the water and sewer rates, resulting in the typical monthly bill growing almost 8 percent per year.

The annual growth in the average D.C. Water-related bill strongly outstrips forecast inflation and expected growth in taxable income over the coming period. Please see Appendix Table 1 for details.

Appendix B Table 1. D.C. Water's Current Projections for Average Residential Monthly Bills, FY 2009-2019 (based on adopted FY2012 rates)*

	FY 09	FY 10	FY 11	FY 12	FY 13f	FY 14f	FY 15f	FY 16f	FY 17f	FY 18f	FY 19f	% change, 09-19	Share of D.C. Water bill FY 09	FY 12	FY 9
D.C. Water Retail Rates*	37.53	40.94	46.09	48.17	51.31	54.39	57.67	61.41	65.09	68.04	70.45	88	0.92	0.82	0.68
D.C. Water IAC*	1.24	2.20	3.45	6.64	9.73	14.52	17.66	20.33	23.19	25.49	28.77	2,220	0.03	0.11	0.28
D.C. Water Customer Metering Fee*	2.01	2.01	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86		0.05	0.07	0.04
Subtotal Rates & Charges	**40.78**	**45.15**	**53.40**	**58.67**	**64.90**	**72.77**	**79.19**	**85.60**	**92.14**	**97.39**	**103.08**	**153**			
Change $/month from prior year	2.84	4.37	8.25	5.27	6.23	7.87	6.42	6.41	6.54	5.25	5.69				
% Increase in D.C. Water's Portion of Bill		**10.7**	**18.3**	**9.9**	**10.6**	**12.1**	**8.8**	**8.1**	**7.6**	**5.7**	**5.8**				
General Inflation % CY (GDP Price Index)^		0.9	2.1	1.2	1.4	1.6	1.6	1.6	1.6	2.0	2.0				
Growth of D.C. Water bill in excess of inflation		**9.8**	**16.2**	**8.7**	**9.2**	**10.5**	**7.2**	**6.5**	**6.0**	**3.7**	**3.8**				
CY Economic Indicators: % Change Annual															
CBO Real Growth in GDP^	-3.5	3.0	2.3	2.7	3.6	3.6	4.9	4.2	3.3	2.8	2.5				
CBO Taxable Income^^	-3.6	0.0	4.7	3.3	3.0	4.1	6.6	7.2	6.6	5.8	5.2				

** Source: D.C. Water June Retail Rate Committee Actions 6-28-11, "Projected Average Residential Monthly Bill", page 39.*

Other Sources:

^ CBO Budget and Economic Outlook: January 2012. (CY; 2010, 2011 actuals.)

^^ Taxable Income forecasts: supplement to Chapter 4, Budget and Economic Outlook, January 2012 //www.cbo.gov/doc.cfm?index=12699

Actual taxable income growth CY2009 from Table 4.2,CBO Outlook January 2010

Actual taxable income growth CY2010 from Table 4.2, CBO Outlook January 2011

Endnotes

1. Carol O'Cleireacain is a Non-Resident Senior Fellow in the Brookings Metropolitan Policy Program.

2. In the 1890s, President Benjamin Harrison decided extensions into new areas would have separate waste and storm water pipes, while the combined system would remain at the heart of the District.

3. D.C. Appleseed, "A New Day for the Anacostia: A National Model for Urban River Revitalization" (2011).

4. See Carol O'Cleireacain and Alice M. Rivlin, "A Sound Fiscal Footing for the Nation's Capital: A Federal Responsibility" (Washington: Brookings, 2002), which presents a three-pronged argument for a federal payment to the District based on (1) its status as the nation's capital; (2) its lack of a state government; and (3) compensating for a legacy of neglect. See also Carol O'Cleireacain, "The Orphaned Capital: Adopting a Revenue Plan for the District of Columbia" (Washington: Brookings, 1997); and "Bolstering D.C.'s Fragile Fiscal Recovery" (Washington: Brookings, 1998). The District's lack of a state government is relevant in this context, as some states are defending their localities in response to expensive clean-water mandates. For example, Kentucky passed a legislative mandate on the state regulator to look beyond the Environmental Protection Agency's narrow concept of rate burden to the community's economic status, such as poverty and unemployment, when meeting federal clean-water mandates. (KY: HB504) Similar legislation has been tabled in Ohio. The District does not have state sovereignty, so it cannot even raise that flag.

5. D.C. Appleseed and Our Nation's Capital, "Building the Best Capital City in the World" (2008).

6. Congress of the United States, Congressional Budget Office, "Issues and Options in Infrastructure Investment: Federal Capital Spending on Transportation and Water Infrastructure" (May 2008), p.12.

7. Relevant legislation includes the Water Quality Act (1987) and the Wet Weather Water Quality Act (2000).

8. CSO permits from the National Pollutant Discharge Elimination System (NPDES) are managed by the Environmental Protection Agency in conjunction with state environmental agencies. The CWA (1972) created a system of federal grants for municipal sewage treatment plants to help pay for the mandated improvements. The WQA (1987) eliminated them and provided initial capitalization for state revolving loan funds, which offer subsidized loans to local utilities for infrastructure improvements. Today, the funding model for these mandated infrastructure improvements is that users, that is, rate payers, are responsible for repaying these loans and the bond holders who provide the capital.

9. See D.C. Water, "Operating Budgets Revised FY2011|Adopted FY2012, Section 5: Capital Programs" (2012), available at www.dcwater.com/investor_relations/budget_sections/2011/FY_2010-FY_2019_Capital_Program.pdf.

10. See D.C. Water, Operating Budgets Revised FY2011|Adopted FY2012, Section 1: Budget in Brief" (2012), p.11, available at www.dcwater.com/investor_relations/budget_sections/2011/Budget_in_Brief.pdf.

11. The IMA details the understanding between the District and its suburban neighbors that share use of D.C. Water's wastewater treatment capacity. The IMA also prescribes the cost allocation methodology between jurisdictions of projects related to Blue Plains. The contribution to the LTCP was the result of agreement between the chief administrative officers of the jurisdictions.

12. D.C. Water, "Official Statement Public Utility Subordinate Lien Revenue Bonds" (October 20, 2010), p. 77.

13. D.C. Water, "Projected Clean River IAC Charges FY2010-FY2019." In presentation to D.C. Water Retail Rate Committee (June 28, 2011), p. 34., available at www.dcwater.com/news/publications/DCWSR%20Committee%20Material%2006-28-11.pdf

14. D.C. Water, "Official Statement Public Utility Subordinate," p. 63.

15. About $75 will cover water and sewer services and the meter; almost $30 will cover the impervious area charge, according to D.C. Water's projections. See Appendix for detailed annual amounts.

16. Generally, utility spending is measured as a share of household spending, rather than income, because total household spending may exceed pre-tax income for lower-income households. See Janice A. Beecher, "Consumer Expenditures on Utilities in 2009." Research Note (East Lansing: Michigan State University Institute of Public Utilities Regulatory Research and Education, February 2011), available at http://ipu.msu.edu/research/pdfs/IPU%20Expenditures%20on%20Utilities%202009%20%282011%29.pdf (Accessed January 23, 2012).

17. Based on BLS 2005 consumer spending patterns; see Jeff Rexhausen, "The CSO Financial Challenge: Economic Forces and Other Factors." Presentation to the National Association of Clean Water Agencies, April 26, 2007, available at www.nacwa.org/index.php?option=com_content&view=article&id=465%3A2007-cso-workshop-ppt-presentations&catid=18%3Aconference-archive&Itemid=38 (accessed January 23, 2012). See also "Paying for the Rising Cost of Clean: A University Researcher's Perspective." presentation to the National Association of Clean Water Agencies, January 21, 2007, available at www.nacwa.org/index.php?option=com_content&view=article&id=464%3A2007- winter-conference-ppt-presentations&catid=18%3Aconference-archive&Itemid=38 (accessed January 23, 2012).

18. According to Beecher, "Consumer Expenditures" (p.2): "[O]ver time, there is a persistent regressivity in the nature of household spending on utilities; households in the lower income quintiles have seen a more rapid rise in the proportion of expenditures required for utilities." Note that this effect is understated, since the BLS survey method counts as zero any utility payments that are not made directly by the household, which is often the case with water.

19. Jenny Reed, "Who Is Low Income in D.C.?" (Washington: DC Fiscal Policy Institute, 2010). In addition, our examination of household income and tax data indicates that a conservative measure would be that everyone in the bottom quintile ($20,000 in 2009 and estimated to rise to $22,000 by 2019) could qualify as being burdened by these growing D.C. Water payments.

20. In 2009, top household incomes in each quintile were $20,000 for the lowest bracket (in 2011 dollars); $46,000 for the next bracket; just over $79,000 for the next tier; and $140,000 for those in the 80th percentile of earners. If incomes in each quintile grow from 2010 to 2019 as they did from 2002 to 2009, the income of the lowest quintile will increase on average annually by 0.7 percent, while those just above them will increase by 1.3 percent, and those in the middle and top quintiles by about 1.9 percent.

21. The Safe Drinking Water Act requires the Environmental Protection Agency (EPA) to make a finding if their rules are "affordable." [(42 U.S.C. 300g-1(b)(15)(A)]. To determine affordability, EPA adopted a policy that families can afford annual water rates of 2.5 percent of median household income (or $1,000 per household or a quadrupling of water bills). EPA has stated that the purpose of their affordability determination is to "look across all the households in a given size category of systems and determine what is affordable to the typical, or middle of the road household" (*Federal Register*, January 22, 2001, 6975-7066).

22. See D.C. Water, "Operating Budgets Revised FY2011." Unfortunately, the data measure median income of all residents, whether or not they are a paying customer. The 24 percent of customers paying more than 2 percent of "District median income" appears to parse with a highly polarized income distribution in the District (income is concentrated at the low and the high ends). D.C. Water's CAP data would help to identify the most vulnerable, but the District's Dept. of the Environment, which administers the CAP could not provide us detailed information on the participants. D.C. Water should perform a sensitivity analysis to determine the affordable threshold among the low-income population for rates and fees under a variety of economic growth assumptions.

23. Analysis provided by Yvette Downs, Finance and Budget Director, D.C. Water, July 2011.

24. In addition, D.C. Water encourages voluntary contributions to its SPLASH program (Supporting People by Lending a Supporting Hand), which helps in emergencies and is administered by the Greater Washington Urban League. In FY 2010, the contributions totaled just under $100,000. In the past five years, SPLASH has served approximately 200–500 customers annually, with about 300 appearing to be the norm. See D.C. Water, "Operating Budgets Revised FY2011: Rates and Revenue."

25. In FY 2004, CAP was expanded to include tenants in primary residences separately metered. In 2009, the rate discount was deepened. In 2010, it was expanded to include the costs of the PILOT/ROW fees.

26. Figures are published annually in D.C. Water budget books. The fee history from 2001 to 2008 was also included within the FY 2008 public hearing on the expansion of the CAP program.

27. User charges to the federal (and District) governments are the same as those for retail customers. Unfortunately, appropriation lags generate some cash-flow issues, hindering the ability to match up the federal government customer payments with other customers for identical years.

28. D.C. Water, "Consolidated Annual Financial Report FY2010: Statistical Section"

29. Testimony of George S. Hawkins to the Council of the District of Columbia, D.C. Water Oversight Hearings, April 30, 2010.

30. D.C. Water, "Operating Budgets Revised FY2011: Financial Plan" http://www.dcwater.com/investor_relations/budget_sections/2011/FY_2010-FY_2019_Financial_Plan.pdf

31. Kaid Benfield, "Living City Block, Retrofitting a DC Neighborhood to Become an Environmental Model," December 8, 2010, Switchboard, Natural Resources Defense Council Staff Blog, http://switchboard.nrdc.org/blogs/kbenfield/living_city_block_retrofitting.html

32. NACWA has an entire campaign on this issue called "Money Matters." http://www.nacwa.org/images/stories/public/2011-02-24-MM-whitepaper.pdf

33. Pioneering examples include Minneapolis, which requires source controls to treat the first 1.25 inches of rainfall and requires system wide downspout disconnection from its combined sewer system; and, Philadelphia, which requires all new developments greater than 15,000 square feet to manage the first inch of rainfall through infiltration or other techniques that improve water quality and also has a program to convert vacant lots to storm water parks that infiltrate into the ground. Kansas City has a consent decree that includes a designated pilot area in which storm water is controlled by intensive LID installations. Much information on this topic is available online, e.g., www.nyc.gov/html/ planyc2030/ downloads/ pdf/sustainable_stormwater _plan.pdf.; or www.nacwa.org.

34. D.C. Water's consent decree includes elements of "green infrastructure" in the new construction or reconstruction of its own facilities up to a total of $3 million. It has also committed to $1.7 million in storm water pollution

prevention projects and $300,000 for a green roof demonstration project.

35. Letter from George S. Hawkins, General Manager, D.C. Water to the Honorable Lisa P. Jackson, Administrator, U.S. Environmental Protection Agency, August 1, 2011. See http://www.dcwater.com/education/pdfs/LID_Letter_EPA_AdministratorAug2011.pdf

36. U.S. EPA (2011). "Protecting Water Quality with Green Infrastructure in EPA Water Permitting and Enforcement Programs," prepared by Acting Assistant Administrator Nancy Stoner, Office of Water, and AssistantAdministrator Cynthia Giles, Office of Enforcement and Compliance Assurance, April 20, 2011. Accessed at http://www.epa.gov/npdes/pubs/gi_memo_protectingwaterquality.pdf.

37. The Anacostia River Projects include building a large tunnel to transport flows to the Blue Plains Plant, rehabilitating the Main, O Street, and Eastside pumping stations, and replacing the Poplar Point pumping station. The Rock Creek Project consists of three different tasks: sewer separation, creating a diversion structure, and building a large tunnel at Piney Branch. The consent decree requires completion by 2025. The Potomac River Project consists of three different tasks: Replacing inflatable dams, rehabilitating the Potomac pumping station, and building the large Potomac Storage Tunnel. The CD requires these tasks to be completed by 2025. See General Manager George Hawkins, "Comments at LID Summit," George Washington University, Marvin Center, March 14, 2011.

38. http://www.dcwater.com/education/pdfs/green_infrastructure_brochure.pdf and http://www.dcwater.com/education/pdfs/LID_Letter_EPA_AdministratorAug2011.pdf

39. Ibid.

40. Blue Plains, the largest consumer of electricity in the District of Columbia, embarked in 2011 on a project to burn methane from its waste treatment to generate enough power to save one-third of its annual electricity costs by 2014. The "digester project" costs about $400 million. It will also reduce solids (and thus trucking and disposal costs) and produce a better class of bio-solids for agricultural use. See D.C. Water, "Operating Budgets/Budget in Brief," p.13.

41. In April 2008, WASA published an independent review to "identify ways for WASA to contain rising rates for D.C. (retail) customers and suburban (wholesale) customers." The report gives high marks to WASA for operations efficiency and notes that "revenue collection…rivals the performance of investor-owned utilities (I-3)." D.C. Water and Sewer Authority, "Independent Comprehensive Budget Review, Final Report, URS Corporation, Amawalk Consulting Group, April 2008.

42. General Manager George Hawkins, "Green Infrastructure Summit 2012," Blue Plains Advanced Wastewater Treatment Plant, February 29, 2012.

43. Chesapeake Bay and Water Resources Policy Committee, "2012 Policy Priorities," available at http://www.mwcog.org/committee/committee/documents.asp?COMMITTEE_ID=39 (accessed December 20, 2011).

44. Metropolitan Washington Council of Governments, "COG Board Stormwater Webinar," October 14, 2011, available at http://www.mwcog.org/0E951FA0-BBBD-44F2-8A9C-DD6D54A4D428/FinalDownload/DownloadId-7D113BFC5365F67BC609B75274490102/0E951FA0-BBBD-44F2-8A9C-DD6D54A4D428/uploads/committee-documents/b11fWI5Y20111014141846.pdf (accessed December 20, 2011).

45. Ibid, and "COG Stormwater Webinar Q&A Final," available at http://www.mwcog.org/committee/committee/documents.asp?COMMITTEE_ID=39 (accessed December 20, 2011).

46. U.S. EPA (2011). "Achieving Water Quality through Integrated Municipal Stormwater and Wastewater Plans," prepared by Acting Assistant Administrator Nancy Stoner, Office of Water, and Assistant Administrator Cynthia Giles, Office of Enforcement and Compliance Assurance, October 27, 2011. Accessed as http://www.epa.gov/npdes/pubs/memointegratedmunicipalplans.pdf

47. For example, Atlanta's bills have tripled since 2003; New York City's have more than doubled since 2002. New York City's water rates increased by double digits in each of the last four years: 11.5 percent in 2008, 14.5 percent in 2009, 12.9 percent in 2010, and 12.9 percent in 2011. Cas Halloway, "Introductory Remarks." Presented at Money Matters Summit, Washington D.C., organized by the National Association of Clean Water Agencies, March 1, 2011. Sewer rates between 2011 and 2012 are expected to rise 9.5 to 15 percent in the Kentucky suburbs of Cincinnati (Northern Kentucky Sanitation District No.1. See Cincinatti.com, "Aged Pipes, EPA Mandates Lead to Higher Sewer Rates" (January 22, 2011). In response, the National Association of Clean Water Agencies (NACWA) and the U.S. Conference of Mayors have offered a number of proposals to the federal government for regulatory adjustments. See, e.g., U.S. Council of Mayors, "Local Government Recommendations to Increase CSO/SSO Flexibility in Achieving Clean Water

Goals" (October 28, 2010), available at www.nacwa.org/images/stories/public/2010-11-09csopo.pdf; or "Trends in Local Government Expenditures on Public Water and Wastewater Services and Infrastructure: Past Present and Future" (February 2010), available at www.usmayors.org/publications/201002-mwc-trends.pdf.

48. http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/FinalBayTMDL/BayTMDLExecutiveSummaryFINAL122910_final.pdf

49. There used to be a pumping charge/fee for large buildings with basements and subbasements that collected water. However, today private contractors handle the drainage and haul the water directly to the treatment plant, bypassing the sewers. The environmental gain appears to have precluded this revenue opportunity.

50. Such work may result in a differentiated rate structure, with certain "business" rate payers or government or other public buildings having a higher rate per equivalent residential unit (ERU), which may well be both more efficient and more equitable.

51. Initially, the GSA of the federal government fought payment of the District's Dept. of the Environment IAC, arguing that because it is not linked to any direct service provision, it is a tax, from which the federal government is exempt. Ultimately, Congress disagreed, and federal law now requires federal agencies to pay such charges throughout the country.

52. http://www.dcwasa.com/customercare/iab.cfm

53. Certainly at play also are District and federal history, politics, and regulatory dominance.

54. D.C. Water's rate forecast assumes an annual 1 percent decline in water usage per person/household; operating revenue grows to cover current costs, meet bond coverage and reserves; and rate-setting policy is for moderate growth at a predictable pace, using the Rate Stabilization Fund (RSF). See D.C. Water, "Operating Budgets Revised / Financial Plan."

Acknowledgments

I owe an enormous debt to Brookings colleagues Alice Rivlin and Martha Ross, who supported my interest in this issue from the minute I proposed it. They unstintingly provided me with access to the interested parties in the District and contributed valuable comments on numerous drafts. I also thank Brookings Institution colleague Robert Puentes for his interest and attention, and interns Kimberly Bernet, Anthony Colello, and Thomas Lindman for their conscientious efforts on this project. I benefitted greatly from the help of a large number of experts at D.C. Water, the District of Columbia's Department of the Environment and Office of the Chief Financial Officer, the U.S. Environmental Protection Agency, and outside water-related consultants, who were generous with their time and knowledge. In particular, huge thanks go to George Hawkins, Jill Wohrle, and Yvette Downs at D.C. Water; Brooke DeRenzis at D.C. Appleseed; and Stuart Freudberg at the Metropolitan Washington Council of Governments for their encouragement, diligent reading, and insightful comments. Any errors are my own.

The Metropolitan Policy Program gratefully acknowledges the Morris and Gwendolyn Cafritz Foundation for its general support of Brookings' research on the Washington, D.C. region.

For More Information

Carol O'Cleireacain
Non-Resident Senior Fellow
Metropolitan Policy Program at Brookings
coc315@gmail.com

Martha Ross
Fellow
Metropolitan Policy Program at Brookings
mross@brookings.edu

For General Information

Metropolitan Policy Program at Brookings
202.797.6139
www.brookings.edu/metro

1775 Massachusetts Avenue NW
Washington D.C. 20036-2188
telephone 202.797.6139
fax 202.797.2965

About the Metropolitan Policy Program at the Brookings Institution

Created in 1996, the Brookings Institution's Metropolitan Policy Program provides decision makers with cutting-edge research and policy ideas for improving the health and prosperity of cities and metropolitan areas including their component cities, suburbs, and rural areas. To learn more visit: **www.brookings.edu/metro.**

BROOKINGS

1775 Massachusetts Avenue, NW
Washington D.C. 20036-2188
telephone 202.797.6000
fax 202.797.6004
web site www.brookings.edu

Metropolitan Policy Program
at BROOKINGS

telephone 202.797.6139
fax 202.797.2965
web site www.brookings.edu/metro

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

One Region Moving Forward

District of Columbia
*Bladensburg**
Bowie
Charles County
College Park
Frederick
Frederick County
Gaithersburg
Greenbelt
Montgomery County
Prince George's County
Rockville
Takoma Park
Alexandria
Arlington County
Fairfax
Fairfax County
Falls Church
Loudoun County
Manassas
Manassas Park
Prince William County

**Adjunct Member*

May 23, 2012

Honorable Carl Levin, Chair
Senate Armed Services Committee
Room SR-228, Russell Senate Office Building
Washington, DC 20510-6050

RE: Support Alternative Fuels in the National Defense Authorization Act of 2013

Dear Senator Levin,

On behalf of the Climate, Energy, and Environment Policy Committee of the Metropolitan Washington Council of Governments (COG), I urge you to **strike Section 314 of the National Defense Authorization Act of 2013 (H.R. 4310)**, which prohibits the Department of Defense from producing or purchasing alternative fuels if they are more expensive than traditional fossil fuels.

