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THE FBI HEADQUARTERS CONSOLIDATION

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HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

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U.S. General Services Administration, "Report of Building Project Survey for the Federal Bureau of Investigation, Headquarters Consolidation, Washington, DC, Metropolitan Region," (2011) 69
Brookings Institution Center on Urban and Metropolitan Policy, "A Region Divided: The State of Growth in Greater Washington, DC," (1999) 76

Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster Chairman	Washington, DC 20515	Nick J. Rahall, II Ranking Member
	March 1, 2013	

Christopher P. Bertram, Staff Director — James H. Zoia, Democrat Staff Director

SUMMARY OF SUBJECT MATTER

TO:	Members, Subcommittee on Economic Development, Public Buildings, and Emergency Management
FROM:	Staff, Subcommittee on Economic Development, Public Buildings, and Emergency Management
RE:	Subcommittee Hearing on "FBI Headquarters Consolidation"

PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Wednesday, March 6, 2013, at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony related to the proposal for a consolidated headquarters for the Federal Bureau of Investigation (FBI) in the National Capital Region. At this hearing, the Subcommittee will review the need for a new FBI headquarters, consider the best solution to meet the needs of the FBI and protect the taxpayer, options for financing this major project, and how and whether the existing FBI headquarters building can and should be leveraged. The hearing is intended to inform the Committee as the Committee considers whether to authorize the General Services Administration (GSA) to proceed with the project. The Subcommittee will hear from Members of Congress representing states and districts in the National Capital Region, GSA, and the FBI.

BACKGROUND

General Services Administration

The Subcommittee has jurisdiction over all of GSA's real property activity through the Property Act of 1949, the Public Buildings Act of 1959, and the Cooperative Use Act of 1976. These three Acts are now codified as title 40 of the United States Code. The Public Buildings Service (PBS) is responsible for the construction, repair, maintenance, alteration, and operation of United States courthouses and public buildings of the Federal government. Additionally, PBS leases privately owned space for Federal use. GSA owns or leases 9,600 assets and maintains an inventory of more than 362 million square feet of workspace. GSA acts as the "landlord" for the Federal government, obtaining and managing space to meet the space needs of other Federal agencies.

Federal Bureau of Investigation Headquarters

The FBI headquarters building, named the J. Edgar Hoover Building ("Hoover Building"), is located on Pennsylvania Avenue in Northwest Washington, D.C. and occupies over a full city block of prime real estate located in the Nation's Capital between the U.S. Capitol and the White House. The building was first occupied in 1974. Since that time, security requirements have changed significantly, and the FBI has outgrown the building. Currently, elements of the FBI headquarter functions in the National Capital Region occupy more than 3 million square feet of space, costing $168 million annually, dispersed over 21 separate locations, and the Hoover Building now only houses 52 percent of the headquarters staff.

Over the last decade, various studies have been conducted related to consolidating the FBI headquarters. In 2004, FBI Director Mueller requested that GSA recommend a strategy for consolidating the FBI headquarters. In 2005 and 2006, GSA commissioned studies on a housing strategy and a site analysis on repositioning the Hoover Building. In 2010, the FBI commissioned an initial project report for the FBI consolidation. In 2011, the Urban Land Institute also conducted a focused study on an FBI headquarters consolidation. Also, in 2011, the Government Accountability Office (GAO) completed a study related to security recommendations pertaining to the Hoover Building.

Senate Action

In July of 2011, the Senate Committee on Environment and Public Works (Senate EPW) passed a committee resolution directing GSA to investigate the feasibility and need to construct or acquire a replacement consolidated headquarters facility for the FBI. In August of 2011, the FBI submitted to Senate EPW and House Committee on Transportation and Infrastructure the results of its commissioned report. In October 2011, the GSA submitted its response to the Senate EPW request. In December 2011, the Senate EPW adopted a committee resolution to authorize GSA to enter into a lease transaction, on federally-owned land, for a consolidated FBI headquarters consistent with the survey completed by the FBI. The Senate resolution also required:

- GSA ensure the lease transaction resulted in ownership;
- To the maximum extent practicable, the new headquarters to be located within 2 miles from a Metro rail station **and** 2.5 miles from the Capital Beltway (I- 495);
- The site not exceed 55 acres and provide for Level V security;
- The building not exceed 2.1 million square feet with an office utilization of not more than 109 square feet per person and an overall utilization of 174 square feet per person.

On January 9, 2013, GSA issued a Request for Information (RFI) to obtain responses from the development community, local and state jurisdictions, and other interested parties on the potential of a consolidated FBI headquarters in the National Capital Region. The deadline for submissions is March 4, 2013. The new FBI headquarters would reduce the current FBI footprint by roughly 1 million square feet and allow for the consolidation of their 21 locations across the region.

FBI and GSA Responses to Senate EPW Resolution

Both the FBI and GSA submitted responses to the Senate EPW's original request to investigate the feasibility of a consolidated FBI headquarters. Both studies concluded that the current Hoover Building no longer meets the requirements of the FBI due to growth, security, and information technology requirements. However, the studies came to two different conclusions as to the most cost effective option for a new consolidated headquarters. The GSA response recommended Federal construction. The FBI response recommended a lease transaction.

Both the FBI and GSA looked at various options for financing a new headquarters. Specifically, these options are:

- Federal Construction – using Federal funds to construct the facility on Federal land.
- Lease Construction – entering into an agreement with a private developer to build the facility and lease to the Federal government.
- Ground lease/lease back – leasing federally-owned land to a private entity, which would then construct the facility and lease the building back to the Federal government.
- Acquisition by Exchange – leveraging the value of the Hoover Building by exchanging it for a new facility.

Below is a comparison chart of the cost analyses[1] completed by GSA and the FBI for each:

Transaction Type	**GSA**	**FBI**
Federal Construction	$1.862 billion	$2.985 billion
Lease Construction	$2.5 billion	$2.405 billion
Ground Lease/Lease Back	$2.1 billion	$1.957 billion
Acquisition by Exchange	$1.933 billion	N/A

Another factor discussed in both studies is the cost of the land. If the Federal government had to acquire unimproved land for a new headquarters, such an acquisition would impact the costs.

The Senate EPW resolution authorizing a new consolidated headquarters identified the FBI's preferred solution of a lease transaction, most likely a ground lease/lease back arrangement. The GSA RFI seeking information on possible arrangements and solutions for a new FBI consolidated headquarters also indicated GSA would consider the exchange of the Hoover Building as part of a potential transaction.

[1] Cost analyses calculated at the 30-year net present values.

Legal Authorities

GSA has broad authorities to enter into certain transactions. GSA has various authorities, largely contained in title 40 of the United States Code, to construct, acquire, lease, and exchange properties, subject to authorization through committee resolution by the Senate EPW and the House Committee on Transportation and Infrastructure. In addition, Congress provided GSA with additional authorities, specifically intended to encourage public-private partnerships. For example, section 412 of the fiscal year 2005 Consolidated Appropriations Act (commonly referred to as "412 authority"), allows GSA to retain net proceeds from dispositions of its real property through sale, lease, exchange, or otherwise, including leaseback arrangements. In addition, GSA also has authority under section 585 of title 40 of the United States Code to enter into 30 year ground leases with a private entity, such as a developer, and lease back the space as proposed by the FBI.

The authorities contained in sections 412 and 585 provide GSA with significant authority to sell or redevelop underutilized properties and enter into public private partnerships to offset costs associated with renovating or creating Federal space. Section 585 would likely be the primary authority used for the FBI transaction – issuing a ground lease of Federal land to a private entity which would build the facility and lease it back to the Federal government. In addition, GSA's exchange authority may be used if the Hoover Building is a part of the transaction.

Potential Issues

Given the size and complexity of the proposed project, there are a number of issues that could complicate the project and unnecessarily increase costs to the taxpayer. In addition, the Committee will need to decide, as it considers whether to authorize this project, what limitations and parameters should be included in a committee resolution to help mitigate against any potential issues. Potential issues include:

1. Cost to the Taxpayer/Hidden Costs – While a ground lease/lease back arrangement would lower upfront costs to the taxpayer since Federal construction would be avoided, the overall costs of the project will impact the taxpayer through:
    a. Factors impacting the rental rate of the new facility
        i. Determining a reasonable rental rate;
        ii. Avoiding unnecessary and expensive tenant improvement costs that would translate into a higher rental rate.
    b. Use of Federal, donated, or purchased land
        i. Purchasing property would add significant costs and may not be appropriate.
        ii. Should the transaction be bifurcated – one for the site selection and another for the construction facility to avoid hidden costs (e.g. a "donation" of land in which the costs are incurred through higher lease payments).

2. Valuation of the Hoover Building – If the Hoover Building is used in the transaction to offset costs of the new facility, ensuring the full value of the Hoover Building is realized becomes both more critical and more difficult.

3. Maximize Competition – The Senate EPW resolution requires, to the extent practicable, the new location be 2 miles from a Metro rail station and 2.5 miles from the Capital Beltway. If GSA were to follow this instruction, it could significantly limit competition of sites in all three potential jurisdictions (Virginia, D.C., and Maryland).

4. Management of Transaction – Given the size and complexity of this project, what mechanisms will GSA and the FBI put into place to ensure the project is carried out and managed appropriately.

5. Budgetary Scoring Concerns – The Office of Management and Budget (OMB) scoring guidelines for leases create considerable uncertainty about the scoring treatment of a public private development partnership for a new consolidated headquarters. If the OMB scores a lease as a capital lease, then the project would require up front the budget authority to cover the full costs of the development.

Possible Committee Action

GSA's Public Building Service activities are funded primarily through the Federal Building Fund, an intra-governmental fund into which agencies pay rent for the properties they occupy. Any excess funds generated by the rental system are used for building repairs and new construction. Each year, GSA submits to the Committee on Transportation and Infrastructure and Senate EPW its Capital Investment and Leasing Program (CILP) for the subsequent fiscal year. The CILP submission includes what are known as prospectuses for each project, detailing the project scope, need, and estimated costs. For FY 2013, a prospectus is required for any project in excess of $2.79 million.

As noted, while the FBI project was not included as a part of the annual CILP, resolutions by both committees will be required for GSA to proceed with the FBI project. Title 40 of the United States Code, requires the Committee on Transportation and Infrastructure and Senate EPW to pass resolutions authorizing projects for construction, repair, alteration, or leasing of space prior to an appropriation of funds. The annual appropriations bills also include limitations on GSA's funds to include only those "prospectus-level" projects that have been authorized by committee resolutions. As mentioned, Senate EPW has already passed a committee resolution authorizing GSA to proceed with the development of a new headquarters.

WITNESS LIST

The Honorable Benjamin L. Cardin (D-MD)
United States Senator

The Honorable Tim Kaine (D-VA)
United States Senator

The Honorable Steny Hoyer (D-MD)
Democratic Whip
Member of Congress

The Honorable Frank Wolf (R-VA)
Member of Congress

The Honorable Jim Moran (D-VA)
Member of Congress

The Honorable Gerald E. Connolly (D-VA)
Member of Congress

Dr. Dorothy Robyn
Commissioner
Public Buildings Service
U.S. General Services Administration

Mr. Kevin L. Perkins
Associate Deputy Director
Federal Bureau of Investigation

THE FBI HEADQUARTERS CONSOLIDATION

WEDNESDAY, MARCH 13, 2013

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:10 a.m. in Room 2167, Rayburn House Office Building, Hon. Lou Barletta (Chairman of the subcommittee) presiding.

Mr. BARLETTA. The committee will come to order. Welcome to our first subcommittee hearing. And thankfully it was not rained out today.