Supporting the development of domestically-produced alternative fuels is essential to promoting our national security. Using non-petroleum fuels would protect the Defense Department from price fluctuations and curtail its dependence on politically unstable regions for its critical energy needs.

The current price of alternative fuels should not deter investment in their development and procurement. These activities, at a large scale, will bring prices down and make clean energy more accessible to government and private uses.

We urge you to **amend H.R. 4310** to allow the Department of Defense to explore alternative fuel options. Developing America's alternative fuel resources is critical to ensure a clean, and secure energy supply.

Thank you for your consideration.

Sincerely,

Jay Fisette

Hon. Jay Fisette, Chair
Climate, Energy, and Environment Policy Committee
Metropolitan Washington Council of Governments

CC: Senate Armed Services Committee

This page left intentionally blank.

AGENDA ITEM #4

AMENDMENTS TO AGENDA

This page left intentionally blank.

AGENDA ITEM #5

APPROVAL OF MINUTES OF APRIL 11, 2012

AND MAY 9, 2012

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002-4290

MINUTES
Board of Directors Meeting
COG Board Room

April 11, 2012

BOARD MEMBERS, ALTERNATES, AND OTHER PARTICIPANTS PRESENT AND NOT PRESENT:
See attached chart for attendance.

STAFF:
David J. Robertson, Executive Director
Sharon Pandak, General Counsel
Nicole Hange, Government Relations Coordinator
Barbara J. Chapman, Executive Board Secretary

GUESTS:
Dominick Murray, Deputy Secretary for Business and Economic Development, Maryland
Brian Kenner, Office of the Deputy Mayor for Planning and Economic Development, D.C.
Tom Flynn, Economic Development Director, Loudoun County
Terry Holzheimer, Economic Development Director, Arlington County
Steve Silverman, Economic Development Director, Montgomery County
Gene Lauer, Economic Development Director, Charles County
Todd M. Turner, City of Bowie Council Member and Chairman, Transportation Planning Board
- -

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chairman Principi called the meeting to order at 12:00 p.m. and led those present in the Pledge of Allegiance.

2. CHAIRMAN'S ANNOUNCEMENTS

Chairman Principi introduced and welcomed Christopher K. Murphy, who will be attending COG Board meetings as Mayor Vincent Gray's alternate going forward. Mr. Murphy has served as Chief of Staff in the Executive Office of the Mayor since 2011. He is an attorney and Member of the District of Columbia and Massachusetts Bar Associations. He graduated from Harvard University with a B.A. in American History with Honors and received his law degree from Georgetown University Law Center, J.D. with Honors. His work experience since 1990 includes positions held in government, corporate, and service organizations.

The Chairman reminded Board Members that Our Nation's Capital is hosting a forum on Infrastructure Banks in Metropolitan Washington on April 17, 2012, at George Mason University's Arlington Campus on how we can address our transportation and environmental infrastructure needs. The focus will be on infrastructure banks, which are seen by some officials as a promising way to address the funding challenge. As COG is a co-sponsor of this event, he encouraged members and their staffs to attend.

On behalf of the Chesapeake Bay and Water Resources Policy Committee, the Chairman invited Board Members to participate in a Tour of Fairfax County's Norman M. Cole, Jr. Pollution Control Plant on May 18, 2012. The tour is to promote the work that local governments have done to benefit local water quality, the Potomac River, and the Bay. The target audience for this tour includes local government elected officials and state and federal water quality policy officials.

In a flyer provided to Board Members, COG announced a new service—complimentary wireless access—for guests while visiting COG offices.

3. EXECUTIVE DIRECTOR'S REPORT

Outreach/Media

The COG Outreach Report and the COG Media Report, both dated April 11, 2012, were provided to Board Members along with the COG events Calendar.

Letters Sent and Received

A letter was sent on behalf of COG to the Senate Subcommittee on Health Care, District of Columbia, Census and National Archives and the Congressional Committee on Oversight and Government Reform on March 12, 2012, to strongly urge both committees to reject the proposal to make the American Community Survey voluntary for the reasons set forth in the letter.

Information

A copy of the final version of the letter approved at the March Board Meeting, which contains the COG Board of Directors' input on the WMATA Strategic Plan, was provided to Board Members, along with a copy of the letter to the Congressional Delegation regarding federal support for the Washington Metropolitan Area Transit Authority in 2013. We urged that Congress support the full federal share of $150 million in FY-2013 for capital and safety improvements for WMATA.

For the Board's information, Mr. Robertson noted the letter to the Federal Housing Finance Agency (FHFA) regarding the announced wind down of the Freddie Mac Foundation. The Foundation's future is a serious concern because of its significant local charitable investment and the profound impact it has on the people of the National Capital Region. The 8 Neighbors who signed the letter have requested to meet with Edward DeMarco, Acting Director of the FHFA, to discuss options.

4. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

5. APPROVAL OF MINUTES

The minutes of the March 14, 2012, meeting were approved and adopted, as amended.

6. ADOPTION OF CONSENT AGENDA ITEMS

Supplemental documents: R17-2012 through R21-2012

A. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT COMPETITIVE BIDS TO IMPLEMENT NEW ASSOCIATION MANAGEMENT SOFTWARE

The COG Board reviewed Resolution R17-2012, which authorizes the Executive Director, or his designee, to solicit competitive bids to implement new Association Management Software. This contract will be managed by COG's Office of Information Technology and Facility Management. COG wishes to provide enhanced member services on a software platform that would be easier for staff to manage and would improve communication tools and services to COG Members and other partners. Improving Member services is included in the COG Board's adopted 2012 COG Board Work Plan initiatives. Association Management Software (AMS) is specialized software used by membership associations to manage their committees and a large database of information and to engage members. The AMS would eliminate duplication of effort within the organization and help to insure that accurate committee information is reflected across COG. The AMS also will integrate with the new COG website. Authorization to execute a contract, including proposed project cost, revenue source, timetable and deliverables, will be submitted for approval by the COG Board at its May 9 meeting.

B. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT COMPETITIVE PROPOSALS AND EXECUTE A CONTRACT FOR CONSULTANT SUPPORT FOR THE CAPITAL AREA FORECLOSURE NETWORK

The COG Board was asked to adopt Resolution R18-2012, which authorizes the Executive Director, or his designee, to solicit competitive proposals and to execute a contract with the contractor in an amount not to exceed $75,000 to fill the position of Director of the Capital Area Foreclosure Network (CAFN). Funding to support this expense is included in COG's FY-2012 and Fy-2013 work program and budget. This contract will be managed by the COG Department of Community Planning and Services. CAFN was established in 2010 as a partnership between COG and the nonprofit Roundtable of Greater Washington to respond to the foreclosure crisis in the metropolitan Washington area. CAFN's current Director will again be leaving her position effective this summer, and CAFN's leadership seeks to find a new Director by June 30 of this year. The CAFN Director will continue to be a part-time, contract position. CAFN receives funding from a variety of organizations, including Fannie Mae, Freddie Mac, the Federal Reserve Bank, NeighborWorks, the Community Foundation of the National Capital Area, and others. No matching COG funds are required.

C. RESOLUTION AUTHORIZING COG TO CONTRACT FOR INTERIM CHIEF FINANCIAL OFFICER CONSULTANT SUPPORT

The COG Board was asked to adopt Resolution R19-2012, authorizing the Executive Director, or his designee, to contract with Tate and Tryon to obtain consultant staff support for an Interim Chief Financial Officer (CFO), in an amount not to exceed $50,000. Funding to support this expense is included in COG's FY-2012 indirect cost allocation plan. This contract will be managed by the Executive Director. Tate and Tryon provides senior-level accounting and financial support to nonprofit organizations and associations. An Interim CFO will be in place March through June. COG expects selection and placement of a permanent CFO by June.

D. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO FILE A PLANNING GRANT APPLICATION AND EXECUTE A GRANT CONTRACT WITH THE FEDERAL AVIATION ADMINISTRATION FOR PHASE 27 OF THE CONTINUOUS AIRPORT SYSTEM PLANNING PROGRAM

The Board was asked to adopt Resolution R20-2012, which authorizes the Executive Director, or his designee, to submit a planning grant application and to execute a grant contract with the Federal Aviation Administration (FAA) for Phase 27 of the Continuous Airport System Planning (CASP) program for the National Capital Region. This contract is to be managed by the COG Department of Transportation Planning. This application would be in an amount not to exceed $333,333. The FAA will provide funds for 90 percent, or $300,000, of the project total. The ten percent match, $33,333, will be provided from a combination of funds, as follows: $19,750 already approved in the FY-2013 COG work program and budget and an additional amount not to exceed $13,583 from the unallocated/contingency line item in the approved FY-2013 COG work program and budget. The recommended additional match is necessary to meet FAA local match requirements, which changed from a five percent match to a ten percent match under the new FAA reauthorization bill approved by Congress earlier this year.

ACTION: Upon motion duly made and seconded, Resolutions R17-2012 through R20-2012 were unanimously approved, as presented, and adopted by the Board of Directors.

7. APPROVAL OF RESOLUTION AMENDING THE COG RULES OF PROCEDURE TO INCLUDE CONFLICT OF INTEREST BUIDELINES

The Chairman stated that last month COG's General Counsel, Sharon Pandak, highlighted a draft Conflict of Interest policy and asked for feedback at this month's Board meeting. As a nonprofit organization, certain actions of COG members are accountable to certain government authorities, including the Internal Revenue Service. COG staff, in coordination with the regional Attorneys Committee, worked on developing a policy for COG members and staff that, if adopted, will become part of COG's official Rules of Procedure. The Chairman then called for any questions from Board members, and Ms. Pandak responded to several questions. The Chairman then called for the vote to amend the Rules of Procedure to add a new Section 10.00 – Conflict of Interest Guidelines, a copy of which is to be attached to and made a part of the minutes of this meeting.

ACTION: Upon motion duly made and seconded, Resolution R21-2012 was unanimously approved, as presented, and adopted by the Board of Directors.

8. ECONOMIC GROWTH AND COMPETITIVENESS: LEARNING SESSION – OPPORTUNITIES TO BETTER INTEGRATE STATE AND LOCAL ECONOMIC DEVELOPMENT STRATEGIES

For the Board's second learning session in our program focusing on Economic Growth and Competitiveness in the metropolitan Washington region, state and local economic development officials were invited to discuss how different strategies can be better aligned into a focused, regional approach. Local governments will always compete with neighboring communities for jobs and economic growth, and justifiably so. However, there is growing acceptance that our biggest competitors are not found within the Washington area, but in other regions in the U.S. and overseas. Developing a plan to address this reality is essential to maintaining and capitalizing on this region's competitive advantages.

Economic Development Directors from Loudoun (Flynn), Arlington (Holzheimer), Montgomery (Silverman) and Charles (Lauer) Counties participated on the panel, as did the Deputy Secretary for Business and Economic Development in Maryland (Murray) and the Chief of Staff for the Deputy Mayor for Planning and Economic Development in the District of Columbia (Kenner). Panelists were asked to discuss (1) their jurisdiction's greatest assets and what strategies they have implemented to capitalize on those strengths; (2) the top industries or sectors that have not received enough attention and have promising growth potential in their jurisdictions; and (3) to identify one or two roles or actions by COG and other regional partners like the Greater Washington Board of Trade to help strengthen economic competitiveness and promote job creation.

There was consensus on the region's significant assets: a well educated workforce and strong entrepreneurial climate. Panelists were also widely in agreement that the region can and must do more to shore up its manufacturing industry and to commercialize on the research coming out of the region's federal and private laboratories. Individually, each of the jurisdictions has its own unique strengths and opportunities, whether it is Dulles Airport in Loudoun, bio tech in Montgomery, or start-up companies in D.C. They each commented on what their jurisdictions are doing to stimulate entrepreneurial activities, take advantage of the economic growth opportunities in their jurisdictions, and help get unemployed people back to work.

When asked what COG or other regional entities can do to help support their efforts, each stressed the need for a more robust regional marketing strategy, noting that with the demise of the Greater Washington Initiative, marketing has fallen to the wayside. Although there was consensus that metropolitan Washington would benefit from a coordinated approach to economic development, exactly what such a strategy would look like or entail was not as clear. Both Mr. Holzheimer and Mr. Silverman cautioned against viewing local competition as a negative, because in fact competition is what makes each strive to do better. A focused marketing strategy that illuminates the assets of each of the region's jurisdictions should be the approach, not the creation of a single regional plan that discourages local competition.

Building on this discussion, the May Board meeting's learning session will be focused on a review of the region's assets and will include a presentation by the Board of Trade, which many feel must be a partner in our effort.

Following comments from Board members, Chairman Principi expressed the Board's appreciation to the panelists for their excellent contributions to the discussion on opportunities to integrate state and local economic development strategies in the metropolitan Washington region. A video copy of the presentation and links to additional information about COG's ongoing focus on growth and economic development can be found at www.mwcog.org/about/econ_plan/econ_growth_competitiveness.asp.

9. PRESENTATION ON REGIONAL TRANSPORTATION PLANNING AND LINKAGE WITH REGION FORWARD AND COG BOARD FOCUS ON ECONOMIC GROWTH AND COMPETITIVENESS

Transportation planning at the regional level is coordinated in the Washington area by the National Capital Region Transportation Planning Board (TPB), which became associated with the Metropolitan Washington Council of Governments in 1966, serving as COG's transportation policy committee. When it comes to transportation, our region of five million people faces several major challenges—significant traffic congestion, the maintenance of our aging road and transit infrastructure, and the need to accommodate an additional 1.6 million new people by 2040. This makes transportation planning a top regional priority in Region Forward and for area residents and businesses.

The successful achievement of many Region Forward goals will depend on actions by the TPB and transportation implementation partners. In addition, the region's economic growth is linked to regional mobility and investments in transportation infrastructure. In order for us to reach our goals in Region Forward and further strengthen our region's economy, transportation planning by the TPB and its partners will play a key role.

Chairman Principi welcomed TPB Chairman Todd M. Turner, City of Bowie Council Member, and COG's Transportation Planning Director, Ron Kirby. Mr. Turner expressed his appreciation for the opportunity to address the Board, and he gave an overview of the TPB's federally mandated role as the entity responsible for coordination of planning and funding for the region's transportation system. The TPB's activities include administration of the Financially Constrained Long-Range Plan (CLRP)/Transportation Improvement Program, oversight of air quality conformity, technical modeling and forecasting, and technical assistance to Member agencies. The TPB's Annual United Planning Work Program (UPWP) is a document incorporating all federally assisted state, regional, and local planning activities to be undertaken in the region. It is required as a basis and condition for all federal funding for transportation planning. The UPWP is integrated into COG's fiscal year budget; COG membership dues provide a 10 percent match to federal and state funds. For FY-2012 and FY-2013, the total funding level is $12.1 million, of which 80% is federal, 10% state, and 10% local (from COG dues).

Mr. Kirby presented COG's TPB vision statement, which promotes a comprehensive range of transportation options, ensures adequate maintenance, preservation, and safety of the existing system, and supports international and interregional travel and commerce, among other goals. The CLRP is developed cooperatively by government bodies and agencies represented on the TPB and contains all regionally significant transportation projects and programs. It contains over 750 projects, including major highway and transit investments such as Dulles Rail, Metro Purple Line, DC Streetcar, and I-95 HOT Lanes. CLRP is updated every four years, amended annually, and funding must be "reasonably expected to be available" for projects. He reviewed other planned projects for the region, including those that support Region Forward. Future prospects and challenges included: 1) uncertain federal reauthorization, which means maintaining current funding levels may be the best we can hope for; 2) continued state funding challenges; 3) increased focus on tolls, development districts, public/private partnerships, such as Dulles Rail and Beltway HOT Lanes; 4) maintaining safe and reliable operations; and 5) new transportation initiatives which are likely to require advocacy and, ideally, new funding sources.

On behalf of the Board, the Chairman thanked Mr. Kirby and Mr. Turner for their informative briefing. The tools are in place to manage the current and planned transportation infrastructure in accordance with Region Forward and economic growth and competitiveness initiatives affecting the metropolitan Washington region.

10. OTHER BUSINESS.

There was no further business to come before the meeting. Upon motion duly made and seconded, the meeting was adjourned at 2:05 p.m.

THE NEXT BOARD MEETING WILL BE ON WEDNESDAY, MAY 9, 2012.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002

MINUTES
Board of Directors Meeting
COG Board Room

May 9, 2012

BOARD MEMBERS AND ALTERNATES, PRESENT AND NOT PRESENT:
See attached chart for attendance.

STAFF:
David J. Robertson, Executive Director
Sharon Pandak, General Counsel
Barbara J. Chapman, Executive Board Secretary

GUESTS:
James L. Mercer, President and Chief Executive Officer, The Mercer Group, Inc.
Michael Ferrell, Executive Director, D.C. Coalition for the Homeless and
Chairman, COG Homeless Services Planning and Coordinating Committee
James C. Dinegar, President and Chief Executive Officer, Metropolitan Washington Board of Trade
Mark Treadaway, Vice President, Air Service Planning and Development,
Metropolitan Washington Airports Authority
George Vradenburg, Co-Founder and Vice Chair, Chesapeake Crescent Initiative

- -

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chairman Principi called the meeting to order at 12:00 p.m. and led those present in the Pledge of Allegiance.

2. CHAIRMAN'S ANNOUNCEMENTS

Chairman Principi reviewed several items coming up on the COG Events Calendar, including COG's Commuter Connections program and the Washington Area Bicyclist Association's "Bike to Work Day" on May 18 to promote bicycling as a transportation alternative for Washington area commuters.

The "Climate Impacts Symposium" on May 21 in the COG Board Room at 10:00 a.m. will bring together experts and members to discuss data trends and their implications for our water, land use, and transportation planning.

As part of our COG Board Economic Growth and Competitiveness initiative, a special webinar will be held on May 24 from 2:00 to 3:00 p.m. to acquire additional input from area economic development officials. The webinar features officials from a number of jurisdictions, including Fairfax, Prince George's, Frederick, and Prince William Counties. COG is inviting all economic development directors, including the ones who joined us in April, so that the webinar can build off of our previous conversations. COG Board members are also invited to participate. Following the meeting, information on the webinar will be made available to all Board members and posted on the COG website. Please direct any questions or comments to Nicole Hange, COG Government Relations Coordinator.

The Chairman reported that the Executive Director Search Committee met earlier today with Jim Mercer, President and CEO of The Mercer Group, Inc., a management recruitment company. The consensus of the Committee members was that the Mercer Group has the experience and resources to lead this executive search. He then welcomed and introduced Mr. Mercer, who thanked the Board for this opportunity to provide some background on his company and to enumerate the steps in the process of recruiting a new executive director for COG. Mr. Mercer described the recruitment process which could take 90 to 120 days before his firm would be ready to refer qualified candidates to COG's Human Resources Department for interviews and final selection.

3. EXECUTIVE DIRECTOR'S REPORT

Outreach/Media

The COG's Outreach Report and Media Report, both dated May 9, 2012, were provided to Board Members along with the COG Events Calendar.

4. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

5. APPROVAL OF MINUTES

The minutes of the Board of Directors Meeting held on April 11, were deferred for approval and adoption, as amended, until the next Board Meeting on June 13.

6. ADOPTION OF CONSENT AGENDA ITEMS

Supplemental documents: R22-2012 and R23-2012

A. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE DISTRICT DEPARTMENT OF THE ENVIRONMENT (DDOE) FOR THE POPE BRANCH POST-CONSTRUCTION RESTORATION MONITORING PROJECT.

Resolution R22-2012 authorizes the Executive Director, or his designee, to submit a proposal and execute a contract with DDOE to perform 1) physical aquatic habitat, 2) water quality, and 3) macro invertebrate samplings in order to evaluate post-stream-restoration project success in the Pope Branch watershed and to prepare a final report summarizing results and recommendations from the monitoring effort. The project duration will be four years from contract execution. The amount of the contract shall not exceed \$150,000, \$130,000 of which is to be funded by DDOE and a total cash match of \$20,000 is to be provided by COG from budgeted and planned COG urban watershed program funds, payable \$5,000 per year for fiscal years 2013 through 2016.

B. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ACCEPT AND EXPEND GRANT FUNDS FROM THE NATIONAL FISH AND WILDLIFE FOUNDATION TO SUPPORT IMPLEMENTATION OF AN ANACOSTIA STORM WATER BIORETENTION PROJECT.

Resolution R23-2012 authorizes the Executive Director, or his designee, to accept and expend grant funding in an amount not to exceed \$175,000 from the National Fish and Wildlife Foundation to support implementation of an Anacostia storm water bioretention project.

ACTION: Resolutions R22-2012 and R23-2012 will be presented for action at the next Board Meeting on June 13.

7. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT TO PROCURE AND IMPLEMENT NEW ASSOCIATION MANAGEMENT SOFTWARE.

Resolution R24-2012 was presented by George Danilovics, Chief Technology Officer. The resolution authorizes the Executive Director, or his designee, to enter into a contract not to exceed $230,000 with the selected vendor, Association Management Software (AMS), for software procurement and implementation services. Additionally, the Executive Director, or his designee, is authorized to enter into hosting and support agreements with the vendor for an initial contract period not to exceed five years. This is specialized software used by membership associations to manage their membership contact information and membership engagement. COG wishes to provide enhanced member services on a software platform that improves the frequency and ease of member communication, reduces duplicate systems records management, streamlines committee support tasks, and allows for new cost-recovery event hosting. The software will also provide information to the COG website and integrate video recordings of committee meetings. On April 11, 2012, the COG Board of Directors authorized the release of a Request for Proposals for AMS. A Technical Selection Committee is currently scheduling interviews with the finalists. The approved COG Work Program and Budget for fiscal years 2012 and 2013 includes $320,000 in the Capital Repair and Replacement Plan to fund the AMS project. A more detailed memorandum on the benefits and funding of AMS was included in the Board Meeting packet.

Penny Gross (Supervisor Vice Chair, Fairfax County) asked if the contract will have all "costs" spelled out and unchangeable once the contract is executed. Mr. Danilovics assured the Board Members that he will know before AMS starts the process what the costs are going to be.

ACTION: Resolution R24-2012 will be presented for action at the next Board Meeting on June 13.

8. FY 2012 THIRD QUARTER FINANCIAL REPORT

The Chairman called on Mr. Robertson in the absence of the Secretary-Treasurer to brief the Board on the 2012 Third Quarter Financial Report, which covers January through March of this year. Mr. Robertson reported that significant budgetary and fiscal developments during the quarter further strengthened COG's financial position and allowed for the completion of this year's approved work program as well as meeting strategic goals. He commended Interim Chief Financial Officer Clara Woodall for her fine work in the few months she has been at COG, particularly in the area of aging receivables. As of April 30, 2012, the accounts receivable balance was $2,999,416, down dramatically from $7,792,740 at December 31, 2011. A copy of the FY 2012 Third Quarter Financial Report can be found on the COG website.

9. RESULTS OF THE 2012 ANNUAL HOMELESS ENUMERATION

Referring to the 2012 Annual Homeless Enumeration, which was conducted in January, Chairman Principi commented that the report counts the number of people found on the streets, in emergency shelters, in transitional and permanent supportive housing, or otherwise homeless and in need of a sale shelter. In addition to the regional and local numbers, the report contains in-depth analyses from each of the participating jurisdictions. He called on Mr. Michael Ferrell, Executive Director of the Coalition for the Homeless and Chairman of COG's Homeless Services Planning and Coordinating Committee, which oversees the production of this valuable report, to go over the numbers and findings in the report.

Mr. Ferrell presented slides of this year's twelfth annual homeless enumeration. In the Homelessness by Jurisdiction category for 2011 to 2012, the City of Alexandria, Montgomery County, Prince George's County, and Prince William County experienced the greatest decreases in the homeless population, while the District of Columbia, Loudoun County, and Frederick County had modest increases in their homeless numbers. The region's homeless increased by 1.1% overall in 2012 to 11,830 people in nine jurisdictions, with the homeless being comprised of unaccompanied youth, single adults, and families. Several recommendations to help reduce homelessness were reviewed and discussed.

Board Members had some concerns. Council Chair Andrea Harrison (Prince George's County) commented on the small numbers in the report, stating that the reality is that the homeless numbers are much higher. She would like to reach out to the Department of Housing and Urban Development (HUD) to see what HUD could do to make this a more accurate report. The Chairman asked Mr. Ferrell if he would be willing to follow up with HUD on this matter. Mr. Ferrell, in his capacity as Chair of the COG Homeless Services Planning and Coordinating Committee, agreed to look into this matter. Dave Robertson volunteered staff to work with the Committee, which would report to the Board in due course about contacting HUD. Mayor Phyllis Marcuccio (Rockville) pointed out that there is no reference in the report to total population figures versus homeless figures in each jurisdiction. It would be helpful to have that information. The Chair expressed the Board's appreciation to Mr. Ferrell for his presentation and the excellent report, "Homeless in Metropolitan Washington," a copy of which is on the COG website.

10. ECONOMIC GROWTH AND COMPETITIVENESS: LEARNING SESSION – OPPORTUNITIES TO BETTER INTEGRATE STATE AND LOCAL ECONOMIC DEVELOPMENT STRATEGIES

For the Board's third learning session in focusing on Economic Growth and Competitiveness in metropolitan Washington, three guests were invited to discuss the region's competitive advantages, as well as current and future economic opportunities for the region. The guests included James Dinegar, President and Chief Executive Officer, Greater Washington Board of Trade; George Vradenberg, Co-founder and Vice Chair, Chesapeake Crescent Initiative; and Mark Treadaway, Vice President of Air Service Planning and Development, Metropolitan Washington Airports Authority (MWAA).

All of the speakers acknowledged that the region, whose economy performed relatively well during the recession, was not able to take this success for granted. However, despite the changes that are confronting metropolitan Washington with likely reduced federal employment and spending in the future, new industry sectors are emerging in the region that can provide new sources of economic growth. The region should proactively plan to ensure that we have the necessary workforce, infrastructure, and policies in place to help these new industries, as well as established industries in metropolitan Washington, be successful and for the region to remain competitive.

Each speaker highlighted metropolitan Washington's highly educated workforce as a clear advantage for the region. At the same time, while many of the sectors that are forecasted for growth in metropolitan Washington – such as information technology, biotechnology, and life sciences – require advanced education, many other growth sectors – such as services, shipping, and tourism – do not. Attracting and retaining the correct balance of workers that corresponds with the region's future economy is an essential element to growth and competitiveness.

After noting that metropolitan Washington has recently captured a third of all major corporate headquarters relocations in the country, Dinegar outlined several geographic areas in or near the region that are poised for major growth in the near future:

- Fort Meade (Anne Arundel County, MD). Situated halfway between Washington, D.C., and Baltimore, this growing "cyber command" center for the country is likely to spur the development of an innovation cluster.

- Burnham Place (Union Station/H Street, D.C.). With 14 acres of retail and residential development potential in the heart of the city, this major project will also allow for Amtrak and commuter rail expansion at Union Station.

- Rosslyn (Arlington County, VA). With one of the lowest office vacancy rates in the region and no building height limits, this area is expected to continue its rapid rate of development.

- Port of Baltimore (Baltimore, MD). With the expansion of the Panama Canal, the increased cargo traffic this expansion will bring, and the Port of Baltimore's ability to handle the megaships that other ports such as Philadelphia and New York cannot handle, the economic activity of the Port is expected to increase significantly.

Dinegar had three major recommendations for the Board in pursuing its Economic Growth and Competitiveness initiative:

- Increase coordination with the Baltimore region.
- Push for regional commuter rail (VRE and MARC stop in the middle of the region).
- Push for streamlined business and building permitting in the region.

Vradenburg echoed many of the same recommendations as Dinegar, focusing again on the need to think about the region as greater than its current footprint by including Baltimore and points further south into Virginia. Additionally, he recommended the COG Board involve the state governments and the federal government more directly in this effort. Vradenburg argued that state and local economic development plans need to align and that the federal government, our "anchor tenant," has a vested interest in improving our region's transportation system and increasing the supply of affordable housing. Both areas are vital for metropolitan Washington's continued growth and competitiveness.

Vradenburg also noted two key points that previous speakers in this series have discussed. The first is the need to better commercialize the research coming out of the region's many universities. He noted that a major gap exist between our research and development funding and the commercial potential of that research and development. The second point is the need to redefine and rebrand the region. This has been heard at several points throughout these learning sessions. Despite all the changes in metropolitan Washington in the past decade, it's still largely thought of as a government town and does not equate to "innovation" in many peoples' minds.

Treadaway concluded the learning session by discussing the role of two of the region's three airports on metropolitan Washington's economy. Last year, the two airports under the control of MWAA, Dulles International and Reagan National, broke all previous records in terms of passengers. Treadaway noted that 10 percent of all the jobs in the region are derived from these two airports. Furthermore, Dulles is the only airport on the East Coast that is undergoing major expansion. Dulles is also experiencing growth in international traffic, with one in four passengers last year being international. Treadaway closed with recommendations that the COG Board advocate for increased transit and roadway access to the region's airports and reiterated the need to rebrand the region as more than just a government town as a means of boosting tourism.

11. OTHER BUSINESS.

Due to the absence of a quorum at this meeting, Board Members agreed that agenda items 5, 6, and 7 shall be presented at the next Board meeting for approval. Any actions required to be taken on items 6 and 7 prior to June 13 may be ratified retroactive to May 9 and approved.

There was no further business to come before the meeting. Upon motion duly made and seconded, the meeting was adjourned at 2:15 p.m.

THE NEXT BOARD MEETING WILL BE HELD ON WEDNESDAY, JUNE 13, 2012.

J:\COG Board\2012\May\Minutes - May 2012 BOD Meeting.docx

This page left intentionally blank.

AGENDA ITEM #6

ADOPTION OF CONSENT AGENDA ITEMS

R22-2012
June 13, 2012

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE DISTRICT DEPARTMENT OF THE ENVIRONMENT (DDOE) FOR THE POPE BRANCH POST-CONSTRUCTION RESTORATION MONITORING PROJECT

WHEREAS, the Metropolitan Washington Council of Governments (COG) is a nationally recognized watershed restoration expert and has provided coordination, management, and technical support for the Anacostia restoration effort since 1987; and

WHEREAS, COG is recognized as a leader in Anacostia watershed restoration and stream macro invertebrate and physical aquatic habitat and water quality monitoring and has, since 1988, surveyed major portions of the Anacostia tributary system, including Pope Branch, helped develop over 500 projects for stormwater management, stream restoration, wetland creation, and riparian reforestation in the watershed, and has worked with its many partners to increase citizen participation in the restoration effort ; and

WHEREAS, on June 14, 2006, the Board adopted Resolution R28-2006 establishing a new Anacostia governance structure for the restoration of the Anacostia watershed, including the formation of a new Anacostia Watershed Steering Committee; and

WHEREAS, the District of Columbia Government has a vested interest in the restoration of the Anacostia River and the Pope Branch tributary, serving as an active voting member of the Anacostia Watershed Steering Committee (AWSC) and Anacostia Watershed Management Committee (AWMC); and

WHEREAS, COG has a continuing interest in the restoration, management, and protection of the Anacostia River and its tributaries and the entire region will benefit from lessons learned during post-restoration monitoring; and

WHEREAS, over the past several years, COG has worked cooperatively with the District Department of the Environment to monitor various streams, including Pope Branch;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT

The Executive Director, or his designee, is hereby authorized to execute a contract providing Pope Branch post-stream restoration monitoring-related services to the District Department of the Environment (DDOE); and, *further,* that the contract shall be for a period of four years beginning on the date the contract is executed and the amount of the contract shall not exceed $150,000, $130,000 of which shall be funded by DDOE plus a COG match of $20,000 to be provided from budgeted and planned COG urban watershed program funds, payable $5,000 per year for the FY 2013 to 2016 period; and

Further Resolved, that any and all actions taken by the Executive Director, or his designees, regarding the DDOE contract for the Pope Branch project since the Board Meeting on May 9, 2012, are hereby ratified retroactive to that date.

R23-2012
June 13, 2012

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ACCEPT AND EXPEND GRANT FUNDS FROM THE NATIONAL FISH AND WILDLIFE FOUNDATION TO SUPPORT IMPLEMENTATION OF AN ANACOSTIA WATERSHED STORMWATER BIORETENTION PROJECT

WHEREAS, the restoration of the Anacostia River watershed is a regional priority in the Washington Metropolitan Area, and the Metropolitan Washington Council of Governments (COG) has a continuing interest in its restoration, management and protection; and

WHEREAS, COG adopted Resolution R28-2006 establishing an Anacostia Watershed Partnership (Partnership) with responsibility for adoption and oversight of the regional programs, policies and projects to effect watershed-wide restoration; and

WHEREAS, COG has provided coordination, management, and technical support for the Anacostia restoration effort since 1987; and

WHEREAS, this storm water bioretention project at the Langston Golf Course and Kenilworth Park, is a collaborative effort between COG, the Partnership, and the National Park Service to intercept the flow of storm water into the Anacostia watershed and Nash Run, a primary tributary; and

WHEREAS the Anacostia River is among the most polluted in the Nation, and storm water is the primary cause of pollution in the Anacostia; and

WHEREAS, educational signage will be erected to allow the many visitors to the Langston Golf Course and Kenilworth Park to learn about bioretention; and

WHEREAS, improving water quality of the Anacostia River, as a tributary to the Potomac River and the Chesapeake Bay, supports the State Watershed Implementation Plan requirements and Chesapeake Bay Total Maximum Daily Load (TMDL) requirements for a Chesapeake Bay pollution diet to achieve improved Bay water quality by 2025; and

WHEREAS, this project will help provide storm water bioretention cost-benefit information for our local governments, some of which have storm water retrofit requirements as a result of the Bay TMDL and MS4 permits;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT

The Executive Director, or his designee, is hereby authorized to accept and expend grant funds from the National Fish and Wildlife Foundation in an amount not to exceed $175,000, with the expected duration of the grant to be through September 2013, for the purpose of implementing a storm water bioretention site at the Langston Golf Course in the Anacostia Watershed, and no COG matching funds are required; and, further resolved, that any and all actions taken by the Executive Director, or his designees, regarding this grant since the Board Meeting on May 9, 2012, are hereby ratified retroactive to that date.

R24-2012
June 13, 2012

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT TO PROCURE AND IMPLEMENT NEW ASSOCIATION MANAGEMENT SOFTWARE

WHEREAS, the Metropolitan Washington Council of Governments (COG) is a membership organization with 22 members, an annual operating budget of $26M, and an excellent reputation as a key player in the metropolitan Washington region; and

WHEREAS, the COG Board of Directors' adopted 2012 Work Plan calls on staff to enhance member services, communication, and transparency; and

WHEREAS, COG currently uses software purchased in FY 2006 which is outdated and does not perform many of the core functions required of a membership association; and

WHEREAS, COG's Work Program and Budget for the fiscal years 2012 and 2013 include $320,000 in the Capital Repair & Replacement Plan to fund the AMS project; and

WHEREAS, the AMS software will provide the following new benefits to COG:

1) increased communication ability to COG members;
2) committee portals for committee documents and member collaboration;
3) reduction of duplicative, nonintegrated systems at COG;
4) increased webinar and event capabilities for regional and national participation; and
5) reduction of manual administrative functions which will allow professional staff to focus on core program and grant activities.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT

The Executive Director, or his designee, is hereby authorized to enter into a contract with a selected Association Management Software (AMS) vendor to procure and implement AMS software for membership associations, including hosting and support agreements with the vendor for an initial contract period not to exceed five years, and the overall cost of such software and implementation services shall not exceed a total of $230,000, which shall be funded by COG's Capital Repair & Replacement Plan in FY 2012 and FY 2013.

Date: April 30, 2012

To: COG Board of Directors

From: David Robertson, Executive Director
George Danilovics, Information Technology and Facilities Management Director

Subject: Association Management Software Project

In February, the COG Board adopted its 2012 Work Plan and called on staff to enhance member related services; specifically the improvement of communication and transparency through new technology. In response to the Board's direction, COG staff has identified Association Management Software (AMS) as a way to provide value to COG's members and to alleviate the challenges in managing the complexities of a modern membership association.

AMS software will:

- Enhance member's experience and interaction with COG;
- Increase revenue by allowing products and events to easily collect fees;
- Reduce operating cost and increase staff efficiency; and
- Provide more accurate and up-to-date information to staff, members, and the public.

On April 11, 2012 the COG Board authorized COG management to release a Request for Proposals for Association Management Software. Two vendors met the minimum qualifications and are within the project budget. A Technical Selection Committee is currently scheduling interviews and demos with the two finalists. Subsequent to Board approval, staff will enter into contract with the selected vendor.

Benefit to COG Members

At its core, COG is a member association of 22 local governments and more than 250 elected officials that serve on a multitude of boards, committees and work groups. Additionally, more than seven thousand public and private stakeholders regularly participate in COG. As an association, COG must be transparent in its operations, responsive to its members and provide ease of access to COG products, objectives and deliverables.

COG members, from the Board of Directors to those on technical committees and working groups, will benefit greatly after the implementation of the AMS. Members will have the ability to quickly log into the AMS to view agendas, documents, calendars, and events for all of the boards and committees for which they are a member. The AMS will also allow members to subscribe to many of the electronic and hard copy publications and announcements that COG distributes. The AMS will provide a way for COG members to socially network with their peers in the region based on topics of interest and specialties. Once implemented, the AMS will become the first stop for COG members to get information on their activities relating to COG.

Benefit to COG Staff
The main software tool that COG currently uses to manage committees was procured in FY2006 and does not meet many of the standards COG and its members have for committee support and engagement with members. As a membership association, COG must be able to readily provide information on committee appointments, tenure, as well as basic communication on meeting announcements, RSVP requests and other forms of outreach.

Cost/Benefit Overview
Many COG boards and committees are supported by grant and local funded professional staff and members of the senior leadership team. Conservatively, the administrative functions to support a technical committee meeting require 8 hours of staff time (policy boards such as the COG Board of Directors and TPB require significantly more time). The AMS will automatically perform some of the meeting scheduling, reminder, confirmation, and material preparation functions that should save staff 2 hours per meeting – a 25% time savings. COG has approximately 100 committees that meet on a monthly basis. While it is essential that administrative support be provided to committees, by automating core support functions the AMS will assume 2,400 hours of staff time that can now be used by professional and senior level staff to advance the work programs of COG's policy boards. The reduction of time needed to perform committee administrative functions will also provide professional and senior level staff time to research and apply for additional grant funds or to take on new initiatives that support COG and the region.

There are expected cost benefits to COG members too. Members have voiced concerns in the past about errors in member records and communications, duplication in responding to COG event or meeting confirmation, and duplication in staff communication to members, or worse, gaps in communication. These deficiencies in what is a core COG activity --- cost-effectively running a membership association --- also can result in added staff burdens to COG members.

Integrated Technology and Member Access
The AMS will become the single point of data entry for member information and committee management. The chance for errors is reduced and the accuracy of information increases as COG transitions multiple independent systems into a single AMS. The AMS will serve as the central repository for all information related to COG committees and members. Even as senior-level staff retire, the information that they know about COG committees and members will be retained within the AMS. The AMS will also streamline the process of meeting RSVPs and committee communications. Staff will be able to quickly and accurately distribute information out to COG committees through email or postal mailings. Lastly, the AMS will allow COG to have the option to host pay-for-participation events which will allow COG to receive revenue from event participants in order to offset costs of hosting large events.

Vendor Support
COG will receive significant products and services from the selected vendor as part of the contract to implement AMS by October 2012, including: web-hosting of AMS software; technical assistance; implementation support; data "clean-up" and conversion; development of AMS policies and procedures; and staff training.

AMS Funding
The COG Board of Directors has established a Capital Repair & Replacement Plan to anticipate and fund large expense activities that would not be appropriate for inclusion in an annual operating budget or allowable for inclusion in COG's indirect cost allocation plan. The activities in the Capital Repair & Replacement Plan are recommended by COG management and approved by the COG Board of Directors each January along with the COG Work Program and Budget. The Capital Repair & Replacement Plan is fully funded by building, investment and interest income. No local funds or grant funds are used for projects within the Plan.

COG's adopted FY2012 and FY2013 Work Program and Budgets include funding for the AMS within the Capital Repair & Replacement Plan. The adopted budgets allocate $120,000 in FY2012 and $200,000 in FY2013 for a total AMS project budget of $320,000. Based on the two vendors under consideration, staff is requesting authorization to enter into contract with the selected vendor for software and installation services in an amount not to exceed $230,000, which will leave a significant portion of the annual contingency reserve unallocated.

Staff looks forward to completing the Association Management Software implementation this year as it will provide better, more engaging services to COG members while at the same time increasing efficiency and accuracy of staff activities.

Thank you for your guidance and support for this project.

Core Functions a Membership Association Needs to Perform

Function	Current State	After AMS Implementation
Email Committee Members	Manual process, unable to personalize emails, unable to track message receipt, unable to track if recipient clicked any links within email	Email integrated within AMS to ensure delivery to current committee roster, ability to address emails to the recipient, track message delivery & bounce backs, track which links in emails were clicked
Maintain Committee Rosters	Current committee rosters are maintained, unable to list all committees a member has been a part of	Ability to track current as well as historical committee participation in order to track member's involvement with COG
Meeting RSVP	Manual process of staff calling members to confirm attendance	Members or their designee can RSVP online, AMS can automatically email members who haven't submitted RSVP prior to meeting
Pay for Participation Events	Limited ability to do this today, requires multiple people to be involved, staff time and complexity negates revenue generated	Event host can create tiered pay structure for events and collect event fees directly through AMS
Committee Member Portals	Some committees have SharePoint sites to collaborate, share documents & calendars	All committees will have a portal within the AMS which will allow members to access all of their committees from one location
Track Committee Activity	Unable to electronically track attendance, voting, or committee work plans	AMS can keep records of attendance, voting, and committee work plans for easy reporting and historical reference
Outreach & Publications	Manual, ad hoc lists created for distribution of COG communications	AMS centralizes all communications and publications allowing members and the public to subscribe to communications that are of interest to them
Webinars and Video Recording	Limited ability to host webinars for committees or public viewing	AMS integrates with webinar/video recording to allow members to easily pull up prior meetings for viewing at their leisure, staff will have greatly expanded flexibility and capability to host regional and national webinars

R25-2012
June 13, 2012

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002

RESOLUTION AUTHORIZING COG TO ISSUE A CONTRACT TO DEVELOP A BUSINESS INTEGRATION IMPLEMENTATION PLAN FOR THE DISTRICT OF COLUMBIA

WHEREAS, the Metropolitan Washington Council of Governments (COG) has been asked to develop and write a Business Integration Implementation Plan for the District of Columbia to assist the DC Homeland Security and Emergency Management Agency; and

WHEREAS, the Business Integration Implementation Plan also will help to leverage products and support the Washington Regional Threat and Analysis Center (WRTAC) and the DC City-Wide All-Hazards Fusion Center; and

WHEREAS, funding for this effort is to be provided through a subgrant from the State Administrative Agent, and no COG matching funds are required;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT

The Executive Director, or his designee, is hereby authorized to execute a contract with an outside contractor, under which COG will receive and expend up to $120,000, to develop and write a Business Integration Implementation Plan that will assist the DC Homeland Security and Emergency Management Agency in leveraging its products and supporting the Washington Regional Threat and Analysis Center and the DC City-Wide All-Hazards Fusion Center.