I would like to thank Chairman Shuster for the opportunity to chair this subcommittee. I also look forward to working with Ranking Member Norton and continuing this subcommittee's bipartisan tradition. Let me also thank our distinguished colleagues from the House for testifying today. Your presence speaks volumes about your concern for the FBI and your communities. And finally, let me welcome Dr. Robyn from GSA and Mr. Perkins from the FBI.

I chose the FBI headquarters for our first hearing, because it is one of the most significant projects we may consider this year. Several studies have documented the functional, operational, and security problems with the Hoover Building on Pennsylvania Avenue.

The FBI has a vital mission. It has made a compelling case for relocating its headquarters function. However, a new facility would cost over $1 billion, and financing it in today's budget climate will be extremely challenging. Direct appropriations are doubtful, and OMB scoring rules typically preclude leases that result in Federal ownership. In fact, I have been told OMB has not approved a long-term ground lease with a Federal lease-back, as the FBI is proposing, since the scoring rules changed in the early 1990s. Yet, if we are successful, this has the potential for becoming a model for public-private partnerships in the future.

When it comes to this proposal, the committee has two general goals: the project should meet the security and operational requirements of the FBI, and it needs to be a good deal for the taxpayers. Achieving these goals raises a host of questions that need to be addressed.

For example, if the FBI must leave Pennsylvania Avenue, is a consolidated campus the best alternative? How can Congress limit the financial risks to the taxpayer by such a large and complex project? How can the committee ensure a fair and competitive site selection process? Can a consolidated facility be constructed or pur-

chased for a reasonable cost? What is the value of the current site on Pennsylvania Avenue, and what should be done with it? Is GSA capable of managing such a complex project?

These are some of the important questions we hope to explore during today's hearing so we can ensure the FBI's requirements are met and the interests of the taxpayer are protected. I look forward to our witnesses' testimony.

I now call on the ranking member of the subcommittee, Ms. Norton, for a brief opening statement.

Ms. NORTON. Why, thank you very much, Mr. Chairman. And I congratulate you on your first hearing. I look forward to working with you. I note that both you and Chairman Shuster have started this committee and this subcommittee off to a very fast and a very good start, taking up important issues from the get-go. And I appreciate the start you have made.

I am pleased, especially, to welcome all of today's witnesses, and especially my colleagues from across the region. But I think it is important to clarify what is before us today. What is before us today is simply a hearing on the GSA's Request for Information. That is all that the GSA has asked for, all it has solicited, information only.

Now, an RFI, as we call it, can lead to an actual request for proposals. In this case, to consolidate the FBI into a new headquarters. And there is agreement by the FBI, by the GSA, and by the GAO, that a new headquarters is necessary. The Pennsylvania Avenue headquarters has been falling apart now for many years. And it does not allow even key personnel to be housed in its headquarters building.

As important as the FBI is as an agency, constructing a new or otherwise obtaining a new FBI is really no different from any other Federal construction. The GSA and the GSA alone must conduct a competition. And the GSA must make the decision in the best interest of the taxpayer. And I can say in more than 20 years on this subcommittee, Mr. Chairman, I have never seen any political decisions made by the GSA, and I am sure they will keep that very strong record up.

Everybody here hopes that their site will be selected, including the site from the District of Columbia. And everyone here is, of course, doing the right thing to market their sites. Sites are marketed not only by developers, they are also marketed by Members of Congress. I regard my role, however, as ranking member, to ensure that there is fair competition, so that the taxpayer gets top value.

The staff memo raises important questions. And the responses from the GSA today are going to be very important to the subcommittee in evaluating this process. I appreciate the clarification in the staff memo, working with my friends on the other side, because there is a—the Senate resolution—do we have that? Do we have that? The Senate resolution—and isn't it interesting, when I say there should be no political interference? The Senate resolution has not been adopted by the GSA, and has led some members of the press to believe that the site could be spread throughout the region.

It is clear that the RFI is in the GSA—is the GSA resolution. And it says the location of the new FBI headquarters must be no more than 2 miles from a Metrorail station, not 2.5 miles from the Capital Beltway. And the resolution is drawn that way to maximize competition and because of the longstanding policy of this committee, especially in this congested region, that we must facilitate the use of Metrorail and mass transportation.

We know that the 20 locations of the FBI has made it impossible for the agency to conduct its business as a security agency should be. We are looking for lower space allocations. We believe that the GSA could consolidate in as little as 2 million square feet. Its appropriation, if it were not leasing space as it is now across the region, would be cut by nearly $45 million. The GSA is compelled by the policy of the administration and of this subcommittee to use the new space utilization, which reduces substantially the amount of space for each employee. As for the space on Pennsylvania Avenue, the headquarters on Pennsylvania Avenue, it is the ugliest building in town. Good riddance.

The focus of the first panel will be, of course, on their preferred sites. It is the second panel that is critical to our work, especially the use that the RFI proposes to make of Section 412 authority that allows it a range of options to engage in transactions, and does not require upfront spending by the Federal Government.

I appreciate that Chairman Barletta has focused also on the OMB's scoring rules, which do not align with CBO's rules. And those scoring rules have cost the Federal Government billions of dollars over time. And I believe that Congress may have to intervene if those rules come into play again.

The project presents many challenges, but it also presents many opportunities, and very specifically the opportunity on the part of GSA to engage in a normal real estate transaction, instead of treating real estate as a commodity, losing money for the taxpayer. Thank you very much, Mr. Chairman.

Mr. BARLETTA. Thank you, Ranking Member Norton. At this time I would like to recognize the chairman of the full committee, Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Barletta, and thanks for holding this hearing today. This is an important hearing. Obviously, we are joined by four distinguished colleagues of ours, and two from Virginia, two from Maryland. So it is obviously important to the region, as well as the ranking member, who, of course, represents the District of Columbia. But I welcome you here to the committee today.

And again, I appreciate you holding this hearing, Mr. Chairman. The FBI is one of the most important institutions in this Nation. It keeps us safe. We need to make sure that we find them a location that is best suited for them, and making sure that it is efficient, it is modern, and it is secure.

So, as we move through this process, I look forward to getting input and hearing from everybody. And again, thank all of you for being here. And thank you, Mr. Chairman, for holding this hearing.

Mr. BARLETTA. Thank you, Mr. Chairman. I now call on the ranking member of the full committee, Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Chairman. I have no opening comments. I want to hear from my colleagues first.

Mr. BARLETTA. Thank you. We will have two panels today. The first is a Members panel that includes the Honorable Steny Hoyer, the Honorable Frank Wolf, the Honorable Jim Moran, the Honorable Donna Edwards, and the Honorable Gerald E. Connolly.

I ask unanimous consent that our witnesses' full statements be included in the record.

[No response.]

Mr. BARLETTA. Without objection, so ordered. Since your written testimony has been made a part of the record, the subcommittee would request that you limit your oral testimony to 5 minutes.

Representative Hoyer, you may proceed.

TESTIMONY OF HON. STENY H. HOYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND; HON. FRANK R. WOLF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA; HON. JAMES P. MORAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA; HON. DONNA F. EDWARDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND; AND HON. GERALD E. CONNOLLY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. HOYER. Thank you very much, Mr. Barletta, and I want to thank Chairman Shuster, Ranking Member Norton, and Ranking Member Rahall for their attendance. I thank the committee for holding this hearing to examine the possibility of a new consolidated FBI headquarters, and for the opportunity to testify on the merits of relocating to Prince George's County, Maryland, where I grew up and where I now represent, and have for the last 32 years.

The J. Edgar Hoover Building is in disrepair and does not comply with today's high-security standards. I think everybody agrees on that. The agency suffers from space constraints and security challenges. To restore the current building is neither cost effective nor feasible. In addition, roughly half the headquarters staff are in leased space around the capital region because there is insufficient space within the J. Edgar Hoover Building.

Consolidation will save money and enhance the FBI's ability to do its work. The dispersion of staff negatively impacts the FBI's ability to perform its mission. Consolidating and relocating the headquarters in a timely manner will help ensure that the FBI can carry out that mission and save our taxpayers at least $44 million annually in the process.

Any new location for a possible new consolidated FBI headquarters must meet several requirements. First, it must have a minimum of 45 to 50 acres. Secondly, it must be located within the national capital region. Thirdly, it must have access to public transportation, such as Metrorail. And it must have space to house approximately 11,000 personnel.

With a variety of potential sites in close proximity to Washington with sufficient available acreage and close to mass transit, I believe that Prince George's County is an ideal location for the new headquarters. We will try to make that case over the next months, and

we will look forward to working with our colleagues towards that end.

Prince George's County, Mr. Chairman, as you may know, has ample undeveloped land near the Metro. In fact, more so than any other jurisdiction: the MARC commuter rail, the Capital Beltway, a variety of Metro and county transit bus lines and regional bike trails. The sites can provide a secure and convenient campus setting.

Twenty-five percent of the region's Federal workforce resides in Prince George's County, and our State is already home to a plurality of the FBI's employees. According to a Maryland State study released in September, 43 percent of FBI headquarters employees live in Maryland, 17 percent live in Washington, DC, and 33 percent we understand live in Virginia. FBI personnel and their families, I suggest, could benefit from a lower daily transportation expense, Prince George's County's vibrant neighborhoods, and an easier commute.

In addition, Maryland has recently seen unprecedented growth in the field of cybersecurity, which would provide the FBI with greater access to experts in the field, as well as a highly skilled workforce. Our State is home to—and I think this is very important: the U.S. Cyber Command at Fort Meade; the National Security Agency; the Defense Information Systems Agency; the National Cybersecurity Center of Excellence headquarters at the National Institute of Standards and Technology; the Department of Defense's Cyber Crime Center, known as DC3; and the Intelligence Advanced Research Projects Activity, IARPA.

Our State's institutions of higher education, including the University of Maryland at College Park, just a few miles from the projected site, and Bowie State University, also just a few miles from the projected site, both located in Prince George's County, are training the next generation of leaders in cybersecurity. Numerous companies and contractors in the field of cybersecurity are located in Prince George's County as well, Mr. Chairman, not far from others operating in Montgomery and Anne Arundel County.

I think that Prince George's County will make its case with several potential secure and convenient locations, and a significant portion of the region's Federal workforce is the right choice for the new FBI headquarters. I will continue to work with you, Mr. Chairman, with your ranking member, Ms. Norton, and with Mr. Shuster and Mr. Rahall as we go forward assessing the merits of each of these sites. Local officials in Maryland and the Governor advocate for any proposed consolidated FBI headquarters to be relocated in Prince George's County. Our State is united in that effort, including, as you just recently heard, the leadership of Montgomery County, Mr. Leggett.

So, I thank you for this opportunity to appear, look forward to working with you. We believe that the Prince George's County proposal will prove to be, from the taxpayers' standpoint, which is obviously our principal concern, and from the FBI's standpoint and national security, to be the best site. And we look forward to working with you towards that end.

I thank you, thank the chair and the committee for its attention.

Mr. BARLETTA. Thank you for your testimony, Representative Hoyer.

Representative Wolf, you may proceed.

Mr. WOLF. Sure. Thank you, Mr. Chairman. Thank you and also Ms. Norton, too. I will try to summarize quickly.

Obviously, I am here to support the Bureau moving its headquarters to the State of Virginia. The entire Virginia delegation, the Governor, everyone, is in complete agreement.

It is a logical choice. A number of FBI agents live in Virginia. The Washington field office resident agency is in Virginia. The FBI Academy is in Virginia at Quantico, the back-and-forth and back-and-forth between the two. The FBI new record facility is slated to be built in Virginia. The recordkeeping fingerprint is out in West Virginia, which is relatively close. The CIA is in Virginia. The CIA is in Langley. The CIA is in Herndon. The CIA is in Reston. The CIA is on Route 28. The NRO is in Virginia. And I could go on. But having the proximity—FBI, NRO, CIA, all these agencies together, along with the West Virginia and the new recordskeeping in Winchester, it makes a big difference.

There are a number of potential sites in Virginia that meet the needs of the Bureau. I am not coming in for any one particular site, whether they are in Fairfax County, Prince William County, or in Loudoun County.

As the process gets underway there, I think it is important that the Government get the best deal. And I would encourage or end by this last comment. If I say anything that sticks, hopefully this will be. I would encourage the subcommittee not to limit its search to sites no further than 2.5 miles from the Capital Beltway as the Senate prospectus requires. That would arbitrarily prevent sites in Loudoun and Prince William. We expect the procurement process to be open and fair. So open and fair, and remove any strictures that sort of, when you write them down, you in essence are not saying the name but you are forcing it to go. It ought to be open and fair.

And with that, I thank you for the hearing very much.

Mr. BARLETTA. Thank you for your testimony, Representative Wolf.

Now, Representative Moran, you may proceed.

Mr. MORAN. Thank you, Chairman Barletta and Shuster and Ranking Members Norton and Rahall. We appreciate the opportunity to get our views before this subcommittee as a region.

Now, I, along with a united Virginia congressional delegation, do believe that northern Virginia would make the ideal location for the new FBI headquarters. And the reasons are the following, and they do mirror exactly what Mr. Wolf had to say, although we didn't confer in advance. But I think you will find the same conclusions that we came to.

Northern Virginia is home to a majority of FBI personnel in the region. FBI people live in northern Virginia, for the most part. The FBI Academy and the FBI Laboratory, the premier crime lab in the U.S., employ over 500 scientific experts and special agents. They are both located in Quantico, Virginia. The northern Virginia resident agency, field office for several hundred agents, is located in Prince William County. And Winchester, Virginia, will be the fu-

ture home of the FBI's central records complex. A headquarters location in northern Virginia would provide substantial logistical benefits and collaborative opportunities.

In addition, the FBI occupies a number of discreet facilities elsewhere in northern Virginia, and the region is also home to the National Counterterrorism Center and the headquarters of the Central Intelligence Agency. An FBI headquarters location in Virginia would increase opportunities for cross-agency coordination and promote increased operational efficiency, saving time and transportation costs.

Northern Virginia offers geographically advantageous locations roughly equidistant from Quantico and Washington, DC, offering easy access to other Federal agencies, Congress, and the aforementioned major FBI facilities. Our region also has some of the best schools in the country and is consistently ranked one of the best places to live, work, and raise a family. Taken together, these attributes would help to minimize the adverse transition and transportation effects on employees assigned to the new headquarters.

Now, my top priority, of course—our top priority—is to support efforts to locate the FBI headquarters in Virginia. But I would like to mention a couple of facilities in particular. There is a Center for Innovative Technology property, their substantial amount of land is located right at the—at Route 28 and the Dulles Toll Road, and it will have access to the Silver Line Metro station.

Another property that I believe would be ideal for this facility is a GSA warehouse located in Springfield, Virginia. It is situated on approximately 60 acres. It could easily accommodate over 3.5 million square feet of highly secure office space, and would allow for the productive use of underused Government-owned real estate. It is right at a Metro station. It would provide ample space for the FBI to accommodate potential future growth.

Given recent local challenges that were created by BRAC relocations, I think this subcommittee should consider sites that would require the least amount of off-site infrastructure. It is expensive, it is time-consuming, and I don't think that it is appropriate to have to invest in substantial infrastructure to accommodate a new FBI building.

In this regard, though, the Springfield location is unique, because we have substantial improvements to Interstate 395, on which it is located. We have the express lane project on the beltway, and the completion of the Fairfax County Parkway to Fort Belvoir, all going along this site. So more than $1 billion has been invested in the road network in and around this particular GSA warehouse site. It is also located, as I say, next to the Franconia-Springfield Metro station, next to Amtrak, and next to VRE rail lines, and it is served by a very extensive bus system. So the presence of a high-quality road network and mass transit options would promote efficient traffic flow and minimize the impact on the local community.

Now, as GSA proceeds with its selection process, I know that this competition will be conducted in a completely open and fair manner. Unlike the Senate-passed prospectus, I would hope that we would not prevent consideration of potential sites in the Dulles area. I urge the subcommittee to oppose unnecessary restrictions

on the location of the new FBI headquarters. The Senate was more restrictive; I don't think there is a need for the House to do so. The decision of where to locate this facility should be based solely on what is best for the FBI's ability to fulfill its vital law enforcement and national security missions through a transparent process, free of political considerations.

I am fully confident that sites in Virginia will stand out among all the options, and I thank you again for inviting us to testify and for your continued efforts to ensure the best possible location is chosen as the new headquarters for the FBI. Thank you, Mr. Chairman.

Mr. BARLETTA. Thank you for your testimony, Representative Moran.

Representative Edwards, you may proceed.

Ms. EDWARDS. Thank you, Chairman Barletta and Ranking Member Norton. I really appreciate the ability to testify today. And I look forward to our work together, as a subcommittee, to make sure that we are reporting a resolution that adequately reflects the needs of the FBI, but also is respective of the needs of taxpayers.

The future location of the FBI headquarters is vital to the men and women of the Bureau and to their mission. But it is also vital to the people of my congressional district, specifically in Prince George's County, where I live, which Congressman Hoyer and I represent here in this chamber. We are here today because it is critical that the FBI consolidate its operations to optimize the agency's ability to meet its vital mission and make the best use of taxpayer resources.

It has been my experience on this committee that when we have considered—and Ranking Member Norton understands this—when we have considered these matters in front of our committee, our goal is about fairness of process, to make sure that there is the most open competition possible that then maximizes the taxpayers' dollars.

It has been almost 40 years since the FBI actually moved to the Hoover Building, and we know it has outgrown it. We know that it can no longer provide the security, infrastructure needs, and space required of the world's premier law enforcement agencies. In addition to its responsibilities here at home today, the FBI is a key leader, globally, in meeting our law enforcement needs.

Here in the national capital region, the FBI occupies more than 3 million square feet of space over 21 locations that results in $168 million of leasing costs alone. It is pretty staggering. But surprisingly, the Hoover Building currently only houses 52 percent of the FBI's headquarters staff. This dispersed office structure is impeding the Bureau's ability to meet its core mission, due to challenges in managing its headquarters, divisions, and offices effectively, and while also collaborating and sharing information across functions.

It—to comply with 9/11 security—post-9/11 security requirements, the FBI has looked to consolidate facilities into one headquarters. In response to a 2011 GAO study, the FBI conducted a security assessment that documented threats and analyzed building security requirements consistent with the Interagency Security Committee standards. And so it is a critical component of our Na-

tion's security apparatus that the agency has to comply with these enhanced standards.

So, I want to talk for a minute about Prince George's County. Prince George's County offers an appropriate, I think, opportunity for development and for the FBI to relocate its headquarters. I think it offers a competitive combination, as Mr. Hoyer has indicated, that meets the requirements of the FBI, also meets the requirements of the resolution that came out of the Senate, and has taxpayer value with the finest location and access to world-class facilities.

Joint Base Andrews, the President's airport, is in Camp Springs in Prince George's County. That would provide the FBI with a secure facility from which to depart anywhere in the world to meet its global responsibilities for our domestic law enforcement needs. Fort Meade is home to the National Security Agency, the Nation's largest leader in cybersecurity and its intelligence-gathering apparatus. It is another secure facility located in nearby Anne Arundel County, a part of which I also have the honor of representing.

As Mr. Hoyer has indicated, the University of Maryland, Bowie State University, also provides nationally ranked disciplines in criminal justice, computer forensics, biological sciences, language, homeland, cyber, and national security. It is home to the Department of Homeland Security's Center of Excellence and terrorism studies, and a national consortium of leading terrorism studies programs across the country.

Prince George's County is also home, as we have heard many times in this committee, to 15 Metro stops, which is the most in this region, offering all kinds of accessibility throughout the county, and provides easy access to the White House, downtown Washington, DC, the Capital Beltway, the Department of Homeland Security's new campus at St. Elizabeths, and our region's airports, while also having the lowest real estate prices in—around nearby Metro facilities throughout our region.

In addition, over 67,000 Federal employees reside in Prince George's County and, as you have heard, 43 percent of the workforce at the FBI. Prince George's County is the right fit for the FBI, and it will do right by the FBI.

And if a consolidated headquarters becomes a reality anywhere within the parameters already set by the Senate resolution, the District of Columbia also stands to gain. The Hoover Building on Pennsylvania Avenue would free up a block on the most important and prominent street in America, allowing the District of Columbia to have a tax-generating tenant and a building that adds to the aesthetic value of Pennsylvania Avenue. And that would complement the soon-to-be developed Old Post Office site, which Chairman Norton worked very much on in the last Congress, and was championed by this committee, as well.

Again, Chairman Barletta and Ranking Member Norton, thanks for allowing me to testify today. It is not our job here to figure out who gets the competition, but it is our job to make certain that it is a fair, it is an open and competitive process, and I have every confidence that Prince George's County will meet that competition.

Thank you.

Mr. BARLETTA. Thank you for your testimony, Representative Edwards.

And now, Representative Connolly, you may proceed.

Mr. CONNOLLY. Thank you, Mr. Chairman, Ranking Member Norton, Mr. Shuster. And I know Nick Rahall just stepped out. I have a prepared statement; I am not going to read it to you. It repeats an awful lot of what has already been said. So let me just summarize.

I want to echo what my colleague, Donna Edwards, just said. We look forward to a fair, open, and transparent process, free of political influence. And we believe that if there is such a process, frankly, Virginia is the likely new site of an FBI headquarters for several reasons, one of which is the FBI is already there. The FBI is in Quantico with a very large footprint. The FBI new recordskeeping complex is going to be in Winchester, Virginia. We already have the northern Virginia residency, of course, in Prince William County in Virginia.

Virginia offers—northern Virginia offers one of the most skilled workforces in the United States, one of the highest performing school systems in the United States. It is a place from which we can draw skilled labor. And we have George Mason University, now the largest public university in a stellar public university State, the State of Virginia. We have the third largest community college, Northern Virginia Community College, in the United States, in Virginia, all of which provide criminal justice courses and forensics training in large numbers for law enforcement.

The nexus for the FBI is logically in Virginia. And I believe that with a fair and open and transparent process, Virginia is going to be more than competitive in sites that are served by transit, particularly the GSA site in Springfield, but also the CIT site proximate to Dulles Airport that will be served by the silver line that is under construction right now.

So, we are very proud of the sites that have been proffered. We look forward to a fair, open, transparent process. We hope that this committee, in drawing its criteria, will, frankly, be more flexible and more open than maybe the Senate was in drawing its. And as I said, we are confident that, if that is the process, we are going to be more than competitive.

Thank you, Mr. Chairman, and thank you so much for giving us this opportunity this morning.

Mr. BARLETTA. Thank you. I would like to thank each of you for your testimony here this morning. I know how busy you all are. But we all know how important this project is. It is critical to the FBI that their new location will be somewhere where it will be functional. And obviously, security is a major role.

But the questions we have today that we want answered is why, where, and how. And your testimony today informing our subcommittee is very important to all of us. So again, I want to thank each of you for your time.

We will excuse the panel, and——

Mr. RAHALL. Mr. Chairman? Since I didn't make an opening comment, may I make a comment to the panel——

Mr. BARLETTA. Yes, you may.

Mr. RAHALL [continuing]. Before they depart? Let me just cite a couple well-known facts, if I might, to the panel.