This page left intentionally blank.

AGENDA ITEM #7

ACTION AGENDA

R26-2012
June 13, 2012

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, NE
Washington, DC 20002-4290

RESOLUTION ACCEPTING THE
REGION FORWARD 2012 BASELINE PROGRESS REPORT

WHEREAS, in 2010, the COG Board of Directors and all COG member jurisdictions adopted the Greater Washington 2050 *Region Forward* report, goals, and Compact; and

WHEREAS, in January, 2011, the COG Board adopted Resolution R8-2011 which established the Region Forward Coalition (the "Coalition") as a multi-jurisdictional and multi-sector advisory committee responsible for the implementation of *Region Forward*; and

WHEREAS, the Coalition established a Baseline Performance Team to conduct research and, as recommended in *Region Forward*, to prepare a report which assesses the region's progress towards attaining the goals, targets, indicators and other metrics; and

WHEREAS, at its April 27 meeting, the Coalition approved the draft *Region Forward Baseline Progress* Report for transmittal to the COG Board and recommended its distribution to local, state and federal government agencies, as well as to business, civic, advocacy, and philanthropic organizations to inform all of strategic, planning, policy, and investment decisions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT

The Board accepts the findings of the *Region Forward Baseline Progress Report* and recommends that it be distributed to, and docketed for discussion and action by, key public sector technical and policy committees, and to business, civic, and advocacy groups;

The Board requests that, working with these organizations, COG staff and Coalition members identify a process for updating or revising targets or indicators as necessary and provide regular updates on the region's progress to this Board of Directors; and

The Board commends the work of the Coalition and the Baseline Performance Team.

REGION FORWARD COALITION

BASELINE PROGRESS REPORT

Submitted for COG Board Approval: 6/6/2012

Letter from the Executive Committee

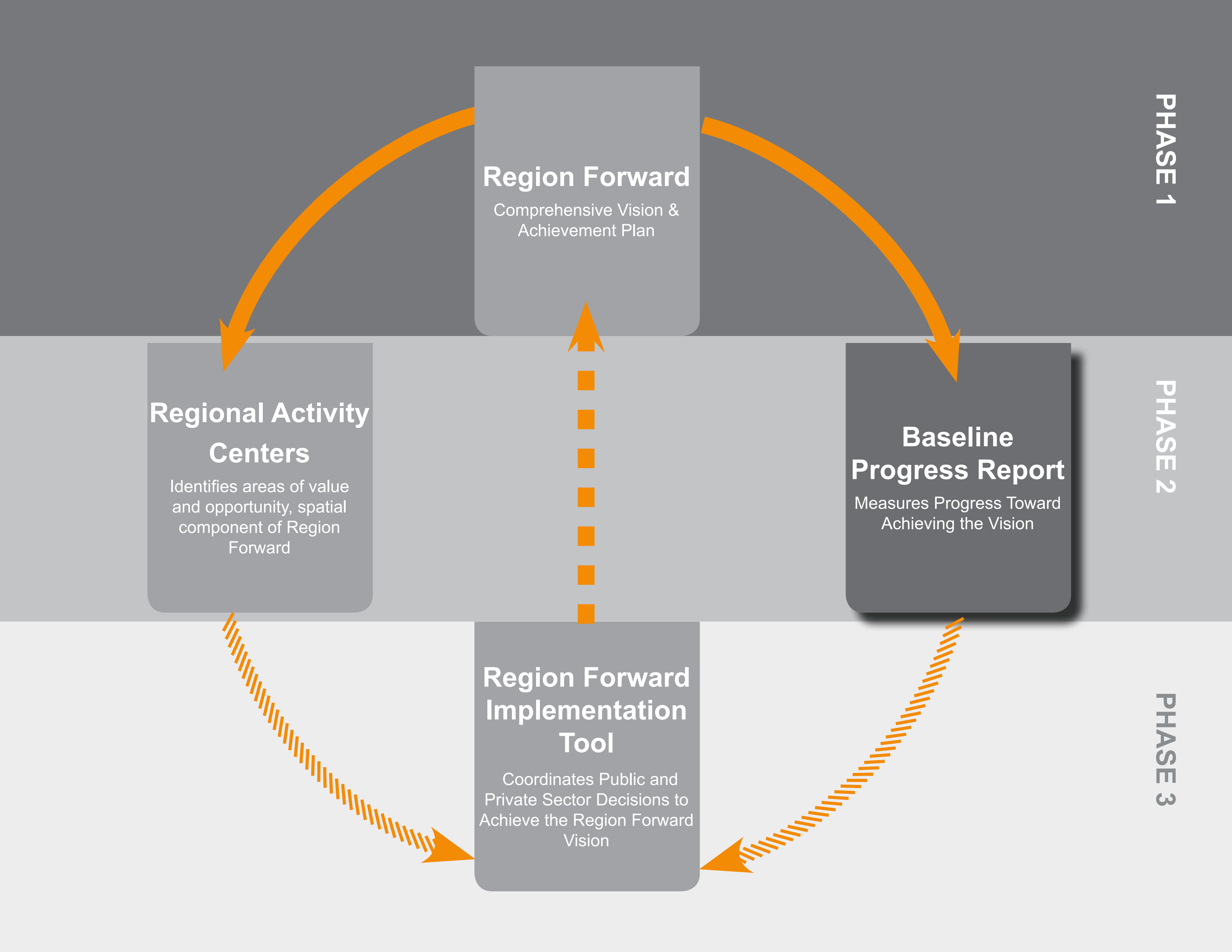
*Region Forwar*d is the National Capital Region's vision plan designed to address our challenges and to ensure the region is an attractive place to live, work and play. *Region Forward* was developed in collaboration with local, state and federal government, along with stakeholders from the business, nonprofit, and philanthropic communities. This progress report was designed to ensure we are making progress toward fulfilling the vision. It is designed to measure results from collective actions including, regional and local policies, programs and processes.

We understand that working together as one region is a fundamental to address our four main challenges: **economic growth, equity, aging infrastructure and a healthy environment**. This process is designed to increase awareness and accountability for how we cooperate regionally to address these challenges. The Baseline Progress Report will serve as a tool for residents and leaders to understand where the region is making progress and where the it is struggling to achieve our regional vision.

The report's findings demonstrate that new financial realities following the 2008 recession will require forward thinking and innovation. In areas where the region is struggling to achieve our goals, we may need to reexamine our institutions, leadership structures and policies to remain competitive on a global stage. The moment for facing up to our responsibility for the region's long-term future is now. The communities we leave to our children and future residents will rest on our ability to seize the moment, make hard decisions and see them through.

Eric Olson (Vice Chair of the Prince George's County council)
Harriet Tregoning (Director of DC Office of Planning)
Mary Hynes (Chair of Arlington County Board)

Table of Contents


PHASE 1
PHASE 2
PHASE 3
Region Forward
Comprehensive Vision & Achievement Plan
Regional Activity Centers
Identifies areas of value and opportunity, spatial component of Region Forward
Baseline Progress Report
Measures Progress Toward Achieving the Vision
Region Forward Implementation Tool
Coordinates Public and Private Sector Decisions to Achieve the Region Forward Vision

Performance Dashboard

Accessibility targets in *Region Forward* examine the interplay between land use and transportation.

Sustainability targets focus on the built and natural environment, examining issues related to climate, energy, water, and land.

ACCESSIBILITY

- Transportation System Management & Performance (p18)
- Smart Growth (p 14)
- Housing in Activity Centers (p24)
- Housing & Transportation Affordability (p22)
- VMT Per Capita (p16)
- Linking Activity Centers (p20)
- Activity Center Transit (p28)
- Bike and Pedestrian Facilities(p 30)
- Walk, Bike, & Transit Trips (p26)

SUSTAINABILITY

- Waterway Health (p42)
- Greenhouse Gas (p36)
- Agricultural Land (p46)
- Air Quality (p38)
- Protected Lands (p40)
- Wastewater & Stormwater Management (p44)
- Green Building (p34)

Attainment Challenge =

PROSPERITY

- Employment Growth (p52) — Moderate
- High School Graduation (p57) — Moderate
- Gross Regional Product (p54) — Minor
- Higher Education (p58) — Minor
- Wages Growth (p50) — Minor
- Vocational Training (p56) — Insufficient Data

LIVABILITY

- Affordable Housing Base (p64) — Major
- New Affordable Housing (p62) — Moderate
- Pedestrian & Bicyclist Safety (p66) — Moderate
- Real Time Crime Data (p68) — Moderate
- Crime (p70) — Minor
- Public Health (p69) — Insufficient Data

Extent of Changes to existing policies, programs, or processes to reverse trends and or achieve the target

Major | Moderate | Minor | Insufficient Data

Overview

When *Region Forward* was adopted in 2010, the region promised to frequently measure progress toward achieving the vision. This report focuses only on outcomes and trends related to *Region Forward*'s currently adopted targets.

The report is designed around *Region Forward*'s four themes accessibility, sustainability, prosperity, and livability. Each chapter begins with a higher level summary of the theme's focus, performance and challenges and a more detailed examination of regional trends. Chapters are comprised of findings related to each specific *Region Forward* target and a "challenge" rating designed to inform the public as to the extent of change needed to reverse trends and achieve the target. This information will demonstrate where changes to existing policy or programs might be considered. The information will also be helpful when considering future updates to *Region Forward*.

This report analyzes twenty-eight targets to assesses our region's progress toward addressing our challenges. The signatories to *Region Forward* have agreed to measure our progress as a region and then use the results to develop solutions.

Major Challenges are the areas that need the most attention. Currently seven targets are characterized as major challenges. The Region Forward Coalition and the Metropolitan Washington Council of Governments will work with their policy bodies and partners to help the region meet these targets.

Twelve targets are Moderate Challenges that will require special attention to ensure that progress toward attainment is sufficient. The Coalition and other regional leaders should pay special attention to ensure that progress toward attaining these targets serves all members of the region equally.

There are seven targets that are categorized as Minor Challenges that will not require active engagement from the coalition to ensure their attainment. However, the Coalition should ensure that each of these targets is implemented equitably.

Two targets had insufficient data. The Region Forward Coalition and the Metropolitan Washington Council of Governments will work to collect and analyze the data required to assess the challenge of attaining these targets.

ACCESSIBILITY

The Accessibility targets in Region Forward examine the interplay between land use and transportation. The most significant accessibility challenges for the region exist around transportation funding, affordability and land use decisions that bring people closer to everyday needs. Currently considerable uncertainty exists around dedicated resources to maintain and fund new transportation projects. In addition to securing more predictable and greater amounts of transportation funding, part of the solution to our transportation challenges lies in how we coordinate land use decisions to maximize the efficiency of the existing transportation system. By strategically coordinating development with existing transportation infrastructure, the region will be better position to meet its accessibility goals.

SUSTAINABILITY

The Sustainability targets focus on the built and natural environment, examining issues related to climate, energy, water, and land. The Metropolitan Washington Council of Governments local governments and wastewater utilities have continued to make investments upgrading wastewater treatment plants to accommodate growth and address more stringent water quality requirements for the region's waterways and the Chesapeake Bay. Despite these efforts, the region will still need to address potential water quality challenges from stormwater runoff and the need to find new methods to minimize and manage that runoff. Making progress toward our water and land preservation targets will require better regional assessment of protected and threatened lands and a regional inventory of land providing ecological benefits to wildlife, habitat, local food production, recreational opportunities, and scenic beauty. The inventory and conservation strategy should be coordinated with regional development efforts focusing growth in Regional Activity Centers. Preserving land and concentrating growth and investment in regional centers will use existing infrastructure, energy, and water more efficiently, but these actions must balanced against the water quality impacts of concentrating growth into areas that are already highly urbanized and that often already have poorer water quality..

PROSPERITY

The Prosperity targets generally focus on economic health and improving the region's human capital through attracting a highly educated population and reducing educational disparities. The region continues to attract highly educated workers and our gross regional product has continued to increase. However, three challenges threaten the continued success of this region. The first includes the regional disparities which prevent the region from meeting its goals to educate and create opportunities for its low-income residents. There are large areas throughout our region that experience high concentrations of poverty and unemployment, low-wage jobs, low-performing schools and low-educational attainment. The second major concern is the region's dependence on the Federal government and federal spending, which cannot sustain the recent explosive deficit spending or its disproportionate concentration of spending in the region. Addressing these challenges requires understanding and support among the region's business and elected leaders to create an action-oriented regional economic development plan.

LIVABILITY

The Livability targets focus on affordable housing, public safety, and health. The region is performing well in health and public safety. However, producing and preserving affordable housing is the area of primary concern. *Region Forward*'s affordable housing targets focus on creating and preserving mixed-income housing throughout the region while maintaining our existing affordable housing stock. To achieve this, we must focus our efforts on preserving and leveraging new development opportunities in neighborhoods expected to experience significant price increases and development activity due to public investments such as transit.

Major Building Blocks for Evaluation

COOPERATIVE FORECAST

The Cooperative Forecasting Program, established in 1975 and administered by the Metropolitan Washington Council of Governments (COG), enables local, regional, and federal agencies to coordinate planning decisions using common assumptions about future growth and development in the region. Each series of forecasts, or a "Round," provides land use activity forecasts of employment, population, and households by five year increments. Each Round covers a period of 20 to 30 years.

NATIONAL CAPITAL REGION CLIMATE CHANGE REPORT

On November 12, 2008, the COG Board approved the National Capital Region Climate Report, which includes significant greenhouse gas reduction goals for the region and 78 recommendations to help area leaders and citizens meet the targets.

CONSTRAINED LONG RANGE PLAN

The Financially Constrained Long-Range Transportation Plan, or CLRP, identifies all regionally significant transportation projects and programs that are planned in the Washington metropolitan area between 2011 and 2040. Over 750 projects are included, ranging from simple highway landscaping to billion-dollar highway and transit projects. Some of the projects will be completed in the near future, while others are only in the initial planning stage.

CENSUS

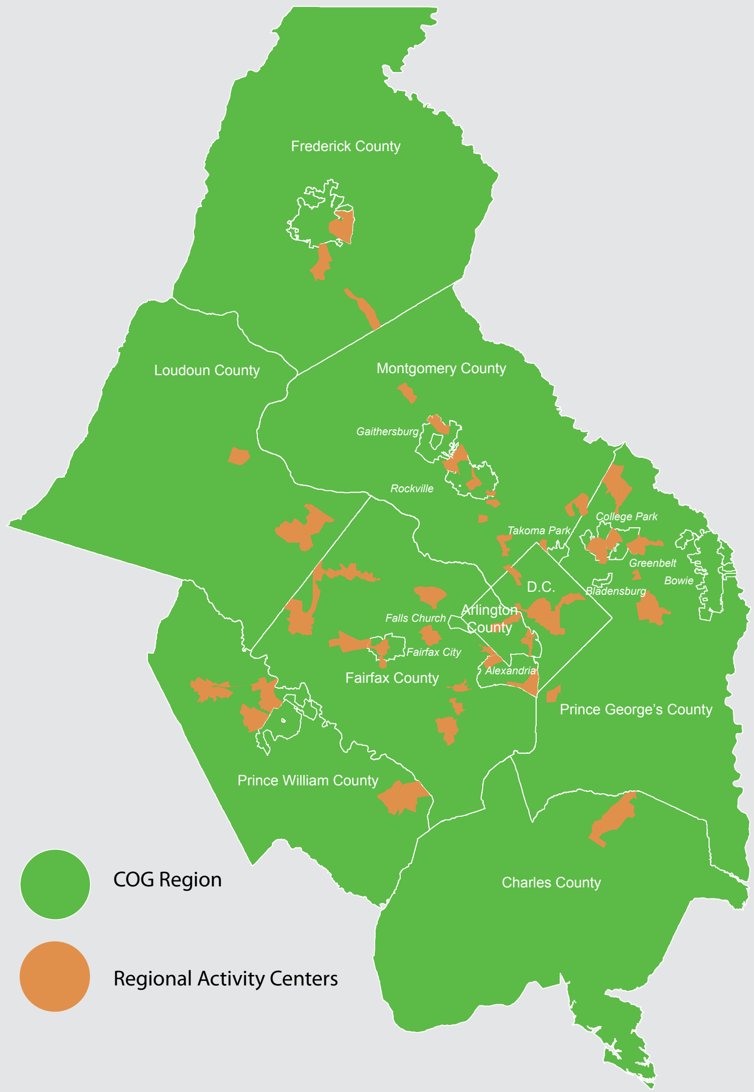
The U.S. Census Bureau produces several data products which provide the foundation for most demographic analysis. This report uses data from the Decennial census and the American Community Survey.

REGIONAL ACTIVITY CENTERS

Regional Activity Centers were developed as a tool to help guide land use and transportation planning decisions. The centers were derived from the Cooperative Forecasts. Centers were selected using a series of housing and employment thresholds designed to highlight regionally significant concentrations of activity.

BUREAU OF LABOR STATISTICS

The U.S. Bureau of Labor Statistics is a primary source for economic data. This report utilizes several of the bureau's data series for the prosperity section.



Acces

WHERE WE STAND

An accessible region connects people with employment, retail, institutions, and services. The region's transportation system, compromised of roads, highways, railways, sidewalks, and bicycle facilities, allows us to travel between the places we live and the places we need to visit.

Our region currently has an extensive transportation system – the product of forward-thinking planning and funding decisions – that provides accessibility by multiple modes of transportation to numerous destinations across all corners of the region. This network has spurred economic growth, prosperity, and high quality of life in the region.

To allow our region to prosper in the future, we will need to overcome significant challenges that threaten our ability to access goods and services, recreation, and employment. Region Forward calls for a majority of new commercial and residential buildings to be constructed within Regional Activity Centers, however, both sectors routinely fall short of the target. Furthermore, affordable housing is disproportionally located in parts of the region with less accessibility, creating a barrier for lower-income residents to reach economic opportunities. Compounding these challenges the region's transportation funding levels are currently too low to accommodate both maintenance of the existing system and expansion to increase accessibility.

sibility

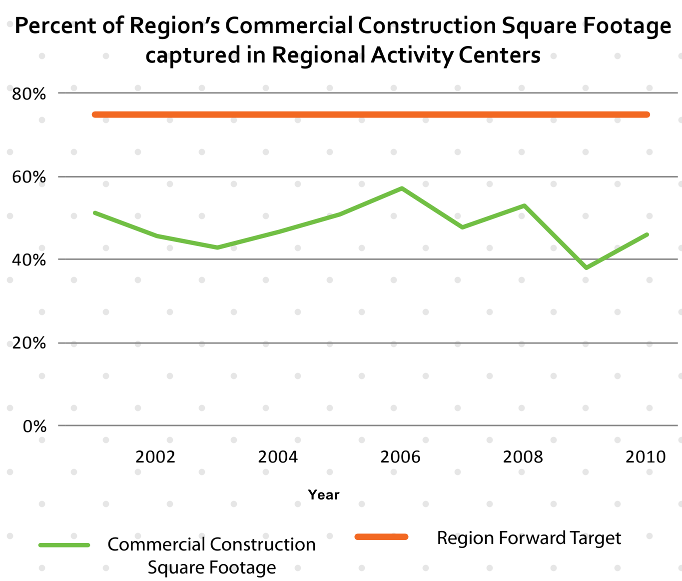
Smart Growth: Beginning in 2012, capture 75% of the square footage of new commercial construction and 50% of new households in Regional Activity Centers

46%

of commercial construction square footage was within Regional Activity Centers in 2010

B A S E L I N E

Source: MWCOG 2010 Commercial Construction Indicators



DIRECTION

In 2010, a total of 66 projects or 46 percent of the region's new commercial construction projects were developed in the Regional Activity Centers. A total of 174 or 54 percent of the region's new commercial construction projects were developed outside the Regional Activity Centers. Based on the Round 8.0 Cooperative Forecasts for the period 2005 to 2010 – 36% of new households forecasted were in Regional Activity Centers and 64% were outside Regional Activity Centers.

Challenge

Major

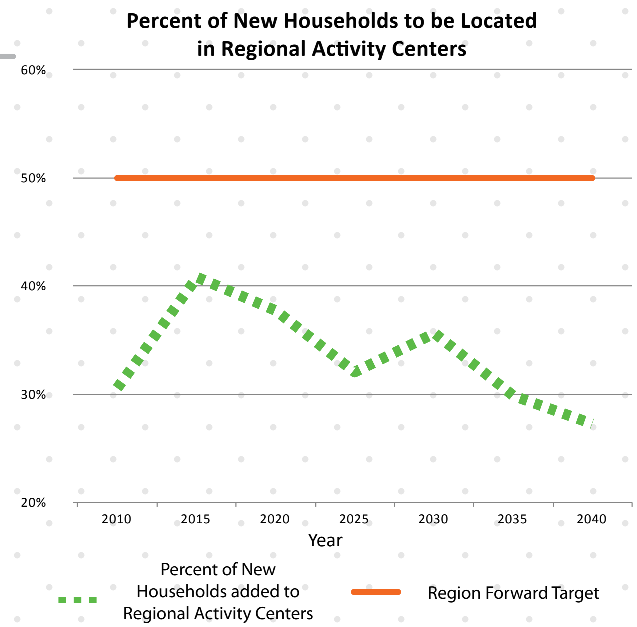
The region needs to capture a greater percentage of commercial and residential construction in Regional Activity Centers

31%

of 2010 households are forecasted to be located within Regional Activity Centers

BASELINE

Source: MWCOG Round 8.0 Cooperative Forecast: Households



CHALLENGE

Neither commercial construction nor residential construction has every come close to meeting the 75% target. Concentrating development in Regional Activity Centers will help the region and the local jurisdictions use their limited resources more efficiently.