First, the FBI in my home State of West Virginia, which Mr. Wolf has referred, already have a successful partnership. As we know, in fact, the largest division of the FBI, the criminal information service division, is located in Clarksburg. The heart of the CGIS complex is a 500,000-square-foot main office building on 980 acres of land owned by the FBI. It features a beautiful 600-seat cafeteria, 500-seat auditorium. It has an atrium for visitors and employees, and a 100,000-square-foot computer center.

The campus already employs some 2,500 employees. In fact, FBI owns nearly 1,000 acres of land in Clarksburg, plenty of room for expansion.

[Laughter.]

Mr. RAHALL. In addition, the Internet crime complaint center, collaboration between the FBI and the National White Collar Crime Center, has a facility in Fairmont, West Virginia. It has been reported, following the division's move from downtown Washington, DC, to Clarksburg, West Virginia, that FBI executives cited sharper lower employee absentee rates, improved employee retention rates, higher worker productivity and morale.

The benefits of West Virginia as a home for Federal facilities are abundant. And other agencies would do well to consider the community where the FBI and other Federal employees have thrived over the past 20 years.

So I would say while these titans of the beltway lock horns, let us all remember that there is a calm, safe, and serene atmosphere in "Almost Heaven," where our dedicated and hard-working FBI employees can work and live. Thank you, Mr. Chairman.

Mr. SHUSTER. Will the gentleman yield?

Mr. RAHALL. Yes, I yield.

Ms. NORTON. Mr. Chairman?

Mr. SHUSTER. I just would like to remind everybody that the Pennsylvania State line is less than 100 miles from here, and there is wide open spaces all over south central Pennsylvania. Yield back.

Mr. HOYER. Mr. Chairman, if I could just say that I have had a discussion with the new chairman of the Appropriations Committee, and she has told me how much she admired the work of the former chairman of the Appropriations Committee.

[Laughter.]

Mr. MORAN. Mr. Chairman, would it be inappropriate to ask the ranking member of the full committee for his estimated ETA for the Metro system to arrive in West Virginia?

[Laughter.]

Mr. MORAN. And how we are going to pay for it?

Mr. RAHALL. With high-speed rail, anything is possible.

[Laughter.]

Mr. CONNOLLY. Mr. Chairman, I just want to say that if it can't be in the preferred location, Virginia, we would be proud to have it in our sister State, West Virginia.

Mr. BARLETTA. I will call on our second panel of witnesses: Dr. Dorothy Robyn, commissioner, Public Buildings Service of the Gen-

eral Services Administration and Dr. Kevin Perkins, associate deputy director of the Federal Bureau of Investigation.

I would like to welcome our witnesses, so I ask unanimous consent that our witnesses' full statements be included in the record.

[No response.]

Mr. BARLETTA. Without objection, so ordered. Since your written testimony has been made a part of the record, the subcommittee would request that you limit your oral testimony to 5 minutes.

Dr. Robyn, you may proceed.

TESTIMONY OF DOROTHY ROBYN, COMMISSIONER, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES ADMINISTRATION; AND KEVIN L. PERKINS, ASSOCIATE DEPUTY DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

Ms. ROBYN. Thank you, Chairman Barletta, Ranking Member Norton, Congressman Rahall. I appreciate the opportunity to be here before you this morning. That was a hard act to follow.

Under new leadership, GSA has refocused on its mission of delivering the best value in real estate acquisition and technology services to Government and the American people.

With respect to the real estate mission, GSA faces three key challenges: an aging inventory of buildings; limited availability of Federal dollars with which to maintain our existing buildings and construct new ones; and, as a result of the first two challenges, a growing reliance on leased space. To address these challenges, we are working to improve agencies' utilization of space, and thereby reduce their requirement for space, particularly costly leased space. We are seeking to reduce the cost of operating our buildings. Finally, we are using the authorities Congress gave us to leverage private capital to deliver better and more efficient space to Federal agencies.

The subject of today's hearing is an illustration of these very challenges and our efforts at GSA to address them. Let me briefly summarize the challenge and our proposed response to it.

As you heard from the last panel, and I would concur, the J. Edgar Hoover Building is no longer suitable as a headquarters facility for the FBI. Opened in 1974, when the FBI was primarily a law enforcement agency, the building was principally designed to store vast amounts of paper documents. It was also intended to be accessible to the public, as evidenced by the large central courtyard and the second-floor veranda for parade-watching along Pennsylvania Avenue. These features, among others, now represent deficiencies.

The building is highly inefficient, from the standpoint of space utilization. Of the 2.4 million gross square feet of area, only 1.3 million square feet are usable to FBI personnel. This inherently poor use of space, together with the growth of the agency since 9/11, means that the Hoover Building now accommodates only about half of the agency's headquarters staff. The rest are located, as you have heard, in some 20 leased locations around the national capital region. This dispersion of staff inhibits the kind of collaboration and communication that the FBI has sought to encourage in the aftermath of 9/11.

Second, the design of the building as, in effect, a large filing cabinet discourages collaboration and communication within the building. In particular, sturdy interior walls of cement block, which line corridors wide enough to accommodate the movement of large blocks of paper files, make it hard to reconfigure the space into the kind of open, collaborative workspace that the FBI needs and that they are creating in their field offices around the country.

And then, finally, the building, with its high-profile location and limited perimeter setback cannot meet and will not—cannot meet and does not meet the FBI's requirements for Level V security under the Interagency Security Committee's standards.

Mindful of these deficiencies, in early December GSA issued a Request for Information from private developers interested in building a new headquarters for the FBI somewhere in the national capital region. The RFI made clear that GSA wants to consider an exchange of the Hoover Building for a new facility of up to 2.1 million square feet that would consolidate personnel from Hoover and the multiple leased locations in the national capital region.

What exactly do I mean by "exchange"? Real property exchange is a tool that Congress has given GSA with which it can dispose of properties that no longer meet the Federal need and/or with which we can leverage the equity of some of our Government's less suitable or efficient buildings to get other, more suitable and efficient ones. This could—in this case, this could involve the construction of a new facility on land that a developer owns, the construction of a new facility on land that the Government owns or acquires. Alternatively, it could involve an exchange for an existing building somewhere in the NCR.

Under any of these scenarios, at the end of the process the developer would own the Hoover Building and the Federal Government would own its replacement facility.

Now, I want to emphasize that our current initiative and the RFI are not limited to the exchange approach. But use of our exchange authority appears to be promising. The J. Edgar Hoover Building is functionally obsolete, and we believe the Pennsylvania Avenue site has considerable potential for higher and better use than as a headquarters of a Federal agency. We hope to unlock that hidden value and apply it to the creation of a new facility in the NCR.

The deadline for responses to our RFI was March 4th. As you can imagine, the response was very enthusiastic. We got 35 responses. We are now in the process of evaluating them. Based on the information we obtained, we may issue a Request for Proposals. That would be the next step.

In sum, this is an important project, one that I believe can materially improve the FBI's ability to perform its mission. We are seeking to meet this challenge using innovative authorities that Congress has given us. We will work closely with Congress as we go forward, using a transparent process that emphasize competition and minimization of risk to taxpayers. And every jurisdiction in the NCR will get fair consideration.

Thank you and I look forward to answering your questions.

Mr. BARLETTA. Thank you for your testimony, Dr. Robyn.

Now, Mr. Perkins, you may proceed.

Mr. PERKINS. Thank you, Mr. Chairman. Chairman Barletta, Ranking Member Norton, Ranking Member Rahall, members of the subcommittee, and all the distinguished guests here today, I want to thank you for the opportunity to discuss the FBI's need for a new consolidated FBI headquarters building. I am pleased to appear before you today, and I am truly honored to be here with my colleague from the General Services Administration, Commissioner Robyn.

As you know, the FBI has occupied the J. Edgar Hoover Building on Pennsylvania Avenue since its completion in 1974. Since then, and particularly since 9/11, the FBI has undergone significant changes in its structure and its management: information technology systems, interagency collaboration, and its overall mission. These changes have transformed the Bureau into a national security organization that fuses traditional law enforcement and intelligence missions, enabling us to successfully identify and combat new and emerging threats, head on.

As its mission has grown, the FBI has also adapted the use of the Hoover Building to meet mission requirements, and to increase operational efficiencies. For example, we relocated our crime lab to Quantico, instituted an electronic system of record, relocated our paper records, and converted nonpersonnel and equipment-intensive spaces into office space to accommodate our growing number of employees. As a result, today's FBI has over 10,000 headquarters staff in multiple locations throughout the national capital region.

In fact, the Hoover Building houses only just over half the Bureau's headquarters staff. The dispersal of employees has created significant challenges with regard to effectively managing the Bureau's headquarters divisions and offices, facilitating organizational change, and sharing information across operational and administrative functions.

Now, to address these concerns, numerous assessments of the current Hoover Building and other headquarters offsite locations have been conducted over the last few years. All have concluded that consolidating the FBI headquarters operations will improve information sharing and collaboration, eliminate redundant space, and enhance security, while at the same time saving significant tax dollars.

Housing critical FBI headquarters elements in a single location will reduce space needs by over 800,000 square feet, a reduction of almost 30 percent, which, in turn, results in significantly lower rent payments, especially when you compound them over time. Our August 2011 headquarters consolidation project report concludes this will result in a savings of at least $44 million annually.

Working with our partners at GSA, we have proposed locating a new headquarters within the national capital region. Generally, the site must be served by mass transit, have adequate surrounding highway infrastructure, and must be in substantial conformance with local land use plans. Just as importantly, the FBI headquarters building should be housed in a facility meeting the highest standards of security, a level of protection reserved for agencies with the highest level of risk related to their mission functions,

which are critical to national security and continuation of Government.

We will continue to work with the GSA and with Congress in order to identify and implement a solution that meets the FBI's needs not only now, but well into the future.

I want to thank you again for the opportunity to be here before you today. It truly is an honor. And I now look forward to answering any questions you may have. Thank you.

Mr. BARLETTA. Thank you for your testimony, Mr. Perkins. I will now begin the first round of questions, which will be limited to 5 minutes for each Member. If there are any additional questions following the first round, we will have additional rounds of questions, as needed.

As I said in my opening statement, this is an important, yet complicated proposal. The committee wants to be helpful and find a new home for the FBI, but I do not envision the committee writing a blank check. As a result, we are looking for reasonable limitations on the size, scope, and cost of the project in order to protect the taxpayer from overbuilding and overspending.

We have many questions along these lines and limited time. So it would be most helpful if you could attempt to keep your responses as brief and to the point as possible.

We have some detailed questions regarding the FBI's 2011 report. If it would be helpful, Mr. Perkins, I would invite Mr. Pat Findlay to join you at the table at your discretion, if you feel that that would be helpful. Without objection, so ordered.

Mr. Findlay, would you state your name and your title?

Mr. FINDLAY. Yes. Patrick Findlay, assistant director for facilities, FBI.

Mr. BARLETTA. Thank you. Dr. Robyn, GSA recommended Federal construction in this 2011 project survey report. My question would be if this is GSA's current recommendation. If not, what is GSA's current recommendation? As you know, this report recommends Federal construction. In today's budget climate and fiscal climate, we know that is not possible. So if this report is not the true recommendation, what is GSA recommending?

Ms. ROBYN. Federal construction, Mr. Chairman, as you know, is always the least expensive approach, the best approach, in terms of cost to the taxpayer. So we always prefer that. We are pursuing that at St. Elizabeths, but you can see from the delays at St. Elizabeths the problems associated with consolidating an agency headquarters relying solely on Federal construction.

So, we are looking at our exchange authority. We are not looking exclusively at that, but we want to explore that as an alternative, and a way to do this in a more accelerated way.

Mr. BARLETTA. When will the committee receive an OMB-approved prospectus requesting the project?

Ms. ROBYN. Well, I would say that OMB approved the RFI to go out. So I think that should give you some comfort that the approach that we are pursuing is one OMB is comfortable with.

I think it is premature to talk about sending up a prospectus. I think we are—we just got the replies from the RFI in last week. We are evaluating them. Because there are so many, it is going to

take us a while. We will be happy to brief you along the way on them, but I think it is premature to talk about a prospectus.

Mr. BARLETTA. Mr. Perkins, would you please describe the FBI's recommended strategy in its 2011 report? And can you tell me, is the FBI formally requesting the committee to authorize that strategy?

Mr. PERKINS. Well, not formally requesting that authorization at this point. The strategy that is put forth in the 2011 report is that of a public-private partnership that, as you correctly noted earlier, in this fiscal environment in which we are in, we believe that would serve as the method by which would require the least upfront cost for the taxpayers, have the least impact on Federal spending, and be able to leverage the private sector's ability to come up with financing and development of a project with the least cost to the taxpayer.

So, overall, we believe, in the end, we would have a facility that would meet our needs and our requirements, both security and operational, as well as having the least cost to the taxpayer on the front end.

Mr. BARLETTA. And could you please present the financial case for the FBI's proposal? And what does the FBI spend now to home the headquarters? And what would it spend under a new proposal?

Mr. PERKINS. Certainly. Right now we spend approximately $168 million annually in rents across 21 different facilities within the national capital region. Under this new process, and a single campus, I believe that number would go somewhere approximately $124 million to $125 million in annual rent. The annualized net present value over the term of any type of public-private partnership and lease agreement would save us at a minimum of $44 million a year over what we are paying in rent, currently.

Mr. BARLETTA. And for each of you—Mr. Perkins, you first—is the ultimate Government ownership of a new headquarters necessary? And is that in the best interest of the taxpayers?

Mr. PERKINS. Yes. Ultimately, in the proposal that we looked at and really went forward with in our review, the public-private partnership would involve the facility being build on Federal land. After a term of approximately a 30-year lease, would come back in ownership to the Federal Government, yes. Ultimately, the facility would become a Federal facility.

Mr. BARLETTA. Dr. Robyn, same question.

Ms. ROBYN. I think everyone agrees that this should be a Federal facility, a federally owned facility, sooner or later. We typically resort to leased space only for very general purpose space that we can get on the regular commercial market. If the facility needs to be specialized to an agency's needs, it is better to have it be federally owned space. The FBI's proposal would eventually have it be federally owned, but not initially.

Mr. BARLETTA. Dr. Robyn, as I see it, OMB scoring is our biggest obstacle to the FBI's proposal.

Ms. ROBYN. You said that, sir, not——

Mr. BARLETTA. We all know we don't have $2 billion in appropriations, and GSA has never been able to get OMB to approve the type of lease arrangements proposed by the FBI.

My question is this. Please explain the scoring issues with this proposal. And, two, what is OMB's position? Is OMB prepared to allow this project to advance as an operating lease?

Ms. ROBYN. Well, I don't want to speak for OMB, but let me tell you what I think the scoring issue is. And I want to say that we certainly have not ruled out the out-lease lease-back approach that the FBI report recommended. That is an innovative authority that this committee gave us. We still hold out hope that we can identify a way to do that. So we have not ruled that out.

I think, in terms of scoring, the philosophical foundation for scoring is risk. It is the concept of risk. Does—is the Federal Government bearing the risk, or does the private sector have skin in the game? That is really what it comes down to. So when something scores—and typically OMB and CBO are—look at the world in very similar ways—it is typically because they feel like the private sector isn't bearing as much risk as Government, or the scoring is—depends on the amount of risk.

So, I think the issue for an out-lease lease-back approach would be can we do that in a way that the private sector has enough skin in the game, that is what it would come down to. We think we are on better footing with an exchange. We think that—I think it is—the reason I emphasize that OMB had approved the RFI is because the RFI that we put out, it did not limit it to exchange, but it did make clear that we were interested in the possibility of an exchange of the Hoover Building for a new headquarters. And that RFI passed muster with OMB.

So I think we feel that we are on better footing in terms of potential scoring with an exchange. But we have certainly not ruled out other approaches.

Mr. BARLETTA. Thank you. I will recognize Ranking Member Norton for questions.

Ms. NORTON. Thank you very much, Mr. Chairman, and I want to thank both of you for very helpful testimony. Dr. Robyn, the RFI is different from the Senate resolution. And I note that the staff memo, which is a memo from the staff of both sides here, is not a Democratic or Republican staff memo, has a section or question, or actually is a statement. It says that the Senate EPW resolution requires, to the extent practicable, the new location to be 2 miles from a Metrorail station and 2.5 miles from the Capital Beltway. If GSA were to follow this instruction, it could significantly limit competition of sites in all three potential jurisdictions: Virginia, DC, and Maryland.

Is the delineated area in your RFI necessary for competition, for full and fair and open competition? And is it likely to be the delineated area in any forthcoming RFP or Request for Proposals?

Ms. ROBYN. We made clear in the RFI that the area we are interested in is the national capital region. We did not limit it any more than that. And we did not refer to——

Ms. NORTON. And you recognize that the Senate resolution does limit——

Ms. ROBYN. Yes. Yes, I do. We tried to make the RFI as broad as possible. We want to encourage as much creativity and interest at this stage as we can. And the RFI does not talk about being 2.5 miles from a Metro or the beltway. That is not in the RFI. I think

we used those criteria for purposes at—one point for purposes of trying to estimate the value of land in various parts of the national capital region. But that—we didn't—we explicitly did not put that into the RFI.

Ms. NORTON. So that standard isn't even in your—and you don't anticipate it being in the RFP?

Ms. ROBYN. I don't know. I think we are very mindful of the proximity to transit. I think the FBI, as I think we are, I——

Ms. NORTON. I don't think you have any choice about transit.

Ms. ROBYN. Yes.

Ms. NORTON. That is the policy of the United States, when it comes to construction. But this 2.5—the linking of the 2.5 miles from the beltway, to deliberately exclude most of the District of Columbia was an affront, frankly. And it didn't sound like the GSA usually does business. We, of course, wrote to the Senate and we didn't think that that could pass muster. But it is important for that to get on the record here.

You talk about the national capital region.

Ms. ROBYN. Yes.

Ms. NORTON. And, of course, about distance from Metro stations. And that, of course, is fair, free, and open, and nobody gets excluded.

Could I ask Mr. Perkins? Are you seeking to leave the District of Columbia? Do you object to being in the District of Columbia? Do you see any advantages to being in the District of Columbia?

Mr. PERKINS. Ranking Member Norton, I will start by saying that——

Ms. NORTON. Is your microphone on?

Mr. PERKINS. Oh, yes, ma'am. It is set. I am sorry. I will start by saying that we have absolutely no objection to being within the District of Columbia, whatsoever. Our central mission here is to come up with a property, whether it is in either Maryland, Virginia, or in the District, that meets two major criteria: one, our operational mission needs; and two, providing adequate security for the facility and the workers who are coming and going from there. So there is absolutely no objection to the District. There is no objection to any of the proposals that are out there at this point.

Obviously, as we have already discussed, adjacent—near highways, transportation, public access, and the like, very, very important, as we have already mentioned in the record. But no, we have no objection whatsoever to that.

Ms. NORTON. Thank you. Could I ask both of you? The RFI has an enormous acreage, 40 to 55 acres, for a new consolidated FBI. Bear in mind that you are talking to the committee that developed these new standards that puts everybody into smaller amounts of space. You have 40 to 45 acres. We understand that has a lot to do with security.

Could this requirement be mitigated if other factors were taken into consideration so that it wouldn't take up so much land, and have you consider mitigation of that large amount of land, 40 to 55 acres? Dr. Robyn?

Ms. ROBYN. Yes. We have—there is a trade-off between the amount of land for a setback and alternative approaches to getting that same level of security through the building, physical ways the

building is constructed. So there is a trade-off there. Again, we are trying not to prejudice the process at this point. We are saying we are open to a variety of approaches. But we recognize that is a serious issue.

I have continually thrown out the idea of whether this should possibly go on a military base for exactly that reason, because you would not need to have the same setback. I don't know that there are many other people who support my thoughts there.

Ms. NORTON. Horrible idea. Is it a horrible idea.

Ms. ROBYN. I hear that. I heard that from Congresswoman Edwards, as well, earlier. But it is another——

Ms. NORTON. We will strike that from the record.

[Laughter.]

Ms. NORTON. We have had—and I know my time is over—we have had some dealings, Dr. Robyn, with you and with force protection standards that harmed this entire region, which we think are gone forever.

Ms. ROBYN. They are, yes. I worked to change those.

Ms. NORTON. That required the kind of setbacks that would mean that you could locate almost nothing of the Federal Government in this region.

Ms. ROBYN. No. Well, that is—I think—so let me just clarify, because—so, first of all, those, the standards, were changed.

Ms. NORTON. Yes.

Ms. ROBYN. And I think I had something to do with that, and thank you——

Ms. NORTON. And I thank you for that.

Ms. ROBYN [continuing]. For your support on that. But secondly, my thought of—and it is just an idea that I have thrown out, and it has not gotten a lot of support, but is that if one were to put this new headquarters at, say, Andrews Air Force Base or Anacostia-Bolling, you would not need the large setbacks, because it would already be within a secure perimeter. So it would be precisely to get away from the large setback that one would want to consider that.

Mr. BARLETTA. Thank you, Ranking Member Norton. We will have a second round, if there are more questions. But now I would like to recognize former full committee chair, Mr. Mica.

Mr. MICA. Well, thank you. And thank you, Mr. Chairman, I appreciate your leadership in chairing this important subcommittee, and continuing to deal with Ms. Norton. Both of those deserve high praise.

Ms. Norton, did you hear that?

[Laughter.]

Mr. MICA. Well, she will—staff will inform her later and she will get even with me. But pleased to participate today.

I have been involved, of course, with GSA prior to becoming chair of the full committee. We produced a report entitled, "Sitting on Our Assets: The Federal Government's Misuse of Taxpayer-Owned Assets," and we tried to pick up, when we gained the Majority, looking at—and the beginning of that report, if you read it—I think it is still online—focusing on GSA and their dealing with public buildings.

And the largest trustee of public assets I think we have is GSA and, of course, the Federal Government, has some broader jurisdiction across the hall in Government reform, and we will continue that, which we have done most recently—we had a narrow scope in this committee—much broader. And I am absolutely appalled at what I am finding as we continue our work, looking at these.

First of all, Ms. Robyn, how many square feet is the new building going to require?

Ms. ROBYN. The RFI says up to 2.1 million.

Mr. MICA. Square feet. All in one location. OK. Secondly, you—to do that you have to make a decision on how you are going to do it. That would cost quite a bit of money. What is the estimate that it would cost to build 2 million square feet?

Ms. ROBYN. We have not made an estimate of that.

Mr. MICA. Well, come on. You are——

Ms. ROBYN. I will defer to——

Mr. MICA [continuing]. GSA. Tell me what it would cost to build a Federal building.

Ms. ROBYN. It is——

Mr. MICA. Were you doing $1,000, $500 a square foot?

Ms. ROBYN. It is a substantial amount of money. But, sir, I don't——

Mr. MICA. But I want to know the range, OK? And you are not going to get it from this Congress or the next Congress, I don't believe. Is that—has that money been appropriated?

Ms. ROBYN. No.

Mr. MICA. OK. So you are not going to have the money. So you look at your alternatives. The agency has recommended that possibly a lease and then a eventual possession by the Federal Government. That is one of your options, right, since you don't have the money?

Ms. ROBYN. Yes.