VMT Per Capita: Reduce daily vehicle miles traveled (VMT) per capita

WHY THIS IS IMPORTANT

Daily vehicles miles of travel (VMT) per capita is calculated by dividing total daily VMT from personal vehicles, trucks and buses by the region's population. Benefits of reducing daily VMT per capita could include less pressure on the roadway system, lowering fuel use and mobile emissions, and increases in walking, biking and telecommuting.

DIRECTION

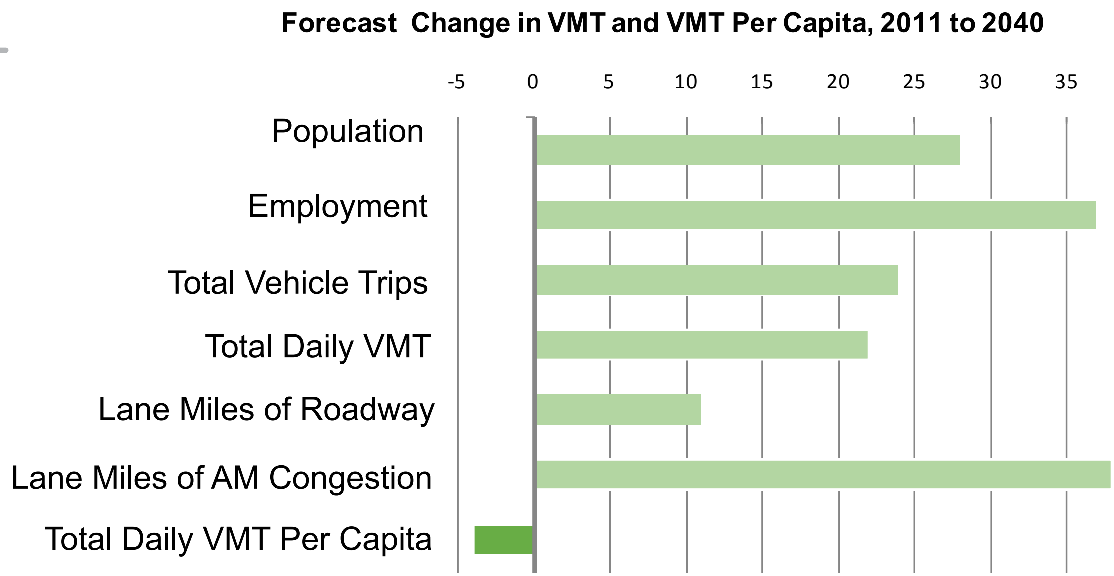
The region's 5.3 million residents currently drive about 121 million miles on an average day, resulting in an estimated daily VMT per capita of 22.8 miles per day per person. By 2040, VMT per capita is forecast to decline slightly to 22.0. **However, the region will experience significant population and job growth, bringing with it the need for more travel in personal vehicles, trucks and buses, causing overall VMT to increase by 22 percent by 2040.** And, because growth in vehicle miles will outpace the projected number of new lane miles in the region, roadway congestion will increase.

22.8

daily vehicle miles traveled per capita in 2010

B A S E L I N E

Source: National Capital Region Transportation Planning Board 2010 Financially Constrained Long Range Transportation Plan



Challenge

Moderate

VMT per capita is projected to decline by 4% over the next 20 years.

CHALLENGE

Reducing VMT per capita will require transportation strategies that encourage shorter and fewer trips by single-occupancy vehicles, such as investing in non-automotive modes, telecommuting, and the promotion of those options. Other transportation strategies also include pricing roadways and parking to encourage the efficient use of existing infrastructure. Land use policies need to encourage mixed-use development with residential areas, retail, and services located in close proximity to allow more walking, biking and transit use.

Transportation System Management & Performance:

The region's transportation system will give priority to management, performance, maintenance, and safety of all transportation modes and facilities

WHY THIS IS IMPORTANT

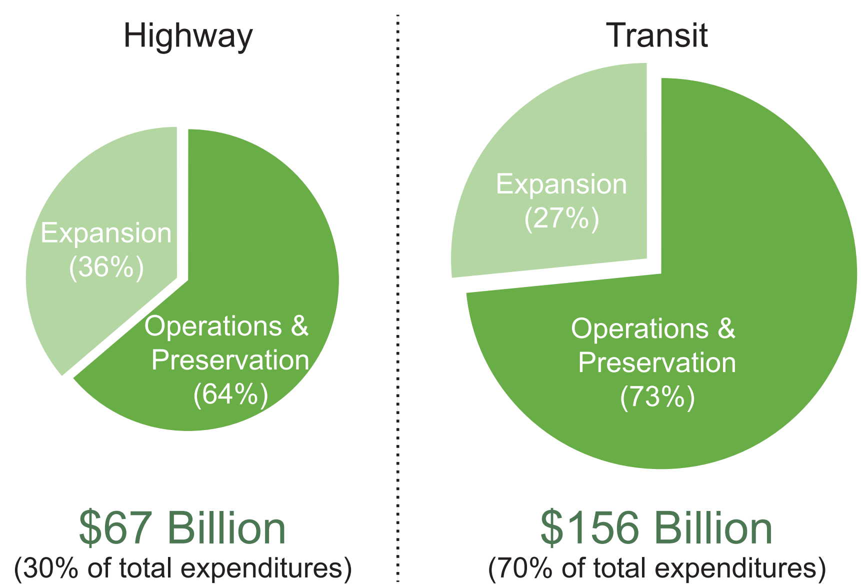
Ensuring that existing transportation infrastructure is in good working order is critical to getting optimal performance out of the transportation system. The failure to do so can have dire consequences with regard to wear and tear on vehicles, the life expectancy of infrastructure, system efficiency and capacity, and safety.

DIRECTION

Of the nearly $223 billion in transportation expenditures expected between 2011 and 2040, approximately 70% of the funds ($163 billion) will go to operations and preservation of the existing and planned system. Broken down by mode, 73% of transit funding and 64% of highway funding is programmed for operations and preservation.

CLRP Funding, 2011-2040

$222.9 Billion



Challenge

Major

A majority of CLRP funding is dedicated to operations and maintenance, but additional funding is necessary to meet the management, performance, maintenance, and safety needs of the system.

CHALLENGE

Although a large share of transportation funding will be used for operations and preservation, there isn't enough money to pay for all the needed expenses over the next 30 years because traditional revenue streams have not kept pace with growing needs. While many states, including Maryland and Virginia, and the District of Columbia have implemented some creative strategies to raise transportation funds, there still exists a need to establish broad-based, dedicated strategies for continued transportation funding to meet the needs of a growing region.

In response to calls for more funding for WMATA, in 2008 Congress passed the Passenger Rail Investment and Improvement Act (PRIIA), which together with 50 percent state matching funds provides an additional $3 billion in revenues over ten years for WMATA's future rehabilitation and maintenance needs. This legislation is set to expire in 2020, and currently there is no federal legislation in place to extend the measure beyond 2020, nor is any agreement in place by the jurisdictions to match any future federal funds. As a result, WMATA will be unable to handle all of the projected Metrorail ridership growth through 2040.

Paying for necessary road repairs and bridge replacements is also a continual struggle that will only worsen over time as funding becomes more limited and uncertain.

64%

of the 2010 Constrained Long Range Plan highway funding is dedicated to operations and maintenance

BASELINE

Source: National Capital Region Transportation Planning Board 2010 Financially Constrained Long Range Transportation Plan

73%

of the 2010 Constrained Long Range Plan transit funding is dedicated to transit operations and maintenance

BASELINE

Source: National Capital Region Transportation Planning Board 2010 Financially Constrained Long Range Transportation Plan

Linking Activity Centers: Transportation investments will link Regional Activity Centers

WHY THIS IS IMPORTANT

Regional Activity Centers are designated areas of the region that contain high numbers of jobs, and are therefore significant as economic engines in the region. Providing transportation linkages – both highway and transit – between these centers creates an interconnected web of economic centers necessary for economic growth and competitiveness.

DIRECTION

Overall, highway accessibility is greater than transit accessibility between activity centers, since the highway network is more extensive and far-reaching than the transit network. Connectivity of Regional Activity Centers also varies widely across the region. For example, activity centers in the Regional Core have the greatest highway and transit access to other activity centers because the centers are closer together and transportation options are more plentiful than in the Inner Suburbs and Outer Suburbs.

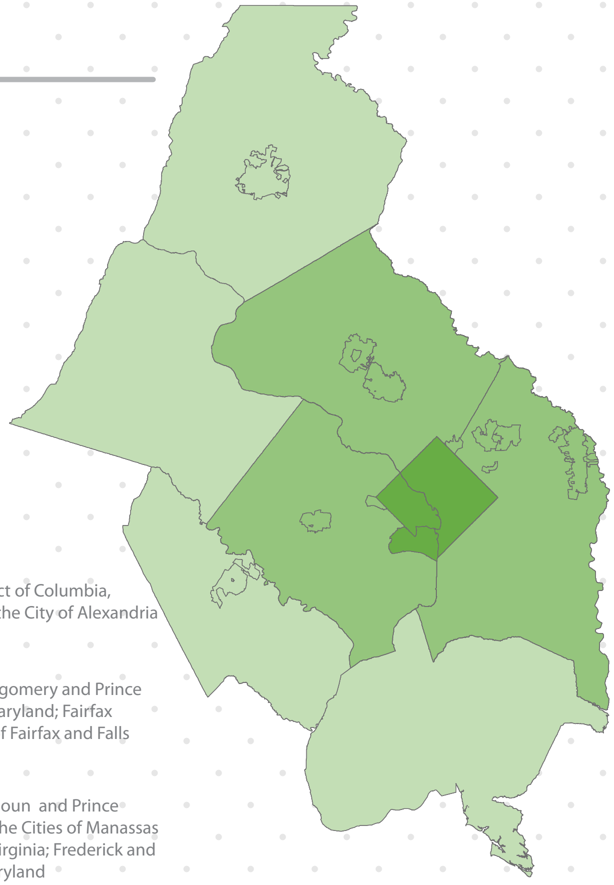
CHALLENGES

Increasing highway and transit accessibility between activity centers is not as simple as building a new highway or transit line. Decreases in speed caused by congestion explains the decrease in highway connectivity between 2011 and 2040. Over the next 30 years, worsening highway congestion will largely offset accessibility gains caused by significant investments in highway infrastructure, thereby lengthening trips that previously took under 45 minutes. For now, substantial investment in new transit is helping to ensure an increase in transit accessibility throughout the region. In the future, however, unless additional funding is dedicated to make necessary transit improvements, congestion caused by capacity constraints will slow down service and reduce transit accessibility. The distance between activity centers also helps explain trends in connectivity over the next 30 years. Activity centers are geographically distributed across all corners of the region, and connecting relatively isolated activity centers is a challenge. Creating new activity centers closer to existing centers would help make progress towards this target.

Challenge

Moderate

Highway accessibility to the activity centers is greater than transit accessibility. However, future congestion levels will make activity centers less accessible by highway in 2040.



The current transportation system provides linkages between activity centers and the 2010 CLRP seeks to strengthen those linkages.

B A S E L I N E

Source: National Capital Region Transportation Planning Board 2010 Financially Constrained Long Range Transportation Plan

Regional Core: District of Columbia, Arlington County, and the City of Alexandria Virginia

Inner Suburbs: Montgomery and Prince George's Counties in Maryland; Fairfax County and the Cities of Fairfax and Falls Church in Virginia

Outer Suburbs: Loudoun and Prince William Counties and the Cities of Manassas and Manassas Park in Virginia; Frederick and Charles Counties in Maryland

Average Number of Regional Activity Centers Accessible within 45 Minutes

	2011		2040		Change	
	Highway	Transit	Highway	Transit	Highway	Transit
Regional Core	20	15	16	16	-4	1
Inner Suburb	11	7	9	8	-2	1
Outer Suburb	5	1	4	2	-1	1

Housing & Transportation Affordability:

By 2020, the housing and transportation costs in Regional Activity Centers will not exceed 45% of area median income

39%

of median household income is spent on housing in transportation expenses on average by households in Regional Activity Centers

B A S E L I N E

Source: Center for Neighborhood Technology, Housing and Transportation Index, February 2011

WHY THIS IS IMPORTANT

Housing and transportation are typically the two largest expenses for households and vary considerably by location. In less dense areas housing is generally less expensive than high density areas, while in high density areas transportation cost tend to be lower. Combining both of these costs provides a more accurate and complete assessment of a location's affordability as well as its resilience.

Challenge

Moderate

Housing and transportation expenses in Regional Activity Centers are below 45%

METHOD

This target uses the Housing and Transportation Index, developed by the Center for Neighborhood Technology (CNT) that measures the combined costs of housing and transportation. Areas where a median - income household can spend less than 45 percent of their income on both housing and transportation expenses are considered affordable. The threshold of 45 percent is derived from the generally accepted standards for affordability of 30 percent and 15 percent of median income for housing and transportation costs, respectively.

To calculate housing costs, CNT uses Census block group level data for selected home owner and renter characteristics from the 2000 Decennial Census. Transportation costs are calculated using regression model developed by the CNT and the Brookings Institution.

The Housing and Transportation index has emerged as the national standard for assessing basic community affordability.

Housing in Activity Centers:

Beginning in 2012, at least 80% of new or preserved affordable housing units will be located in Regional Activity Centers

18%

of all subsidized housing units were located in Regional Activity Centers in 2010

BASELINE

Source: MWCOG 2010 Affordable Housing Database

WHY THIS IS IMPORTANT

Activity Centers are places that currently have, or are planned to have significant concentrations of commercial, institutional, and residential uses. Most of the growth and new development in the coming decades will occur in these locations. Locating a large share of the region's affordable housing in Activity Centers will help to ensure that residents at all income levels can benefit from the employment, commercial, and recreational opportunities that centers provide.

Challenge

Major

Approximately 18% of the region's *subsidized* housing units are located in Activity Centers. The proportion of *market-rate* affordable units in centers cannot be accurately measured given current data, and measuring the change in both subsidized and market-rate affordable units is challenging.

METHOD

This target is intended to measure change in the distribution of affordable housing, including both subsidized and market-rate affordable housing stock. To measure and monitor subsidized housing, COG staff is developing an inventory of subsidized properties throughout the region, including information on subsidy, size, and type. Market-rate affordable housing represents a larger share of the region's affordable housing stock, but is difficult to measure for a variety of reasons, including the lack of a centralized source of rental housing data and the fact that actual rents often don't match advertised rents.

CHALLENGES

While the subsidized inventory collects detailed information, property construction and renovation dates are not always available or verifiable. Market-rate housing supply and distribution cannot be effectively analyzed given current data. These factors prevent an accurate assessment of newly developed or preserved units within the region relative to Activity Centers. Still, the current data allows the Region Forward Coalition to track relative change in subsidized units within Activity Centers. COG staff and partners are working to improve the quality and completeness of its subsidized and market-rate data. In future updates to this report, this target may need to be reported over a five-year time period to account for the difficulty in getting complete and accurate construction or renovation dates.

Walk, Bike, & Transit Trips:

Increase the share of walk, bike, and transit trips

WHY THIS IS IMPORTANT

Higher shares of walk, bike, and transit trips would provide many benefits throughout the region. Increasing the use of these forms of transportation contributes to lower levels of greenhouse gas emissions, helps reduce congestion along the region's roadways, and promotes healthy lifestyles.

15.1%

of all trips were by walking, bicycle, or transit in 2007/2008

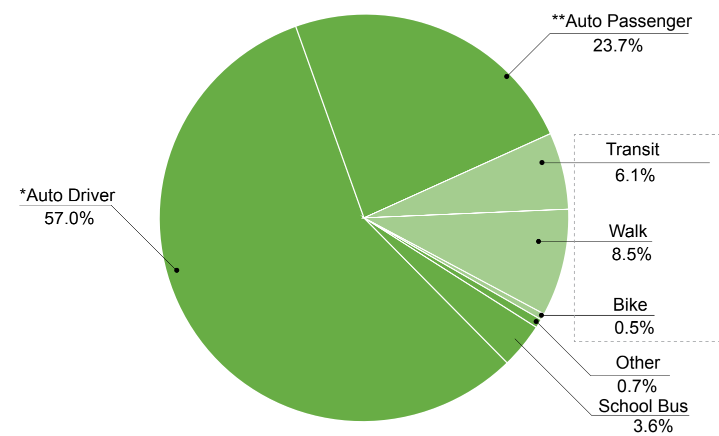
BASELINE

Source: National Capital Region Transportation Planning Board 2007-2008 Household Travel Survey

DIRECTION

According the 2007-2008 TPB Household Travel Survey, walk, bike and transit trips accounted for 15.1% of all daily trips taken in the National Capital Region, and 21.4% of all work trips. Compared to other major metropolitan regions in the U.S., the Washington region has a high percentage of non-automobile trips, due in part to the MetroRail system, regional bicycle trails, and extensive pedestrian infrastructure. Policies and programs set in place by the Transportation Planning Board and local jurisdictions will result in modest increases in the share of walk, bike, and transit trips in the future.

Daily Trip Mode Share, 2007 / 2008



Total Walk, Bike, Transit: 15.1%

Challenge

Nearly 1 out of 5 work trips in 2007/2008 were pedestrian, bike, or transit trips

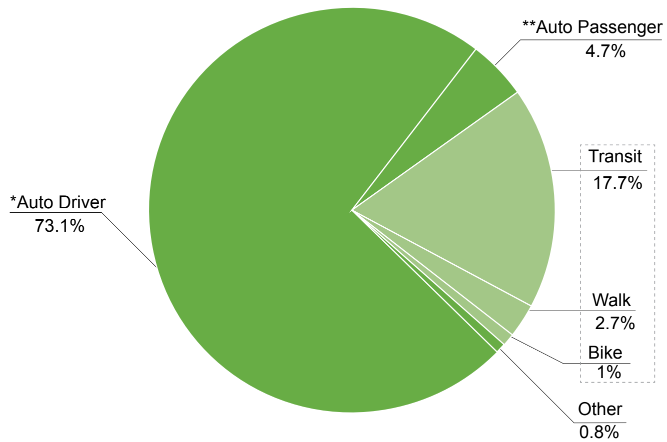
21.4%

of commute trips were by walking, bicycle, or transit in 2007/2008

B A S E L I N E

Source: National Capital Region Transportation Planning Board 2007-2008 Household Travel Survey

Commute Mode Share, 2007 / 2008



Total Walk, Bike, Transit: 21.4%

* **Auto Driver** indicates trips taken as a driver of an automobile
** **Auto Passenger** indicates trips taken as a passenger in an automobile

CHALLENGES

In order to achieve greater growth in the share of walk, bike, and transit trips throughout the region, a coordinated effort using both transportation strategies and land-use planning will be needed. Policies can be put in place to incentivize these modes of transportation or discourage the use of automobiles. Examples include providing more bicycle and pedestrian facilities (sidewalks, bike parking, etc.), increasing the reach of the regional bike-sharing program, building more bike lanes and multiuse trails, and increasing the frequency and reliability of transit. Another way to ensure this connection is through land-use planning that encourages mixed-use development with residential areas, retail, and services located in close proximity.

Activity Center Transit: All Regional Activity Centers will have transit access

Regional Activity Centers and Metrorail Transit	2011	2040
Regional Activity Centers	59	59
Metrorail Stations	86	98
Regional Activity Centers **with** Metrorail	25	31
Regional Activity Centers **without** Metrorail	34	28
Metrorail Stations **not** located in Regional Activity Centers	37	39

WHY THIS IS IMPORTANT

Regional Activity Centers are designated areas of the region that contain high numbers of jobs, and are therefore significant as economic engines in the region. Providing transit service – both rail and bus – to these centers ensures that people throughout the region can access the jobs and other opportunities located in activity centers. Rail transit, specifically Metrorail, is particularly important since it provides high-quality, high-capacity transit service and represents a long-term commitment to provide transit for years to come.

DIRECTION

As of 2011, about four in ten (42%) of the designated Regional Activity Centers were served by Metrorail, with an additional 15 served by commuter rail. There were also 37 Metrorail stations not located within activity centers. As a result of the projects in the 2010 CLRP, including the Silver Line in the Dulles corridor, over half (53%) of Regional Activity Centers will be served by Metrorail transit by 2040, with the number of activity centers served by commuter rail remaining at 15. The number of Metrorail stations located outside activity centers will increase to 39. Nearly all activity centers were served by bus transit in 2011, and about two-thirds have a high level of access to bus stops. Three (5%) of activity centers had no bus stop coverage.

Challenge

Moderate

Regional Activity Center Bus Stop Coverage, 2011	
Centers with High Bus Stop Coverage (> 75% area within 1/4 mile of a bus stop)	38 (65%)
Centers with Medium Bus Stop Coverage (50% - 75% area within 1/4 mile of a bus stop)	9 (15%)
Centers with Low Bus Stop Coverage (< 50% area within 1/4 mile of a bus stop)	9 (15%)
Centers with no Bus Stop Coverage	3 (5%)

42%

or 25 out of 59 Regional Activity Centers are Served by Metrorail transit in 2010

BASELINE

Source: National Capital Region Transportation Planning Board 2010 Financially Constrained Long Range Transportation Plan

80%

or 47 out of 59 Regional Activity Centers are Served by High to Moderate bus stop coverage in 2011

BASELINE

Source: National Capital Region Transportation Planning Board 2010 Financially Constrained Long Range Transportation Plan

CHALLENGES

The region can pursue two approaches to increasing rail and bus transit in activity centers. First, transit can be expanded to serve Regional Activity Centers that do not have existing or planned service, though securing capital and operating funding required to expand transit is difficult. A second approach is to better utilize existing transit infrastructure by concentrating development around existing Metrorail and commuter rail stations and bus lines that are not currently located within Regional Activity Centers.