Mr. MICA. Have you made a decision on how you are going to approach this to get them out of there?

Ms. ROBYN. No, sir. We have——

Mr. MICA. You have an evaluation that we see in the report. They are right now sited downtown and you have other spaces. Is that correct?

Ms. ROBYN. They——

Mr. MICA. Sir? Mr. Perkins?

Mr. PERKINS. Yes, sir, that is correct.

Mr. MICA. How many total square feet do you occupy now?

Mr. PERKINS. Just over 3 million square feet.

Mr. MICA. And you are going to consolidate that? You can get by with 2.2 million?

Mr. PERKINS. Yes, sir, the——

Mr. MICA. So there would be some savings?

Mr. PERKINS. There would be considerable savings.

Mr. MICA. And that would have some value to the Government.

Mr. PERKINS. Yes, sir.

Mr. MICA. Do you know how much that would be?

Ms. ROBYN. Well, the FBI's number is $44 million.

Mr. MICA. OK.

Ms. ROBYN. That is an——

Mr. MICA. And that has some value to the Federal Government.
Ms. ROBYN. Yes.
Mr. MICA. If you multiply it out over the number of years.
Ms. ROBYN. Yes.
Mr. MICA. So, when you—you are not going to get the money from the Federal Government. So somebody has got to make a damn decision of moving forward. When do you expect that will be?
Ms. ROBYN. We—in my opening statement I made clear that we are looking principally at the potential to exchange the value of the J. Edgar Hoover for a new facility——
Mr. MICA. OK.
Ms. ROBYN [continuing]. An exchange.
Mr. MICA. And you are negotiating that. OK.
Ms. ROBYN. We are not negotiating yet——
Mr. MICA. How long will you let that go on?
Ms. ROBYN [continuing]. We are—we put out an RFI.
Mr. MICA. OK.
Ms. ROBYN. The responses were due——
Mr. MICA. When is——
Ms. ROBYN [continuing]. March 4th. We got 35 responses.
Mr. MICA. And how long——
Ms. ROBYN. We are working——
Mr. MICA [continuing]. Will it take you to evaluate them?
Ms. ROBYN. It will take——
Mr. MICA. Give me a date. Come on. This is business.
Ms. ROBYN. It will take a couple of months to go through 35 responses——
Mr. MICA. OK. So 60 days you will have an answer. That is the problem with Government versus business in the private sector. Nobody can make a decision or meet a timeline.
Now, I just got through being down at the—Miami to look at the Federal courthouse. Sitting empty, a Federal building, for more than 5 years. They knew 2 years before that that that building was going to be empty. And nobody has made a damn decision yet on what to do with it, costing $1.2 million a year. A total of just 5 years is $6 million to keep an empty building maintained.
Now, do you have a plan? Are you going to—are they going to vacate the building downtown, sir? That is the plan?
Mr. PERKINS. That is one of the options——
Mr. MICA. That is your major, principal location.
Mr. PERKINS. Yes, sir.
Mr. MICA. Do you have a plan to do something with that building?
Mr. PERKINS. With J. Edgar Hoover? We would——
Mr. MICA. Are you starting that process now?
Ms. ROBYN. The——
Mr. MICA. I will bet there isn't plan one.
Ms. ROBYN. Sir——
Mr. MICA. I will bet there isn't a clue as to what to do with it.
Ms. ROBYN. Could——
Mr. MICA. Now, if I really want to go after you, the FTC building, again, we have down the street. The consolidation of that, we propose, would save a half-a-billion dollars. But God forbid we should do that or consolidate it all in one location.

Ms. ROBYN. The nature of an exchange is that we would, in effect, auction off the Hoover Building——

Mr. MICA. Yes.

Ms. ROBYN [continuing]. To a developer. And in exchange for that value, they would build a new facility.

Mr. MICA. Well, thank you.

Ms. ROBYN. That would be up to the developer——

Mr. MICA. I don't mean to give you a hard time. And thank you for also building in the power station. This week you announced that it went online auction. And we held a hearing in the vacant 2.08-acre power station. Just for the record, that will bring in $19.5 million.

Ms. ROBYN. Yes.

Mr. MICA. We also have the Old Post Office building, and I hope that deal is moving forward.

Ms. ROBYN. Yes.

Mr. MICA. But we have—I think we had 14,000 properties. I only have 13,994 more to go.

Thank you and yield back the rest of my time. If you have a second round, I will be here and I will also submit questions for the record. Thank you.

Mr. BARLETTA. Thank you, Chairman Mica. Now I would like to recognize Ms. Edwards for 5 minutes.

Ms. EDWARDS. Thank you, Mr. Chairman. And thank you also to the witnesses this morning. I appreciate the insight that I have already gotten from our discussion thus far.

I want to clarify something, because I am looking at the Senate Environment and Public Works Committee-approved resolution, and just want to be clear about what your understanding of that resolution is, and whether you believe that it excludes sites within the District of Columbia from also competing in this eventual competition.

Ms. ROBYN. I would have to ask our general counsel to interpret it. I would just say here that we intentionally cast the RFI more broadly so as to encourage the maximum amount of ideas and interest at this stage. So we didn't—we did not limit the RFI based on the Senate resolution. I don't know whether, as a legal matter, whether the Senate resolution would——

Ms. EDWARDS. It would be helpful, perhaps not here, but to have your counsel's interpretation of that for our consideration.

Ms. ROBYN. OK.

Ms. EDWARDS. I want to ask you about the—in the GSA study report, on page 4 specifically, I just want to read to you what your report says, that "the location of the facility is assumed to be within 2.0 miles of the Metro station and 2.5 miles of"—and I emphasize "of" because it is a different preposition—"the Capital Beltway with site costs similar to those found in the more developed, close-in suburban areas as a means to estimate the maximum cost the Government would incur."

And so, I want to make sure that we are also following—as we move forward, Mr. Chairman or Ranking Member—that we are also following the recommendations that were laid out in the GSA report, and that we come as close to that as possible in our own work.

Ms. ROBYN. Could I just clarify?

Ms. EDWARDS. Yes.

Ms. ROBYN. The—those figures were used for purposes of doing a valuation, valuation of property at various locations in the national capital region. They were not inserted as a siting criterion. So that is an important distinction. They were for purposes of valuing land.

Ms. EDWARDS. Thanks for the——

Ms. ROBYN. Land and property, yes.

Ms. EDWARDS. Thank you for the clarification. Excuse me.

I also want to know how the Hoover Building fits into a potential financial structure for the new headquarters building. Mr. Perkins, if you could, clarify that for us.

Mr. PERKINS. Certainly. I may draw upon my GSA colleague in assistance with that, but the Hoover Building, the way it is being proposed in the FBI's report, would serve as part of the public-private partnership to where we would exchange that facility and that property with a developer who has a plan to be able to build a facility for us in an acceptable area. At that time, then, at the end of the construction, if I am correct, the Hoover Building—that property would become the property of the developer, to develop as he or she sees fit, going forward. And then we would then eventually acquire possession of the new facility, as it is completed, and over the lease term.

And correct any of the technical aspects of that.

Ms. EDWARDS. That was a yes, Ms. Robyn, right? Let me ask you as well, Dr. Robyn, if the GSA has gotten any independent expert advice regarding the actual valuation of the J. Edgar Hoover Building. And, if so, from whom? And what did you learn?

Ms. ROBYN. It has been appraised at several points along the way. I don't feel comfortable throwing those numbers out. They are not—I don't think they have ever been widely circulated. There was a Jones Lang LaSalle report in 2005, 2006, that included an appraisal done by a subcontractor to them. I believe we did another one later, within the last year or two. And typically, they appraise the value as-is, and then the value of the unimproved land, as well as a number of other variations on those.

I just don't—those numbers are out there. I would be happy to brief you on them privately. I don't feel comfortable sharing them more broadly.

Ms. EDWARDS. At what point will, as part of this process, will we have some sense of the real valuation of the property for the purposes of figuring out whether the savings to the taxpayer is $44 million in, you know, in opportunities around, or perhaps the savings might even be more, depending on the valuation of that property in exchange.

Ms. ROBYN. Well, I think that we—I mean, ultimately, one doesn't know the value of a piece of property until you sell it. The market tells you what the property is worth. We think we can—we would certainly do everything we could to raise that value before we sold it, by working with the District of Columbia on the historic status of the building, on, you know, possible other changes that would allow for maximum use of that very desirable property.

I think we can get a sense of what it is worth from an appraisal. But ultimately, one doesn't know until you actually sell the property.

Ms. EDWARDS. Thank you.

Mr. BARLETTA. Mr. Perkins, the FBI report and the Urban Land Institute report each have detailed cost figures for the proposed FBI headquarters. Can you briefly summarize what it will cost to build a new headquarters? And can this committee rely on those numbers for the purpose of authorizing a new headquarters?

Mr. PERKINS. Yes, sir. I can give some approximate numbers on that. The Urban Land Institute was actually brought in following our conducting our own internal study to really check our math and put a second set of eyes on the document. The findings they came up with were fairly on par with what ours did.

As far as the actual cost of what we would take, in looking at that type of a facility, looking at approximately $1.2 billion coming up with the square footage we needed to put that together. And that is over the term. That is the construction plus—well, that gives us the 2.2 million square feet, including the land costs involved in that.

Mr. BARLETTA. Can the FBI's proposal be financed through a lease utilizing—without utilizing the value of the Pennsylvania Avenue property?

Mr. PERKINS. I will take a stab at that, and will also defer to my colleague from GSA. I would say that is going to be a very difficult road to go down, if not—especially in the current fiscal climate in which we are operating.

Mr. BARLETTA. Dr. Robyn, how does GSA and FBI propose to pay a developer for any difference between the value of the Hoover Building and the cost to build a new FBI headquarters complex? It is questionable whether the Hoover property will provide sufficient funds to—as an option for a 2-million-square-foot new facility. And how do you propose that they will pay for that?

Ms. ROBYN. That is a fair question. I am not ready to concede that the value of Hoover won't cover the value of a headquarters. I think we don't know what the value of Hoover is. But I think it—a lot of it comes down to land, whether the land—whether the Federal Government would be purchasing the land, or whether we would be getting the land for nothing. So, it is not obvious to me that one would cost more than the other.

A major question that we put out in the RFI was—to developers was if there is a—if you think there is a disparity, how would you propose to cover it? There are a variety of ways. There may be other property, other GSA property that we would be willing to also exchange, or that we would propose to exchange to add to the value. One could do continued leasing some space for the FBI. One could do something in phases, like we are doing at St. Elizabeths, although we would like to avoid that.

Mr. BARLETTA. Is there a list of properties that you may look at as an option?

Ms. ROBYN. In the national capital——

Mr. BARLETTA. To add to the exchange.

Ms. ROBYN. No, no. I am putting that out as a conceptual alternative, but I don't have other—a short list of other properties.

Mr. BARLETTA. Assuming GSA proceeds with the project and gets to the point of issuing a request for proposals, is GSA taking any steps to seek and use outside expertise to advise GSA in the process? And if you could, please explain.

Ms. ROBYN. Yes, we have. The FBI and GSA began talking about this 9 years ago. Director Mueller and the then-head of the GSA, Perry, met in 2004. We have both done a series of studies that have drawn on outside experts to do housing studies to look at the condition of the Hoover Building, to appraise the value, a variety of things.

So, we have done two things: one, reach out to outside experts, and then draw on the best and brightest we have inside GSA to work on this project. And we will continue to do that.

Mr. BARLETTA. OK, thank you. I will turn to Ranking Member Norton.

Ms. NORTON. Just a few more questions, Mr. Chairman. I want to get back to this 2.1 million square feet. That was in the initial report. One thing I believe this subcommittee will hold GSA to is its requirements for smaller amounts of space and square footage.

Do you believe that perhaps, given the new requirements, that 2.1—that less than 2.5 million square feet may do for a new headquarters?

Ms. ROBYN. We were clear to say in the RFI "up to," up to 2.1 million. So we haven't locked in on that number. I think it——

Ms. NORTON. Well, how did you get to that number? Did that number include the space allocations that the administration now has mandated, as well as this committee?

Ms. ROBYN. Yes. That represents taking those people that the FBI believes need to be in the consolidated headquarters and allocating a—it is a pretty conservative space number for them.

Ms. NORTON. Well, I mean, is it—does it keep—first of all, I am not sure that that—that may have been issued before the mandate for——

Ms. ROBYN. Yes. Well, we—yes. We—I mean we have been working——

Ms. NORTON. So all I am asking is have you——

Ms. ROBYN. Can it go further? I——

Ms. NORTON. The mandate was—came down from the administration, it came down from this committee. For example, the Coast Guard headquarters——

Ms. ROBYN. Right.

Ms. NORTON [continuing]. Was done before that mandate. And what I am asking you is—was the 2.1 million square feet, up to 2.1 square feet, did it take into account the mandate that says you must reduce the per-employee space in Federal buildings?

Ms. ROBYN. It represents a 30-percent reduction in space. So, yes, it did.

Ms. NORTON. That is my only question.

Ms. ROBYN. Yes. An apples-to-apples comparison, would—the FBI would be going from, I think, 3.1 to 2.1—3 to 2.1. So it is a 30-percent reduction. Even before the OMB mandate, we have been very aggressively pushing agencies to downsize their footprint. And that—and the FBI is very much on board, because it supports their effort to go to more collaborative, open workspace.

Ms. NORTON. Well, does the building take into account—well, first of all, let me ask Mr. Perkins. Do you see further growth in the FBI? And does the—will the new site take into account for the growth, if you do see further growth in the FBI?

Mr. PERKINS. Yes, ma'am, it does. It accounts for the growth over the coming years. And the key point to remember here is in shrinking down from 21 facilities to a single facility, you are eliminating a significant number of overlapping space, great inefficiencies. When you are dropping 800,000 square feet, it is easy to be able to put all of us into 1 facility at 2.1, versus the 21 that are out there, or the 20-plus headquarters.

So—but to answer your question, yes indeed, it does look at the future growth of the FBI and the potential for that, going forward.

Ms. NORTON. Mr. Perkins, did you have any role in the RFI delineation?

Mr. PERKINS. I had no direct role in the development of the RFI.

Ms. NORTON. Were you consulted?

Mr. PERKINS. Yes, ma'am. Well, our assistant director for facilities, who is in my chain of command. Yes, ma'am. The FBI was consulted in that.

Ms. NORTON. Let me ask about the role—I can understand it was, of course—it is always advisable to consult the agency. But Dr. Robyn, you may know that this subcommittee has repeatedly criticized GSA for allowing agencies disproportionate authority over what happens in the agency, including where things could go. I mean we have agencies on K Street who could have gone to other parts of the region and the city.

In order for me to get people to go to NOMA, which is a stone's throw from the Senate, I had to beat—if you will forgive me—GSA about the head and shoulders. There have been some, I am going to say, disparaging remarks made about going to one part of the region. So I have got to ask. What role will the FBI have when the ultimate authority under the statute is with the GSA?

Ms. ROBYN. On this issue, as on others, we have—we wear two hats. On the one, we try to be customer-friendly to our Federal agency customers. At the same time, we do—we play a sheriff role. And downsizing square footage and getting agencies out of leased space and into less expensive space is also part of our role. So we play that dual role here, as we do in other places.

Ms. NORTON. Dr. Robyn, all I am saying is—and you have to play a dual role. The role of sheriff has been much overcome in the past, so that agencies have cost the taxpayers billions of dollars, just by essentially having the final say on matters that were within the authority of this agency. And that is something we will be watching.

If I could ask one more question, Mr. Chairman, and that is about the Old Post Office. What is the status of the Old Post Office, which has been a virtual project of this subcommittee?

Ms. ROBYN. Yes, and thank you very much for your support. You know, we announced a year ago that the Trump organization is the preferred developer. We said that we are going to need a year to negotiate it. These things take time when you are talking about—and we are at that point. We are still negotiating, but we are hopeful that we will—you know, we are not going to take a bad deal,

but we are hopeful that we will have—that we will complete our negotiations relatively soon.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. BARLETTA. Thank you. I would like to recognize Mr. Mica.

Mr. MICA. That is astounding, that it has taken you a year to negotiate. What the hell would you doing, when you should have been having a deal that was close to just sewing up? It is unbelievable.

Mr. Chairman, maybe you need to go do another hearing in that vacant building down there. This is appalling, the way we manage our Federal properties. It is just beyond the pale.

OK. You said you got $44 million in savings, right?

Mr. PERKINS. Yes, sir.

Mr. MICA. Perkins? OK. You multiply that about 27 years, that is worth about $1 billion—10 times 44 is 440, 27, 28 years, that has got $1 billion value.

Did you tell, or somebody testify that you had—it would cost you about 300—you need 60 to 70 acres. Is that right, 50 to 70?

Mr. PERKINS. Between 45 and 50——

Mr. MICA. Forty-five? OK. But your estimate in cost is about $300 million, right? Just a guess. In the capital region, you are going to—it is going to cost you that much? Give me a ballpark. Quarter of a million?

Mr. PERKINS. The value of the land. Yes, sir.

Mr. MICA. Yes, OK. Sorry, Ms. Norton, you got screwed in this whole process, I saw, with the Senate resolution. Figured this one out. They kind of excluded you from—this is neat, the way they craft it. They just don't happen to have a Senator, so they screwed her.

[Laughter.]

Mr. MICA. But thank you, GSA, for helping her, because your RFI, whatever, your Request for Information, actually allowed the District to be considered, property in the District. Is that right?

Ms. ROBYN. All parts, yes.

Mr. MICA. So we—this isn't a request even for proposal, folks. This is a request for information. But that is the game that is being played there, interestingly enough.

Now, if someone was doing their job in GSA, you would look at the Federal properties that we have, so we could save $300 million to start. We have $1 billion we could save there. If this thing is going to cost you $2 billion, that is a $700 million deficit that we would have to make up for, get the private sector to—there may be more than that, but the Federal Government, in the meantime, would be paying an average of $44 million.

Just thinking this thing out, there are plenty of properties. I was stunned to find out that there is 7,000 acres in Beltsville at the Agricultural Research Service station at Beltsville, Maryland, 7,000 acres. This is one of the principal buildings out there. Can you see it from here? From there? I know I had a big blowup. I don't have it. This is the Food and Drug Administration building, windows knocked out. There are rows of office building. Seven thousand acres. You need 45 to 70?

Mr. PERKINS. Yes, sir.

Mr. MICA. Then I went across the other way to—and I am not picking sides in this fight. That is Maryland. Here is a site we could save $300 million, $250 million, or whatever.

I went out to Springfield. At the Metro stop—I took the Metro back, folks, to save money on gas. Didn't charge the taxpayers for it. The Metro stop, how many acres, 70 acres out there? They use it for storage, storing files and storing doors and stuff. I went out and looked at it myself. A million square feet on about 70 prime acres we could use.

So, I would think someone would put a deal together, or at least your RFI would say we have the opportunity to use some Federal buildings. Those are only two sites, one in Maryland, one Virginia—not picking sides. Ms. Norton has one in—what is it the staff told me? Yes, OK. Not that I am a fan of the District, and I have my little war going with her on things, but we have sites.

Nine years? Did you say 9 years that they have been going back and forth, talking about this?

Ms. ROBYN. Yes.

Mr. MICA. And then you gave me 60 days for the Request for Information? You think you would have a Request for Proposals after that?

Ms. ROBYN. Well, I don't think it will be 60 days, no. I think it is going to take——

Mr. MICA. Do you need more direction from Congress? You want something from this side of the aisle? Is this enough to work with?

Ms. ROBYN [continuing]. Take longer. We always welcome——

Mr. MICA. OK. But again, it is so frustrating. We could save money, we could house our chief law enforcement agency, the FBI, and provide some of this space, if somebody would start thinking, if we had people with a little bit of common sense.

Again, I have to go back to you all looking at—the thing that stuns me, like when I went out to Beltsville, I know it is the Department of Agriculture. Nobody has a plan of what to do with this. There are 500 buildings on that property, 200 of them are vacant, vacant or smashed in, like this. And no one has a plan.

Do you—and I saw the information you provide on real estate assessments from the agency that almost all the information is incorrect. In fact, some of them have vacant buildings and smashed out buildings like this that they report as in good shape. This is a broken system, when we are closing down and sequestering vital services of Government, and we have billions of dollars of waste, and nobody is doing anything about it.

Ms. ROBYN. And, sir, I have told you in an—first of all, as you know, that is not GSA property. And I have stressed to you, coming from 3 years in the Defense Department, that we need a civilian BRAC.

Mr. MICA. Ah, Defense.

Ms. ROBYN. We need a civilian BRAC.

Mr. MICA. Post Office, Defense. It is more than a BRAC, and I yield back——

Ms. ROBYN. We need a——

Mr. MICA [continuing]. The balance of my time.

Ms. ROBYN. Can I—I want to just point out something, that the conversation about building the J. Edgar Hoover Building began in

the early 1960s. The building was finished in 1974. The reason was lack of funding. Lack—so this is an old—you know, these things—this is the dilemma that we——

Mr. MICA. So we are following that pattern again.

Ms. ROBYN. Well, it is an age-old problem. The Old Executive Office Building, the same thing. It took two decades——

Mr. MICA. God forbid we should drag ourselves into the——

Ms. ROBYN. It is not——

Mr. MICA [continuing]. 21st century of fiscal responsibility. Amen.

Mr. BARLETTA. Thank you, Mr. Mica. And Ms. Edwards?

Ms. EDWARDS. Thank you, Mr. Chairman. And I just want to say to Mr. Mica that I would be happy to work with him on making sure that the Beltsville agricultural property becomes the new campus of the FBI.

[Laughter.]

Ms. EDWARDS. Well—and I am sure that as the GSA and FBI move forward on going from where we are right now to a Request for Proposals, that you will make certain that this process is open and fair, and that sites like the Beltsville agricultural property can be part of this consideration.

I want to ask you, actually, Mr. Perkins, if you have any concern—and this is actually somewhat related to Beltsville—if you have any concerns in a new FBI headquarters would be adjacent to support of mixed use development to enhance the overall work environment for the workforce. Do you have any concerns about that, or—any security concerns or otherwise?

Mr. PERKINS. No, ma'am. I believe, as I have noted, I want to make sure that whatever facility we wind up in allows us to carry out our mission and keeps our workforce secure. Those are the two main issues. And if—depending on what the adjacent properties were, their types of usage would all be considered in any kind of a request. We would hope to be a part of that discussion.

Obviously, to meet those security requirements it would require certain offsets and all, as you know. But no, in answer to your question, it would not be a major concern if the adequate offset in space was available.

Ms. EDWARDS. Thank you. I wonder also if you could—when we go to those security concerns—if the FBI headquarters has to be built to satisfy Interagency Security Committee Level V security specifications, that with that in mind, what would be your view, in terms of the area that would ideally be encompassed for a new and consolidated headquarters? Do you have any thoughts about that?

Mr. PERKINS. Well, I think I have really—with the requirements we have put out, we are going to lean heavily on the GSA to come up with that location. I think there are locations in each of the areas that we have discussed today that would be adequate to meet our needs, just based on what we know at this point.