Bike & Pedestrian Facilities: Increase the rate of construction of bike and pedestrian facilities from the Transportation Planning Board's Plan

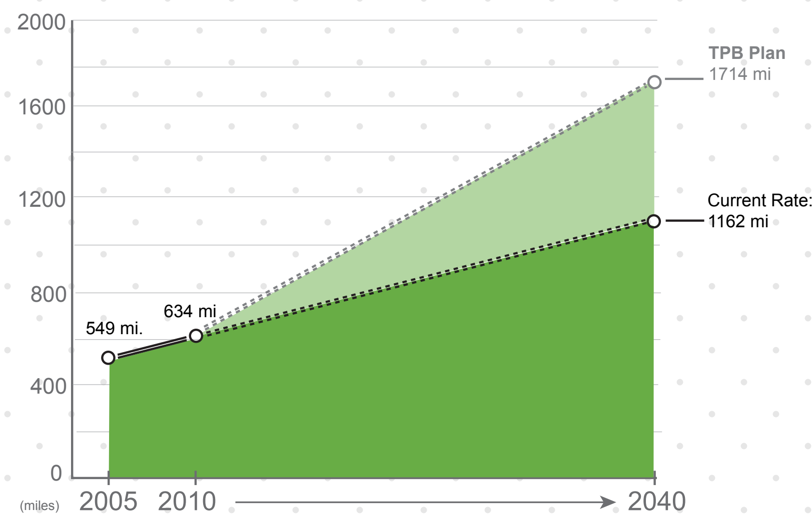
WHY THIS IS IMPORTANT

This target measures the rate at which bike and pedestrian infrastructure are being constructed region-wide. Providing additional bicycle and pedestrian infrastructure will make the use of these modes of transportation safer and more accessible throughout the region. Improvements to these facilities will enhance mobility options and encourage higher rates of active transportation which may reduce the incidence of obesity, diabetes, and heart disease of area residents. Because of their relatively low cost, bicycle and pedestrian facilities can provide significant benefits to communities while using a minimal amount of resources.

DIRECTION

As of 2010, there were a total of 91 miles of bicycle lanes and 543 miles of shared-use paths built throughout the region. Over the five year period between 2006 and 2010, an average of 7 miles of bicycle lanes, and 11 miles of shared-use trails were constructed each year. By 2040, the bicycle and pedestrian plan adopted by the Transportation Planning Board (TPB) will add 450 miles of bicycle lanes, 630 miles of shared-use paths, hundreds of miles of signed bicycle routes, more than 80 pedestrian improvements, and 10 pedestrian/ bicycle bridges and tunnels.

Miles of Bike and Pedestrian Infrastructure, 2005-2040



68%

The percentage of the TPB's Bicycle and Pedestrian Plan that will be completed unless more funds are dedicated.

B A S E L I N E

Source: National Capital Region Transportation Planning Board 2010 Bicycle and Pedestrian Plan for the National Capital Region

National Capital Region Transportation Planning Board 2010 Financially Constrained Long Range Transportation Plan

Challenge

Minor

Bike and pedestrian facilities are being added

CHALLENGES

At the current rate of construction, only 68% of the bicycle and pedestrian plan will be completed by 2040. To overcome this shortfall, additional resources need to be dedicated to bicycle and pedestrian facility projects to increase the rate of construction. The main challenge to jurisdictions in the National Capital Region is to prioritize and secure sufficient funding to complete these infrastructure projects while other transportation projects, such as highway and transit improvements, are competing for the same, limited funds. While it may be difficult to secure the resources necessary, the amount of money required to complete all projects in the bicycle and pedestrian plan reflects a relatively minor shift in funding priorities.

Facility Type	Totals Miles 2005	Miles Completed 2006-2010	Total Miles 2010	Planned New Facilities/ Upgrades (in Miles)	Total Miles Planned for 2040
Bicycle Lane	56	35	91	450	541
Shared-Use Path	490	53	543	630	1173
Total	**546**	**88**	**634**	**1080**	**1714**

Sustai

WHERE WE STAND

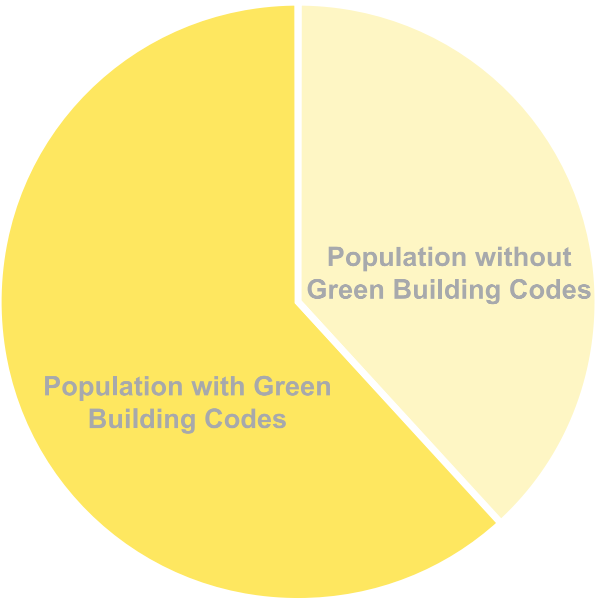
It is everyone's responsibility to preserve a healthy environment for current and future generations. To meet this responsibility we must use our natural resources sustainably, to reduce our greenhouse gas and ozone emissions, and preserve our existing open space and agricultural lands.

The National Capital Region is defined by numerous natural treasures and we have worked diligently to preserve them. We have instituted rigorous waste water quality standards ensuring that we are doing our part to protect our unique watersheds including the Chesapeake Bay. Our region has also leveraged its economic strength to foster major efforts to institute green building practices. These efforts are indicative of how seriously our region is pursuing a sustainable future.

Despite these notable achievements our region faces several major challenges. Every year we lose thousands of acres of agricultural land to development. Recent findings indicate that our region will likely drop below *Region Forward*'s agricultural land target in the near future. In most cases farmland losses are permanent. Furthermore, our region produces high levels of ozone and greenhouse gas that harm our health today and endanger future populations. Regional leaders have been working tirelessly to find ways to reduce our emissions. We have developed policies and plans but full implementation is both necessary and very challenging.

nability

Green Building: By 2020, all new residential and commercial buildings will be built using sustainable design practices equivalent to LEED Silver Standards



WHY THIS IS IMPORTANT

The green building field is in a state of transition from the cutting edge practices to common practice. This target is intended to measure the application of green building techniques. The US Green Building Council's LEED system is currently the standard bearer for the Green Building field. However, it is important to note that LEED is not well suited to be the only data point for assessing this target. LEED certifications are voluntary, consequently it is unrealistic to expect that all new buildings will be constructed using its standards. Additionally, the LEED programs have grown increasingly stringent because they target the top twenty percent of the green building market.

METHOD

This target will be measured with a two pronged approach. First LEED development patterns will be analyzed and compared to broader development trends. Then these findings will be weighed against a survey of local jurisdictions detailing their green building policies.

Challenge

Moderate

Green Building Practices are becoming more common

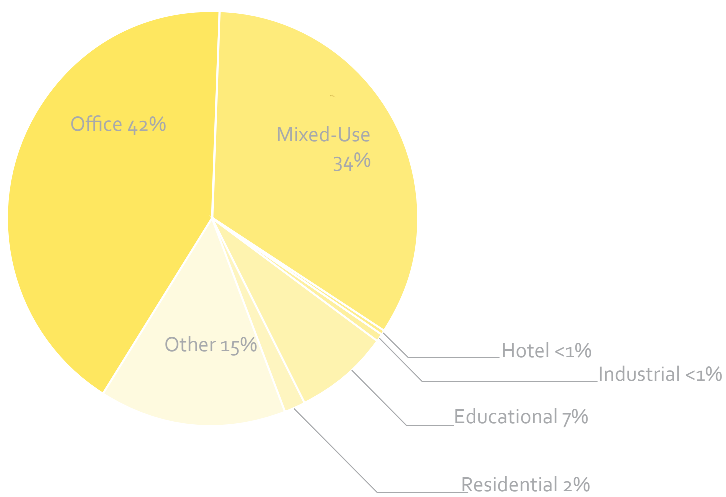
10%

of Commercial Construction square footage from 2002 - 2009 was LEED - certified construction.

B A S E L I N E

Source: MWCOG 2011 Green Building Trends Report

LEED certifications by building type



CHALLENGE

Green Building in the National Capital Region is becoming common practice. Between 2002 and 2009, LEED certified square footage equaled 10% of all commercial construction during that period. Additionally, 62 percent of the region's population is represented by local governments that have green building policies or building codes. These figures suggest that our region is moving aggressively to ensure that our built environment is constructed as sustainably as possible.

Greenhouse Gas: By 2020, reduce regional greenhouse gas emissions by 20% below 2005 levels, and by 2050, reduce emissions by 80% below 2005 levels

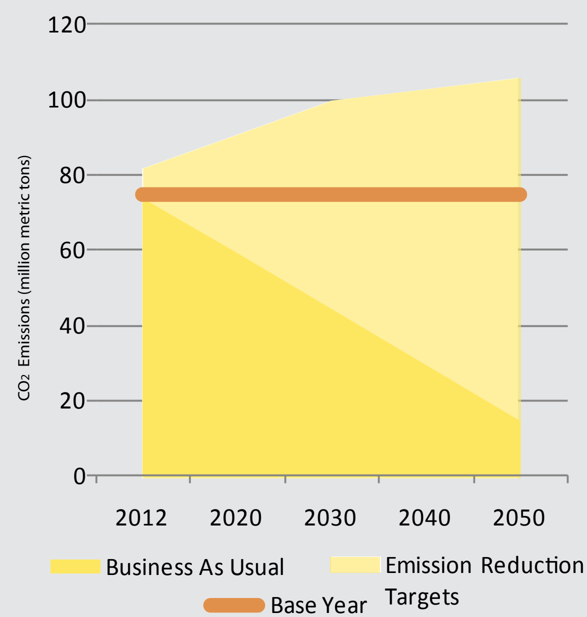
WHY THIS IS IMPORTANT

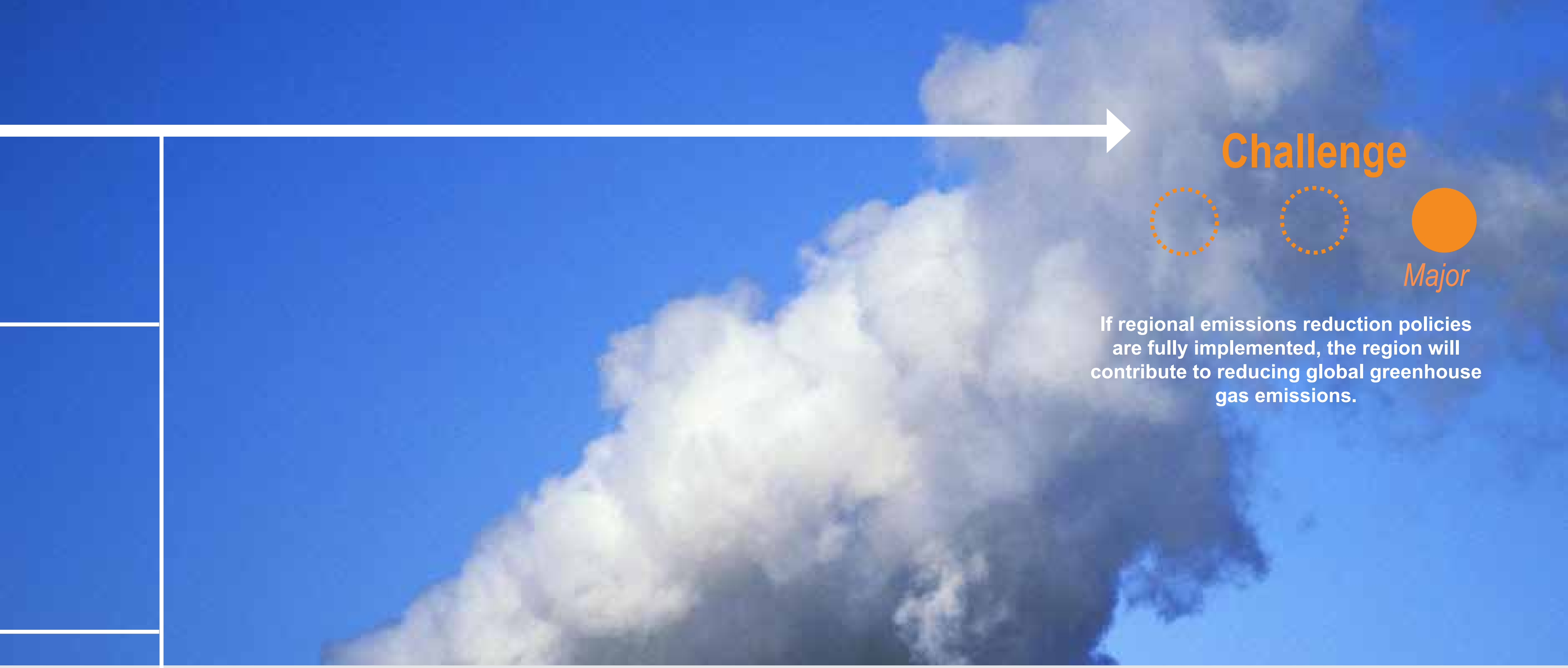
To address the global challenge of climate change, all levels of government need to reduce energy consumption and greenhouse gas emissions. In 2007 the COG Board of Directors adopted regional targets to reduce GHG emissions. In 2005 the Metropolitan Washington region produced about 72 million metric tons of greenhouse gas emissions. As the region grows and consumes more energy, it will be challenging to return to the 2005 level or below. By 2050 the region is projected to add 1.6 million people and 1.2 million jobs. Local governments can be a key part of the solution to reducing global GHG emissions by reducing energy consumption and using renewable energy sources.

CHALLENGE

Currently, the National Capital Region is not on track to meet our Greenhouse Gas Emissions Reduction Targets. Consequently, the region is currently falling short of its goal to reduce global greenhouse gas emissions.

Projected CO_2 Emissions Reduction





Challenge

Major

If regional emissions reduction policies are fully implemented, the region will contribute to reducing global greenhouse gas emissions.

If regional emissions reduction policies are fully implemented, the region will contribute to reducing global GHG emissions.

B A S E L I N E

Source: MWCOG Climate Change Report

METHOD

Region Forward incorporates the greenhouse gas emissions targets adopted by the COG Board of Directors in 2008. The Board assigned its Climate, Energy and Environment Policy Committee (CEEPC) with reassessing these goals every three years to reflect revised data and future policy changes. Should the COG Board, based on CEEPC's recommendation, revise these goals, this will be reflected in an update to the *Region Forward* targets.

Air Quality: Beginning in 2014, the region's air quality will be improving and ambient concentrations will be reduced below federal standards

The region's air quality is likely to improve but more support is needed to meet the new Federal requirements

B A S E L I N E

Source: EPA defined design value MWCOG, MWAQC, EPA

WHY THIS IS IMPORTANT

Air quality in the metropolitan Washington region has improved in recent decades, but the region continues to have a problem with ozone pollution. Exposure to ground level ozone can cause lung damage and respiratory problems in children and adults. EPA revises the air quality standards every five years to account for the latest medical research to make the standards more protective of public health. In 2011 ozone levels are 0.082 ppm, above the federal standard of 0.075.ppm. The region does not currently meet the latest health standard for ozone and may not meet the standard by the 2015 deadline unless there are new measures to reduce emissions.

METHOD

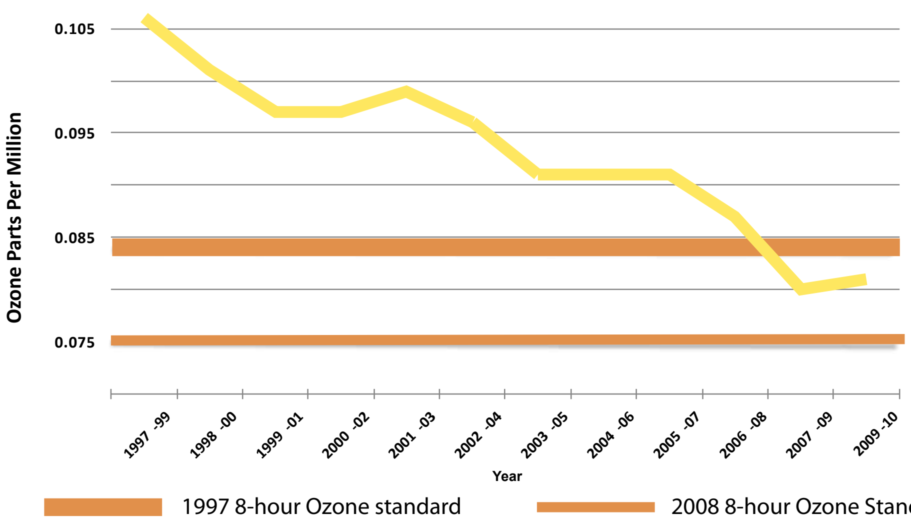
The baseline report will measure the region's progress relying on air quality data collected from air quality monitoring stations around the region. COG reports the data that is collected by the states of Maryland and Virginia and the District of Columbia.

Challenge

Moderate

The region's air quality, although improved, is not likely to meet the target by 2014

8-hour Ozone Design Value
Washington, DC-MD-VA Nonattainment Area (1999-2010)

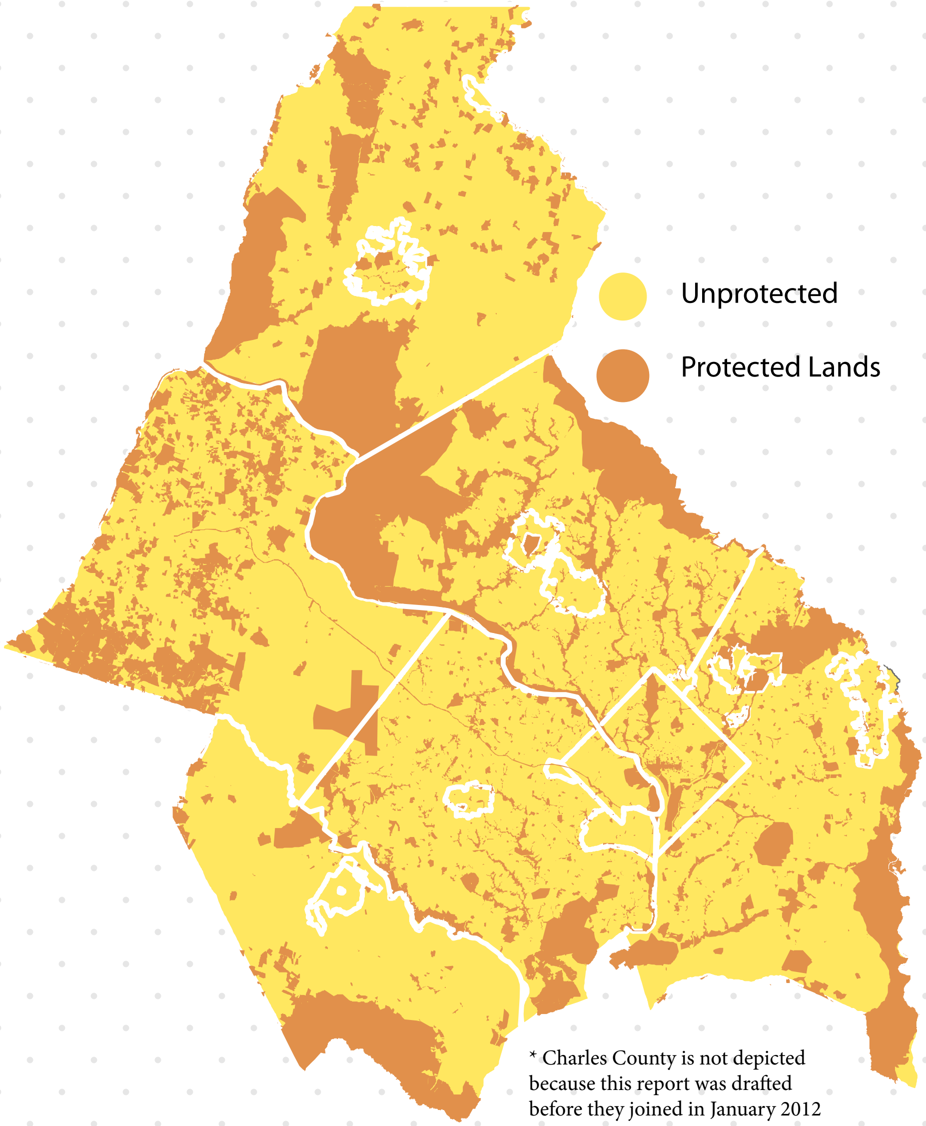


* Design value = 3 year average of 4th highest daily maximum 8-hour average ozone concentration

CHALLENGE

In April of 2004, the Environmental Protection Agency (EPA) designated the metropolitan Washington region as moderate nonattainment for the 8-hour ozone standard of 0.084 parts per million (ppm) established in 1997. Based on the 2008 – 2010 period, the region reached an 8-hour ozone level of 0.081 ppm and is therefore meeting the 1997 standard (0.084 ppm). The ozone standard was made more stringent in 2008 (0.075 ppm). Based on the most recent data for the same time period, the region have yet to meet the 2008 standard. In order to meet this higher standard, the region will need help from the federal government with new regulations and national level programs that promote cleaner fuels and cleaner engines.

Protected Lands: The region will identify, conserve and enhance a network of protected and open spaces, parks, and green infrastructure to provide ecological benefits, wildlife habitat, recreational opportunities, and scenic beauty



* Charles County is not depicted because this report was drafted before they joined in January 2012

WHY THIS IS IMPORTANT

All jurisdictions in the national capital region benefit from protecting natural resources. This target is designed to capture data on the multitude of systems that comprise the region's natural resource system. In some cases detailed information is readily available but in others measurement methods will need to be developed. Still, imperfect data will provide a sense of how impactful the region's environmental policies have been at protecting the environment. This target has two primary categories, protected lands and green infrastructure.

Challenge

Minor

Nearly 1/3 of the region's land area is protected but more information is needed about green infrastructure

28%

of acres in the COG region are protected

B A S E L I N E

Source: MD Department of Natural Resources and the VA Department of Conservation and Recreation Division of Natural Heritage, National Parks Service

CHALLENGE

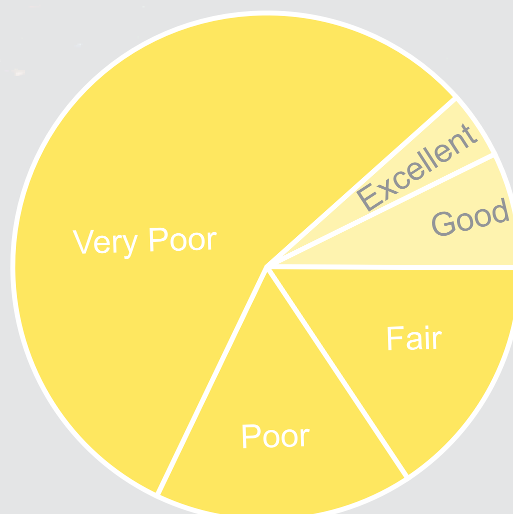
Protected lands are the best defined and most easily measured of the two categories. These areas include officially designated parks and conservation areas throughout the region. In 2010 more than a quarter of the COG region was protected. Hopefully, the region will continue its widespread support for these efforts.

Waterway Health: By 2050, 50% of all sentinel watersheds will be in good or excellent condition

WHY THIS IS IMPORTANT

An effective way to measure the health of freshwater streams and rivers is to study bottom-dwellers such as snails, mussels, and insects that live in and on the stream and river bottom. They are routinely monitored in watersheds throughout the COG Region by the states, local governments, and other organizations. The abundance and diversity of these organisms are good indicators of local stream health because they have more limited movement than fish and respond quickly to pollutants and environmental stressors. Recent studies indicate stream health tends to be very poor to fair in areas that have extreme land disturbance, such as new construction. In contrast, stream health conditions tend to be good to excellent in areas with natural in-stream and streamside habitat.

Health of Freshwater Streams in the COG Region



8%

or 51 of 649 sentinel watersheds are in good or excellent condition

B A S E L I N E

Source: U.S. Chesapeake Bay Program Office, Health of Freshwater Streams 2010

Challenge

Major

8% of watersheds are in good or excellent condition

CHALLENGE

Out of a total of 649 sampling sites in the National Capital Region, only 51 had good or excellent conditions while 515 had poor or very poor conditions. Data from an additional 51 sites is still under evaluation. This indicator provides an important tool for groups working to restore degraded streams and protect the quality of the healthiest ones. In general, healthy watersheds fall in the good to excellent range, which is why a regional goal of having 50% of all monitored watersheds achieving an index of good or excellent by the year 2050 has been established.

Waste Water & Stormwater Management: By 2025, achieve 100% of Chesapeake Bay Program's Water Quality Implementation Goals

WHY THIS IS IMPORTANT

The Chesapeake Bay Partnership is a multi-state, multi-year effort, led by EPA, to restore the Chesapeake Bay's water quality and living resources. As part of this effort, a wide range of goals and implementation plans have been established to address fisheries, submerged aquatic vegetation, and reduce sediments and nutrients (phosphorus and nitrogen) from the waterways.

This target tracks the National Capital Region's progress in reducing sediments and nutrients released into the Bay. These sediments and nutrients come from a variety of sources throughout the watershed such as agricultural practices, wastewater treatment plant effluents, stormwater runoff , and air deposition - but are primarily from wastewater and stormwater in the National Capitol Region. In December 2010 the EPA issued a formal set of Total Maximum Daily Loads (TMDLs) for our region's major tributaries such as the Potomac and Patuxent Rivers and the Bay as a whole. These TMDLs are to be coupled with state Watershed Implementation Plans that will define local obligations to reduce sediment and nutrient loads.

Local goals have been set for wastewater treatment plants.

B A S E L I N E

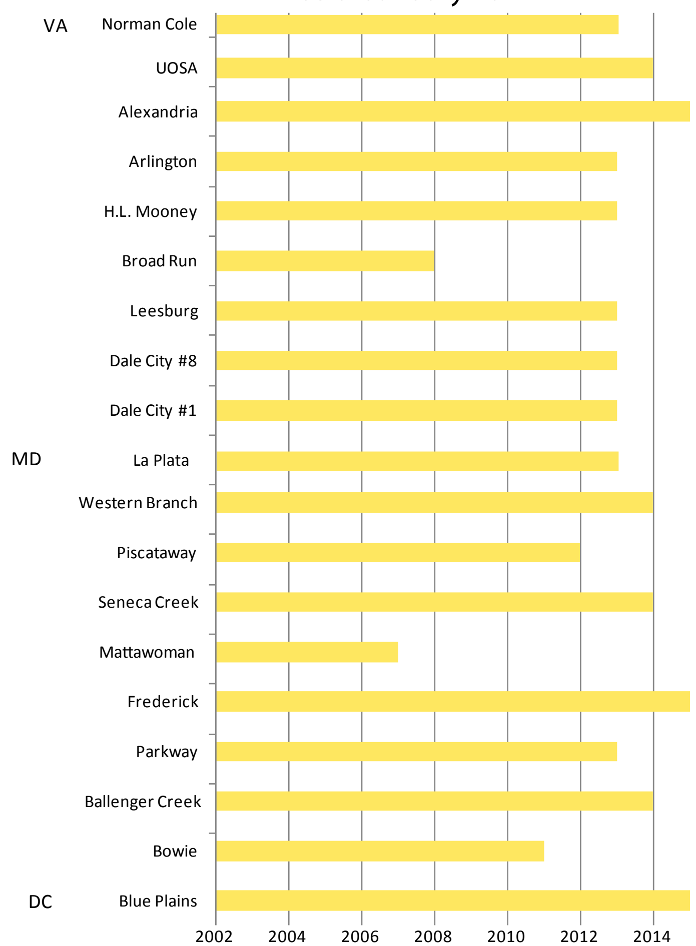
Source: State Watershed Implementation Plan (WIP) status reports and related records.

Challenge

Moderate

If current policies and adequate funding are in place, wastewater sector is on schedule to meet our water quality obligations. The stormwater sector will require clear local goals as well as significant funding in order to meet current schedules.

Enhanced/ State of Art Nutrient Removal Systems Implementation Schedule to meet Chesapeake Bay Program Goals as of January 2012



Major Wastewater Treatment Plants with capacity in excess of 2 million gallons per day

CHALLENGE

The National Capital Region's major wastewater plants (run by local governments and utilities) have defined load caps and permit requirements; and have or are scheduled to modify their facilities to ensure they can achieve the necessary nitrogen reductions by 2017, well before the 2025 implementation deadline. The controls these major wastewater plants are implementing are expected to ensure that they can continue to operate under their load caps for the foreseeable future, even as the region's population grows and wastewater flow increases over time. It should be noted that the region's plants already control phosphorus through state of the art technologies (and don't have sediment loads under the Bay TMDL).

COG's local governments have also implemented stormwater management programs and best management practices in order to meet recently strengthened stormwater permit requirements. In the near future state watershed implementation plans will specifically assign local TMDLs for the first time in response to growth.

Agricultural Land: Beginning in 2012, the region will maintain more than 450,000 acres of agriculture land in farms

489,004

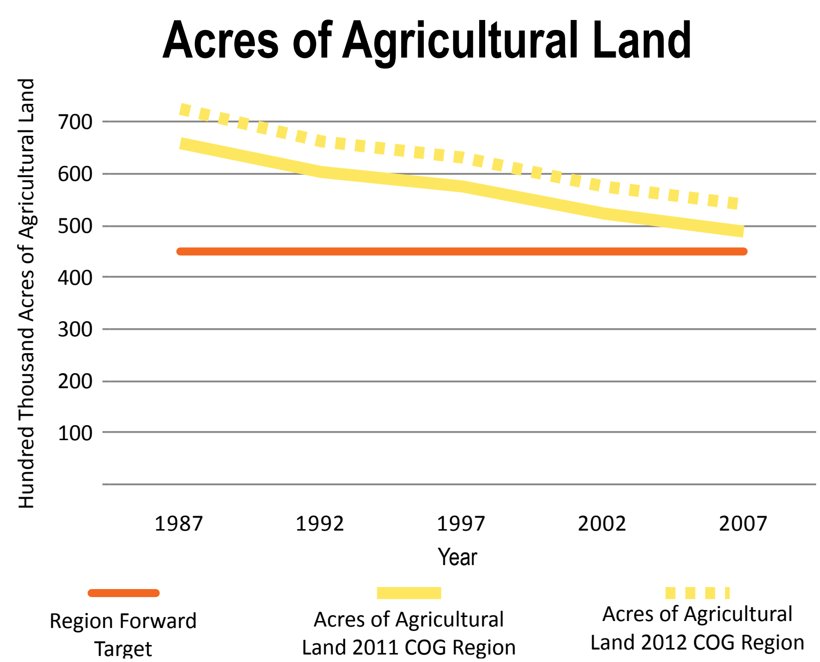
Acres of Agricultural Land

B A S E L I N E

Source: USDA Agriculture Census 2009

WHY THIS IS IMPORTANT

This target was developed to monitor the impact of sprawl on local agricultural lands. Agriculture provides jobs and income to farmers and farm workers, while farmland provides open space that helps to protect ecosystems and natural resources. Additionally, local food production reduces the amount of greenhouse gasses produced by transporting food long distances. For example, produce in the U.S. travels on average 1,300 to 1,500 miles from farm to consumer. Local food systems can reduce “food miles” and transportation costs, offering significant energy savings. Consumers also benefit from fresher, better-tasting, more nutritious food, and more of their dollars stay within the regional economy.



Challenge

Major

The region currently has more than 450,000 acres of agricultural land, but thousands of acres are lost every year

CHALLENGE

Residents are increasingly choosing to buy more of more of their food locally, through local farmers markets, or community supported agriculture (CSA) programs, or local sections in grocery stores. Urban agriculture is gaining popularity and helps contribute to the local food production system. The combination of our region's growing population and increasing demand for local food makes preserving agricultural land increasingly critical.

	Acres of Land in Farms (2007)	Acres of Land in Farms (2002)	Acres Change	Percent Change
District of Columbia	n/a	n/a	n/a	n/a
Arlington County	n/a	n/a	n/a	n/a
Fairfax County	7,031	9,946	-2,915	-29%
Loudoun County	142,452	164,753	-22,301	-14%
Prince William County	32,816	32,549	267	1%
Frederick County	202,087	195,827	6,260	3%
Montgomery County	67,613	75,077	-7,464	-10%
Prince George's County	37,005	45,462	-8,457	-19%
Total	489,004	523,614	-34,610	-7%

Source: USDA 2009 Agriculture Census

Prosp

WHERE WE STAND

The National Capital Region is known for its strong and stable economy. Specifically, the Federal government provides a dependable foundation for our region to build success in other sectors. For example, our region has developed one of the nation's strongest professional services markets in the nation.

This region's prosperity has been fostered by wise investments in education and infrastructure that have produced a highly educated and mobile workforce. We have invested in all levels of education to ensure that our residents remain competitive in the global economy. Our region has numerous top quality higher education institutions that attract the best and brightest. In fact this region's population has more higher education attainment per capita than any other region.

However, success has created a new of equity challenges. Our economy has grown dramatically over the past decades but many of the new jobs created required extensive education and specialized skills forcing employers to look outside of the region for new employees. Consequently, many long time residents have struggled to find their place in the current economy. We need to work harder to raise the high school graduation rate because those who are left behind in their teenage years are likely to struggle throughout their lives. Additionally, it is important that we develop employment sectors that require less specialization because these fields offer important routes for upward mobility that are currently lacking. An important part of improving upward mobility will be expanding the vocational training programs in the region to ensure that all residents can develop the necessary skills to help our economy grow stronger and more resilient.

e r i t y

Wage Growth: Annual rate of growth in median wages will exceed the rate of inflation.

Median wages grew faster than inflation in 2010

B A S E L I N E

Source: U.S. Bureau of Labor Statistics Consumer Price Index
(Data from 2001 - 2004 are for the DC-MD-CA-WV PMSA, Data from 2005 - 2010 are for the DC-MD-VA-WV MSA)

METHOD

Wages adjusted for inflation are referred to as “real wages”, inflation is measured by calculating the rate of change in the Consumer Price Index helps public officials and business leaders accurately compare purchasing power across time. By comparing real wages to other measures such as current median wages, and unemployment rates, policy makers and business leaders have another measure for whether a region’s overall economy is healthy or declining.

WHY THIS IS IMPORTANT

The intent of this target is to determine if growth in wages outpaces inflation over the long term. Increasing wage growth relative to inflation will help improve quality of life by giving residents more purchasing power in return for their labor. These resources can be used to attain a variety of goods and services including better housing, more efficient transportation, or better education.

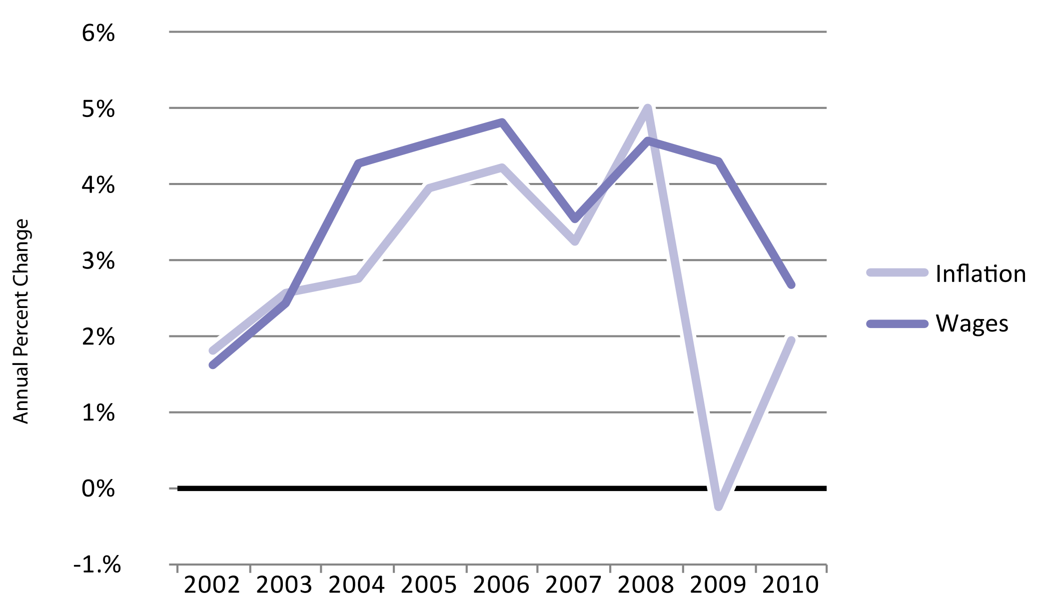
Challenge

Recently, wage growth has outpaced inflation

CHALLENGE

During the past decade the region's wages have generally grown faster than inflation. From 2006 through 2009, inflation has fluctuated from five percent to slight deflation. Consequently, the real value wages in the region has also been in flux.

Change in Wages and Inflation



Employment Growth: Sustain an annual 1 to 3% increase in the number of new jobs

WHY THIS IS IMPORTANT

Based on prior trends, it is predicted that our region's comparatively strong economy will likely continue to attract new residents. This trend is reflected in employment forecasts which project an increase in the number of new jobs, and population.

Percent Employment Growth in Metropolitan Washington

Challenge

Moderate

The number of jobs declined or grew at less than 1% each of the past three years

<1%

more new jobs in 2010

B A S E L I N E

Source: ES-202 VA,MD,DC Wage and Salary Employment

METHOD

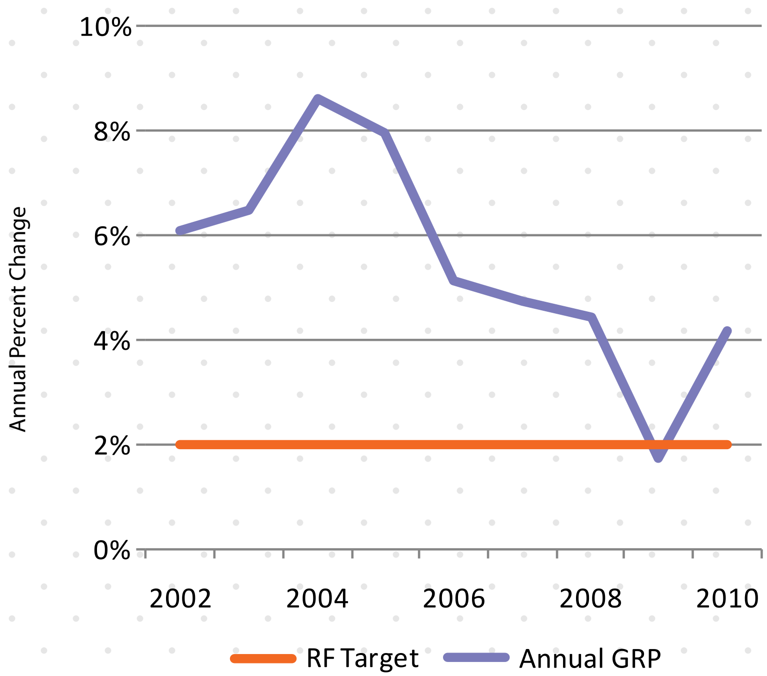
Employment data are compiled by each state as part of the federal ES-202 program, and compiled from unemployment insurance premiums collected by each state.

CHALLENGE

Currently, the region is producing enough new jobs to satisfy population growth but long-term forecasts indicate that the region's annual job growth might decline below 1 percent near 2030. The recent recession has produced a period of negative job growth, causing increased unemployment claims.

Gross Regional Product: Sustain an annual 2 to 4% growth rate in gross regional product for the National Capital Region

Percent Change in Gross Regional Product



WHY THIS IS IMPORTANT

Gross Regional Product is an estimate of all goods and services produced by a region and one of the most common measurements for assessing regional prosperity, used in conjunction with other demographic and economic measures such as population growth, unemployment, educational attainment, and employment sector analysis.

4.2%

increase in 2010 Gross Regional Product

B A S E L I N E

Source: U.S. Bureau of Economic Analysis Gross Domestic Product by Metropolitan Statistical Area 2010

Challenge

Minor

Gross regional product has grown by more than 2% 9 our of the past 10 years

CHALLENGE

Since the National Capital Region is expected to have a significant population increase over the coming decades it is imperative that the region's economy grow large enough to support new residents.

Historically, growth rates between two and four percent have been most common. It is important to note that between 2001 and 2009 this region achieved a much higher growth rate of 6.8 percent.

Vocational Training: Improve access to vocational training and educational options throughout the region

Challenge

Insufficient Data

A study method is being developed

TBD

A study method has been developed

B A S E L I N E

Source: TBD

METHOD

Analyzing access to vocation training and educational options is a new challenge for the Metropolitan Washington Governments. During the past year COG staff has worked with members of the Region Forward Coalition to develop a research and analysis plan for this important goal.

COG staff will first identify the region's educational institutions by analyzing a regional database of employers using North America Industry Codes associated with organizations that provide vocational training and education including community colleges and professional technical schools offering certificates. COG will then map these locations to determine their accessibility to the region's priority transportation network. Finally, COG staff will use a combination of state education data and surveys to determine what kind of education is provided and how many students receive instruction at each institution.

This research will enable the Region Forward Coalition to better understand the accessibility and availability of vocational training and education.

High School Graduation: Increase the rate of students graduating from high school to 90%

Challenge

Moderate

86% of high school students graduate

WHY THIS IS IMPORTANT

High school graduation rates are traditionally used as a key indicator of school effectiveness. *Region Forward* has established a 90% graduation rate as a regional benchmark. This high benchmark is critical because high school graduation has a well established connection to an individual's long term health and wealth.

86%

of regional high school students graduated from high school in 2010

B A S E L I N E

Source: regional school districts

FINDINGS

In 2010 the National Capital Region had a graduation rate of 86 percent, indicates that our region **does not** currently meets the target.

METHOD

The statistical method used to collect these data has been challenged because there is a substantial rate of error and distortion. Most notably the current method allows 6 years for graduation and includes GED certificates. Research has also demonstrated that students who require longer than four years to graduate from high school or earn a GED are less likely to be financially stable and physically healthy. Consequently, a more rigorous methodology has recently been adopted by the U.S. Department of Education as the national standard to provide better data beginning in 2011.

Using the new methodology will cause graduation rates to appear much lower because graduation will be more rigidly defined to ensure better quality data. It is likely that the new methodology will impact some school districts more than others and ultimately the region might be further away from its goal than it currently appears.

Higher Education: By 2020, the percent of population over 25 with a Bachelor's egree is 45% or higher , and the percent with a professional or advanced degree is 20% or higher

23%

of the population 25 and over had attained a professional or advanced degree or higher in 2009

BASELINE

Source: 2009 1- Year American Community Survey: Educational Attainment

WHY THIS IS IMPORTANT

Higher education is a key indicator of prosperity nationwide because higher educational attainment is closely linked with better wages and better long term health.

Many current residents were educated outside of the region and moved here for employment. It is essential that current and future residents continue to develop the skills necessary to thrive in our region's fast paced economy.

Challenge

Minor

The region's population currently exceeds the target

47%

of the population 25 and over had attained a Bachelor's Degree or higher in 2009

B A S E L I N E

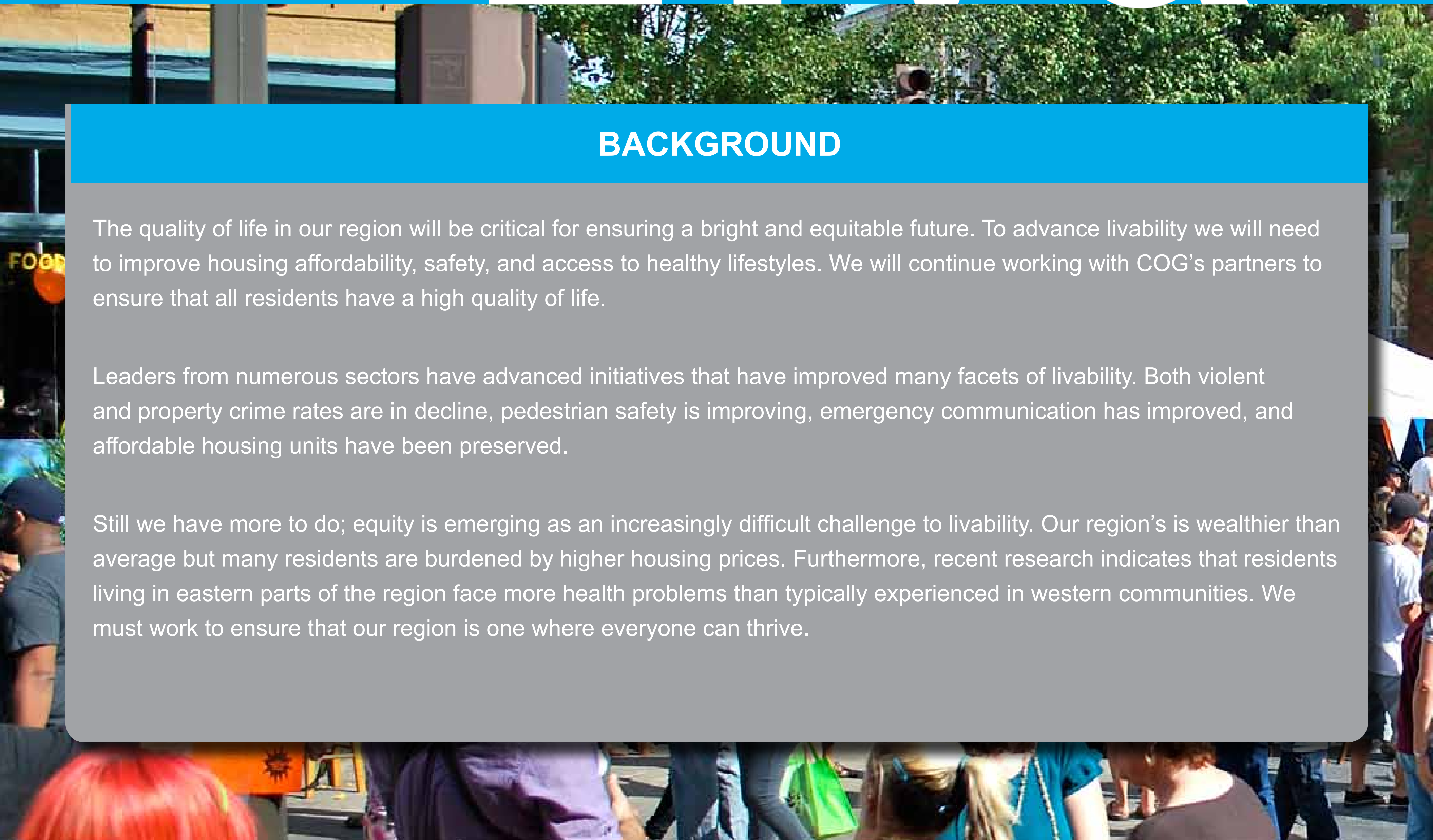
Source: 2009 1- Year American Community Survey: Educational Attainment

CHALLENGE

The National Capital Region has a high proportion of governmental services and professional services jobs, placing a premium on higher education. Residents will need to achieve high educational attainment to ensure that they can take advantage of these jobs.

Currently, our region exceeds the baseline for both Bachelor's Degree attainment and Advanced or Professional Degree attainment by more than two percent each. These attainment rates reflect the region's current depth of skilled workers.

Liva



BACKGROUND

The quality of life in our region will be critical for ensuring a bright and equitable future. To advance livability we will need to improve housing affordability, safety, and access to healthy lifestyles. We will continue working with COG's partners to ensure that all residents have a high quality of life.

Leaders from numerous sectors have advanced initiatives that have improved many facets of livability. Both violent and property crime rates are in decline, pedestrian safety is improving, emergency communication has improved, and affordable housing units have been preserved.

Still we have more to do; equity is emerging as an increasingly difficult challenge to livability. Our region's is wealthier than average but many residents are burdened by higher housing prices. Furthermore, recent research indicates that residents living in eastern parts of the region face more health problems than typically experienced in western communities. We must work to ensure that our region is one where everyone can thrive.

bility

New Affordable Housing: Beginning in 2012, the region will dedicate 15% of all new housing units to be affordable - or a comparable amount of existing housing units through rehabilitation or preservation efforts for households earning less than 80% of the regional median income

WHY THIS IS IMPORTANT

The National Capital Region's strong economy is expected to add 1.8 million residents by 2040, an increase of 30 percent. The region will need to provide a significant amount of housing to accommodate the growing population and maintain economic competitiveness.

DIRECTION

The region's high housing costs present difficult challenges for low and moderate income households, producing a jobs-housing mismatch that strains household budgets and causes severe traffic congestion. Based on employment market forecasts, the majority of new residents will earn median income or less. If our region's housing burden continues to escalate, firms may choose to locate in other regions. Therefore, the region needs to provide a substantial amount of housing that is affordable to households at or below 80 percent of regional median income.

Challenge

Moderate

More new housing will need to be affordable to households earning less than median income

CHALLENGE

The National Capital Region clearly needs to build a tremendous amount of new housing, with a mix of housing types and tenure that reflects changing needs. Analysis by George Mason University's Center for Regional Analysis suggests that a much larger share of new units in the region need to be affordable to households at or below the median income. These estimates include a broader range of affordability that this target, covering the range of 80 to 100 percent of regional median income. The estimates also suggest that a larger percentage of new units need to be multifamily rental affordable housing. This will require a major shift to the housing market, but the National Capital Region has demonstrated an ability to adapt to changing real estate preferences and needs.

88%

of net new rental units need to be affordable to households earning median income or less

B A S E L I N E

Source: George Mason University Center for Regional Analysis Housing the Region's Future Workforce 2011

68%

of net new ownership units need to be affordable to households earning median income or less

B A S E L I N E

Source: George Mason University Center for Regional Analysis Housing the Region's Future Workforce 2011

Affordable Housing Base: Beginning in 2012, the region will maintain a minimum of 10% of housing stock affordable to households earning less than 80% of the regional median income

WHY THIS IS IMPORTANT

Providing an adequate supply of housing for households at or below 80 percent of regional median income is necessary to maintaining the livability and diversity of the region. It's also essential to a functional and resilient economy; workers of low- and moderate-income levels play an important role in driving and supporting the economy. Affordable units need to be distributed throughout the region and accessible to jobs and services. Housing located in areas experiencing rapid price increases should be a high priority.

DIRECTION

According to COG's subsidized housing inventory, subsidized affordable units account for 5 percent of the region's total housing stock. Measuring the supply of market-rate affordable housing is more challenging due to the patchwork of data sources needed establish a baseline. According to analysis by the George Mason Center for Regional Analysis, by 2050, the region will need to provide 235,000 housing units that are affordable to households at or below the regional median income.

5.4%

of the regions total housing stock consists of subsidized affordable housing (109,051 units) * percentage of market rate affordable housing is not available

B A S E L I N E

Source: MWCOG Regional Subsidized Affordable Housing Inventory

CHALLENGE

While the supply of market-rate affordable housing in the region has not yet been adequately measured, COG is developing a Regional Housing Plan that will include a robust and comprehensive analysis of market-rate affordable housing supply. Until the Regional Housing Plan is complete, the analysis of this target is limited to the subsidized affordable housing supply and assessment of projected demand.

Achievement of this target will require significant housing production and more importantly, preservation of existing subsidized and market-rate housing. Without aggressive preservation efforts, the potential loss of existing affordable housing, whether due to expiring subsidies or escalating housing costs, would likely exceed the amount of new housing that could be created. Many jurisdictions in the region are struggling to identify sufficient funding to preserve enough affordable housing.

Challenge

Major

Approximately 5% of the region's total housing stock is subsidized affordable. More research is needed to estimate the market-rate affordable housing, which is more difficult to measure. Meeting this target as the region grows will require significant housing production, as well as aggressive efforts to preserve existing subsidized housing.

155,000

affordable rental housing units need to be provided by 2040

B A S E L I N E

Source: George Mason University Center for Regional Analysis Housing the Region's Future Workforce 2011

80,000

affordable owner occupied housing units need to be provided by 2040

B A S E L I N E

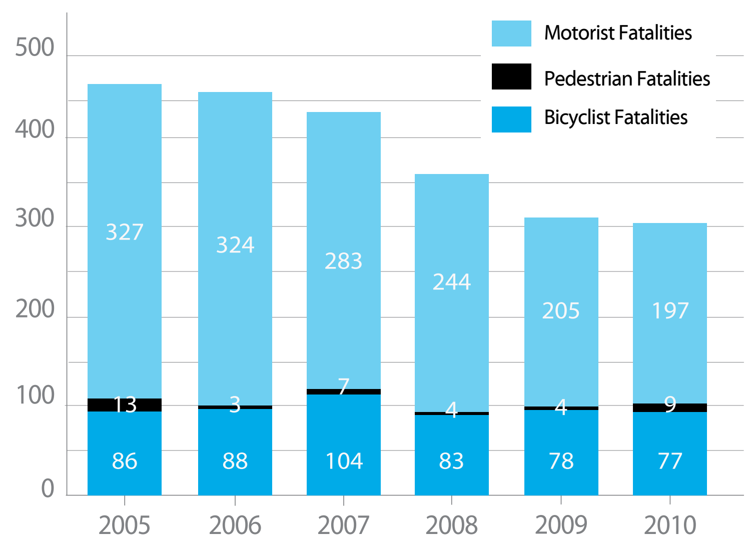
Source: George Mason University Center for Regional Analysis Housing the Region's Future Workforce 2011

Pedestrian and Bicyclist Safety: Reduce the number of pedestrian and bicycle fatalities across the region

WHY THIS IS IMPORTANT

A livable region is one that provides safe and convenient transportation choices to all residents, whether it is by walking, biking, transit, or driving. However, safety is a concern for pedestrians and cyclists alike and is commonly identified as a barrier to walking and biking.

Regional Traffic Fatalites, 2005-2010



% of all traffic fatalities that were bicyclist or pedestrians					
23%	22%	28%	26%	29%	30%

DIRECTION

Though the number of bicyclist and pedestrian fatalities has declined modestly over the past five years, the share of total regional fatalities that were users of these modes has been increasing. In 2010, bicyclists and pedestrians accounted for 30% of all traffic fatalities throughout the region. While motorist fatalities have been falling significantly in recent years, bicycle and pedestrian fatalities have not been falling at the same rate.

CHALLENGE

Making improvements to pedestrian and bicyclist safety requires a multi-faceted approach involving the 3 E's: Engineering, Enforcement, and Education. Structural changes in the engineering and design of roadways can provide a safer walking and biking experience. This can be accomplished through better street design that includes designated pathways for pedestrians and bicyclists, and by implementing operational changes such as lower speed limits and longer crosswalk intervals. Raising the level of enforcement of existing traffic laws can create a more predictable environment where conflicts and accidents are less likely to occur. And finally, increasing education efforts for users of all modes of transportation can increase safety by demonstrating how to share the road and what to watch out for when walking, biking, or driving.

Challenge

Moderate

Bicycle and pedestrian fatalities have decreased modestly over the past five years

30%

of all transportation fatalities in 2010 were bicyclist and pedestrians

B A S E L I N E

Source: Virginia Department of Motor Vehicles; District of Columbia Department of Transportation; Maryland Highway Safety Office

Real Time Crime Data: Increase access for area residents to real time crime data and timely emergency alerts through the internet or mobile applications

Challenge

Moderate

Data are being collected

METHOD

In the future COG staff will survey regional officials to determine the quality of our region's real time emergency information collection and distribution practices. This study will help guide the continued development of our region's emergency communication system.

TBD

Data will be collected

BASELINE

Source: Data will be collected from the MWCOG Public Safety committees

WHY THIS IS IMPORTANT

Real time emergency communication with the public has changed dramatically in recent years. This target seeks to evaluate the region's progress toward collecting and distributing real time emergency information. These systems collect and distribute information that can be used by the public to react appropriately in the case of an emergency. Recently the National Capital Region has developed a website (CapitalRegionUpdates.gov) designed to connect the public with relevant emergency text alerts from a wide variety of regional transportation and emergency management organizations. During a regional emergency, the site will feature incident updates and recommendations of what to do. This tool represents is an important step toward connecting regional residents with the alerts that are relevant to them.

Public Health: The majority of the Health People Goals are met by greater than half of the region's population

TBD

Data will be collected

B A S E L I N E

Source: U.S. Department of Health and Human Services and MWCOG Community Health Status Indicators for Metropolitan Washington 2009.

Challenge

Insufficient Data

U.S. Department of Health and Human Services, Healthy People Goals

WHY THIS IS IMPORTANT

Public Health spans a wide range of topics from public safety to nutrition to disease contraction. High standards of health are necessary foundation for regional equity and prosperity. While there are numerous ways to measure regional health, this target uses the Healthy People Goals developed by the U.S. Department of Health and Human Services to provide a broad- spectrum assessment of health.

The Department of Health and Human Services updates the Healthy People Goals each decade to reflect current national health challenges. The current goals, Healthy People 2020, were released in 2010. Consequently, it is infeasible to simply measure attainment of goals over time.

METHOD

MWCOG staff will measure this target by collecting regional data from ten subject areas.

- ***Nutrition and Weight Status / Physical Activity***
- ***Heart Disease and Stroke***
- ***Cancer***
- ***Respiratory Diseases / Tobacco Use / Substance Abuse***
- ***Injury and Violence Prevention***
- ***Dementia and Alzheimer's Disease***
- ***Diabetes***
- ***Chronic Kidney Disease***
- ***Immunization and Infectious Disease***
- ***HIV/ Sexually Transmitted Infections***

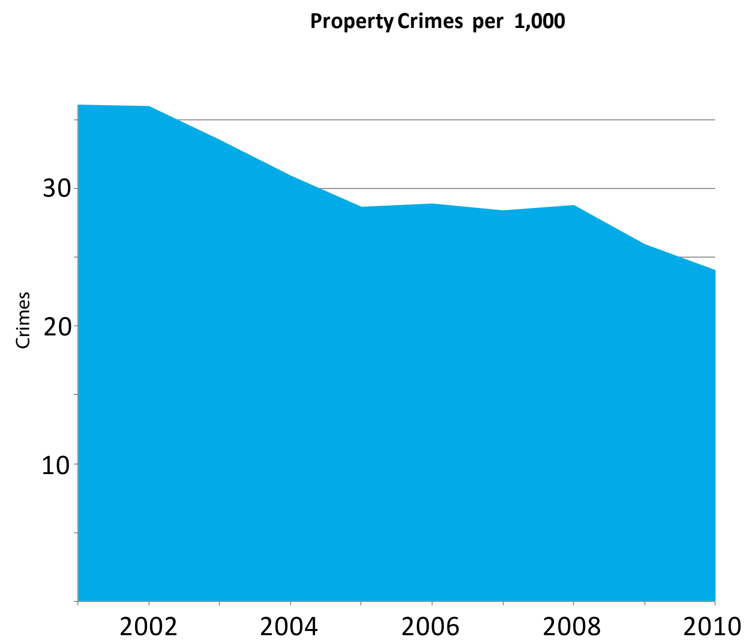
These data will be collected from the U.S. Department of Health and Human services.

Crime: Reduce the number of violent and property crimes across the region

Both violent and property crimes were declining in 2010

B A S E L I N E

Source: MWCOG Annual Report on Crime and Crime Control

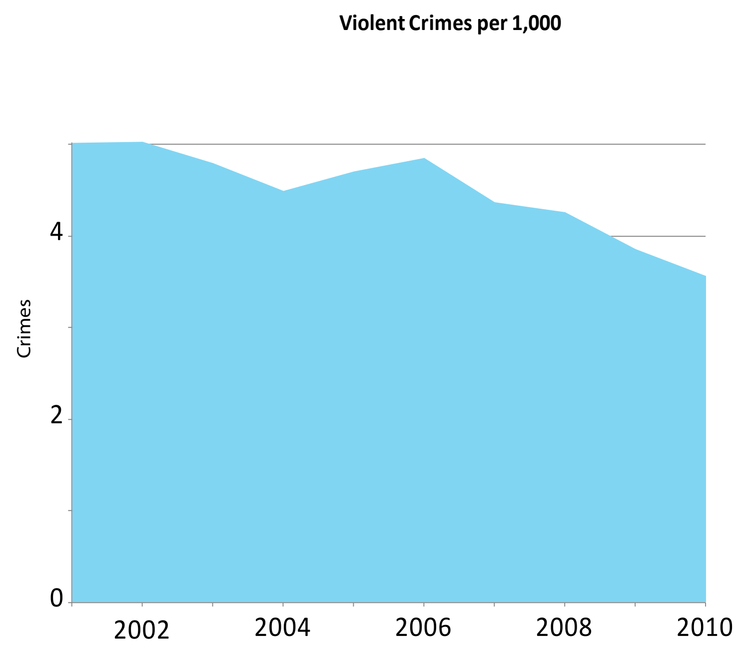


WHY THIS IS IMPORTANT

Crime of any type impairs the livability of a community, and violent crime in particular degrades a region's quality of life. This target measures both property and violent crime rates from year to year, providing a snapshot of the region's safety.

METHOD

The baseline number is determined by MWCOG's Public Safety Department in their Annual Report on Crime and Crime Control. Their report uses the Federal Bureau of Investigation definitions of violent and property crimes.



Challenge

Minor

Both property and violent crime are in decline

CHALLENGE

Over the past five years, the National Capital Region has experienced declines in both property and violent crimes. These improvements indicate that our region's efforts to enhance public safety are improving the livability of our region. If the region continues to reduce the rate of both violent and property crime over the long term we will significantly enhance livability.

This report was produced by the Region Forward Coalition led by the members of the Performance Analysis Team

Metropolitan Washington Council of Governments
777 North Capitol Street, NE | Suite 300 | Washington DC 20002
mwcog.org

DATE: June 13, 2012

TO: Members, COG Board of Directors

FROM: Eric Olson
Vice Chair, Prince George's County Council
Chairman, Region Forward Coalition

Region Forward is the National Capital Region's adopted vision plan for ensuring that metropolitan Washington continues to be an attractive place to live, work, and play while addressing four main interconnected regional challenges of economic growth, equity, aging infrastructure, and a healthy environment. *Region Forward* contains targets and metrics for the purpose of regularly measuring progress towards our shared regional goals which are designed to address these challenges and enhance our quality of life.

This Baseline Progress Report measures our current steps towards achieving these targets, establishes a baseline for measuring success in the future, and increases awareness and accountability among local governments, regional agencies, and stakeholder organizations. The report notes that, of the 28 goals, targets and indicators adopted in *Region Forward*, 7 are identified as "Major Challenges" that will require significant technical, policy or investment decisions well beyond our current efforts. An additional 12 were categorized as "Moderate Challenges" that warrant attention to ensure that our progress is sufficient to achieve those goals.

The report is a tool for residents and leaders to understand where we stand, where we are making progress, and where we are struggling to achieve our shared goals in areas such as transportation, land use, the environment, climate and energy, affordable housing, economic development, health, and public safety. The broad issues highlighted below are significant factors underpinning our major regional challenges in the Progress Report.

- **Built Environment** – Much of the region's built environment contributes to high energy costs, CO_2 emissions, asthma, obesity, diabetes, and poor access to key jobs, goods, and services;

- **Prosperity** – Despite the region's general affluence and success, inequities exist as some communities face high concentrations of poverty and unemployment; low-wage jobs; low-performing schools and low educational attainment; lack of affordable housing choices; and poor health outcomes;

- **Transportation Funding** – New revenue and dedicated funding is needed to support our existing transportation system and expansion efforts; and

- **Water Quality** – Developed land uses, including impervious surfaces such as roads are stressors on waterways such as streams and the health of the Chesapeake Bay.

The report's findings demonstrate new and intractable regional challenges that will require forward thinking, innovation and collaboration. In areas where the region is struggling to achieve our goals, we may need to reexamine our institutions, leadership structures, and policies to remain competitive on the global stage.

Now is the time to focus on the region's long-term future; the communities we leave to our children and future residents will depend on our ability to seize the moment, make hard decisions, and see them through.

AGENDA ITEM #8

ECONOMIC GROWTH AND COMPETITIVENESS: LEARNING SESSION – INDUSTRY LEADERS PANEL

AGENDA ITEM #9

OTHER BUSINESS

AGENDA ITEM #10

CALL FOR EXECUTIVE SESSION

AGENDA ITEM #11

RECONVENE PUBLIC SESSION

AGENDA ITEM #12

ADJOURNMENT

NEXT MEETING: July 11, 2012