There are pluses and minuses. There are—there has been reference to where FBI employees live and commute from. I don't have the exact numbers of where all of our people reside, but I do know we have an adequate and representative number in each of both Maryland, Virginia, and the District.

I will note that the three top officials within the FBI, one lives in each of those areas. We have one of us in the District, one in Maryland, and one in Virginia. So there is, ironically, an equal representation there.

But the security concerns are significant for us, especially as we are—where we are located at the current time, which is probably the worst of all of the agencies in the intelligence community.

Ms. EDWARDS. Thank you. And Dr. Robyn, I want to go to something that our Ranking Member Norton suggested as she was asking questions, and that goes to the concern that, whether it is true or not—and we can go around and around about that—that there, at least in my jurisdiction, has been some perception that the GSA has not always acted as a fair arbiter and that, in fact, building on what Ranking Member Norton discussed, that, in fact, that GSA, in some instances, has been perceived to actually favor agency requests that can sometimes take a back seat to what is the best benefit of the bargain for the taxpayer.

And I would only say this, that this is a new day. This is a new Congress. And this is a new process for the FBI and for the GSA. And I would just strongly, strongly urge you to take those criticisms into consideration, and to move forward in a very different kind of way. Because there are a lot of eyes watching the GSA. And when you look at the amount of money that is currently spent by the FBI on its operations, on its leasing operations, $168 million, if there is any potential, given the choices, to make sure that the taxpayer saves a boatload of money, all of us have an interest in doing that in this very constrained fiscal environment.

And, at the same time, we want to make sure that the agency and its workforce are able to meet the mission of the Bureau in a location that is acceptable and is secure, and that the process itself is open, and that GSA is the one who is leading the process, and not following, because of one agency head or other. And that is not to disparage at all the FBI, but to say that we just want a fair and open process, and all of our jurisdictions want to have the capacity to compete. Thank you, Mr. Chairman.

Mr. BARLETTA. Thank you, Ms. Edwards. And, Mr. Perkins, what would be an appropriate limit for the cost of a new facility on a per-square-foot basis?

Mr. PERKINS. I would have to get back to you with an exact answer on that, sir, as far as the per-square-foot basis goes. I think in an earlier—I wanted to clarify something as well on one of the questions on the facility itself involving the J. Edgar Hoover Building. If we were to trade the Hoover Building, it would be for the land cost involved. And thus, we would then utilize, in the public-private partnership, the funding and financing of a private entity to build and construct that building over time.

Mr. BARLETTA. The reports have some cost. Would they be accurate? Can we rely on the report?

Mr. PERKINS. Go ahead, Pat.

Mr. FINDLAY. Yes. We have checked any changes in construction design cost, and they are very, very close. And there was some contingencies and allowances built in, so those still appear to be very valid.

Mr. BARLETTA. And what is the proposed rental rate or cap you would propose for a consolidated headquarters without the Hoover Building exchange?

Mr. FINDLAY. Both our report and, really, the private sector through Urban Land Institute confirmed that that could definitely be done at around $54 per square foot. If I could point out, though, the estimate is the Government would be receiving something in excess of $5 per square foot for the ground lease per the approach that we are using.

Mr. BARLETTA. And what would the estimated rental rate be with an exchange?

Mr. FINDLAY. A whole lot better.

Mr. BARLETTA. Dr. Robyn, how can Congress ensure adequate cost controls? And is setting a maximum rental rate one way to control those costs?

Ms. ROBYN. I don't—I am not sure what the answer—I mean I think working—we will work closely with you. I don't know whether that is the best way. I mean I think the—we will rely fundamentally on competition to get the best rate. I am not sure how else to answer that.

I mean we do set—we set caps within the national capital region on leased rental rates. And you know, frankly, as an economist, I have mixed feelings about that. It kind of amounts to rent control, but we do that. We limit the amount that agencies can pay for leases. So it is a—but at the end of the day we are relying on competition to get us the best deal for the taxpayer.

Mr. BARLETTA. Mr. Perkins, one of the areas that can cost to increase are obviously change orders and changing requirements. How will the FBI ensure that its requirements are all thoroughly identified upfront, so there are no costly change orders or increases, once the project begins?

Mr. PERKINS. One of the most important ways is we will have a complete development team formed within the FBI that will work closely with the GSA to go forward. We are quickly—well, we have already realized the mammoth scope of what this undertaking would be that would require significant oversight internally within the FBI, as well as with our partners at GSA, going forward. So we would have a dedicated team of individuals who would solely be working on this project to ensure those issues and to ensure both requirements were met and cost controls were in place.

Mr. BARLETTA. Thank you. Ms. Norton?

Ms. NORTON. So far as you know, Dr. Robyn, has the GSA ever engaged in developing a facility using the flexibility that we have now given you?

Ms. ROBYN. You mean the exchange——

Ms. NORTON. Have you ever had any experience?

Ms. ROBYN. Using the exchange authority? Is that——

Ms. NORTON. Or 412 authority, 585 authority, the different authorities, some of which you already had——

Ms. ROBYN. Yes.

Ms. NORTON [continuing]. But the subcommittee made it even more explicit a number of years ago. Have you any experience using flexible authority?

Ms. ROBYN. We have——

Ms. NORTON. To develop a construction.

Ms. ROBYN. We have used the exchange authority in limited ways, nothing this large.

Ms. NORTON. Because there will be some who wonder whether you can manage this authority. It took you so long to use it, took GSA so long to use it.

Ms. ROBYN. Well, it——

Ms. NORTON. It is not exactly unknown to people engaged in real estate, but—and many of your staff have come out of, of course, professional real estate.

But how do you plan to organize internally to do what you have never done before, and what you seemed unwilling to do before? And I must say, as I ask this question, that I am cheered that your administrator is Mr. Tangherlini. This is an administrator who comes from OMB, and that may have something to do with the fact that OMB now understands more about the costs it puts on the agency by not allowing that flexibility.

But now that you have it for the FBI, and you have never really used it, how will you organize the GSA to use it? Or will you bring in consultants to help you manage this authority?

Ms. ROBYN. I think both. Let me just speak to why we haven't used it. And I am new here, I have only been here 6 months. But I think our preference, as I have said, is always to do Federal construction. That is always the——

Ms. NORTON. No, I understand that.

Ms. ROBYN [continuing]. The least cost approach. So in——

Ms. NORTON. I understand that. But, for example, you are not going to be able to do that——

Ms. ROBYN. Right.

Ms. NORTON [continuing]. With the remainder of the Department of Homeland Security, and we have heard nothing from the GSA about how it purports to continue building that facility, also a secure facility. And, of course, this is going to end up being a pilot, because if you can do it here——

Ms. ROBYN. Yes.

Ms. NORTON [continuing]. Perhaps you can do it——

Ms. ROBYN. Right.

Ms. NORTON [continuing]. There.

Ms. ROBYN. Yes, yes. I——

Ms. NORTON. But we know what—everybody knows that if the chairman and I wanted to buy a house, and we had the cash to put down, it would cost us less than taking a mortgage. So we understand that.

Ms. ROBYN. Right.

Ms. NORTON. And nobody does that, even those who can afford it don't do that. So you can't afford it this time. You have not done it before. How will—how are we to have confidence that you can do it? Are you relying only on staff that you have who have been building, for example, the Department of Homeland Security so well? Or will you be relying as well on others who have——

Ms. ROBYN. Well——

Ms. NORTON [continuing]. Who have had this experience?

Ms. ROBYN. I think our—I mean we have asked for—I don't think that there has been a problem with the way we have man-

aged the Department of Homeland Security. We have not gotten the funding——

Ms. NORTON. You managed it very well, but you weren't using this authority.

Ms. ROBYN [continuing]. That we requested—well, yes.

Ms. NORTON. We got you more than $2 billion.

Ms. ROBYN. Right.

Ms. NORTON. And I am asking you——

Ms. ROBYN. Yes.

Ms. NORTON [continuing]. When you now have new flexibility that you haven't used before, can you tell this subcommittee that you can manage that? And if so, is it going to take reorganization of some kind within the GSA? Are you relying on consultants? That is my direct question.

Ms. ROBYN. It is both. It is both. It is not going to require a reorganization of the agency. We have done headquarters projects before. The Department of Transportation headquarters project you are very familiar with. That is one where it is a capital lease. We will be paying rent on the Department of Transportation headquarters for 30 years, and then we will have to sign another lease and pay rent for another 30 years. We don't want to do that. So we are trying another approach.

But it is not fundamentally different than what we were—what we have been doing. And I think it does reflect the acting administrator's knowledge of OMB and scoring challenges.

Ms. NORTON. Well, I agree with you, Dr. Robyn. I think you have all along had the capacity and the skill to do it. You haven't had the will to do it. And now that Mr. Tangherlini has stepped up and you have that kind of leadership, that increases my confidence that the agency can pull it off.

Thank you, Mr. Chairman.

Mr. BARLETTA. Ms. Edwards?

Ms. EDWARDS. Mr. Chairman, I just have one last question. And it relates to the question that you were asking of Dr. Robyn, and it has to do with the idea of—that you either encourage competition, as you have done—as you suggested, through the RFI process, or setting maximum lease rates.

And I want to ask you about that, because there has been some concerns expressed over a period of time by me and others on this committee that when you set—when GSA sets maximum lease rates, that that actually has not been done fairly through the region, which has greatly disadvantaged some jurisdictions over other jurisdictions.

And so, if the GSA chooses to go that route, do we have assurances that the—a maximum lease rate that you would set would be equally set in the region, so that everybody in the region would be competing fairly? Or would you continue the process which is only true here in the Metropolitan Washington area, where one county or one jurisdiction has a different rate than another jurisdiction, which really discourages competition?

Ms. ROBYN. Those rates apply to a scenario where we would be leasing space. And I would hope we would not be leasing space. So I will leave it at that.

I think you are raising a broader issue, and I am torn on that broader issue. I can see arguments on both sides. But for purposes of this, I would hope that won't be an issue, because I would hope that we won't be in leased space.

Ms. EDWARDS. Well, I am just suggesting to you right now that, going forward, even if that were ever a consideration, I just think it would be a nonstarter for GSA again to pursue a route of valuing leased space differently in the same metropolitan region where all of us have to operate under the same constraints.

Ms. ROBYN. Yes.

Ms. EDWARDS. And—but I do share the view that the preference is the kind of competition that you envision that allows all of us in the region to compete fairly.

Ms. ROBYN. Let me just add that when we set rents, even in our own space, it does—we do it using commercial methodology, and it reflects the commercial rents in the area.

So, it is—we don't set it for the entire NCR, we do—but it does—it reflects what commercial rents are in the area. But——

Ms. EDWARDS. As I finish, just to reiterate——

Ms. ROBYN. Yes.

Ms. EDWARDS [continuing]. The Metropolitan Washington area is the only——

Ms. ROBYN. Yes.

Ms. EDWARDS [continuing]. Region in the country where you do that. Every other region, those kind of rates are set regionally, except here, with zero justification, zero explanation. And I—we digress from the FBI, but I want to make this very clear for our record, because time and again GSA has appeared before this committee and can't even offer a history, a record, an explanation about why those differences exist, except that they do. And they greatly disadvantage my county in Prince George's County. And we are not going to go forward like that. Let's just do a competition.

Mr. Chairman, I yield back.

Mr. BARLETTA. Thank you. Dr. Robyn, earlier you said that it was premature to talk about a prospectus for the project. Yet the committee needs a prospectus, or least a cost information that is included in the prospectus, in order to authorize the project. So when will the GSA provide the committee with the information and the request for the committee to move forward?

Ms. ROBYN. I think we need to digest the 35 responses that we got to the—one of them was larger than a bread box, so there is a lot of material for us to digest. But as soon as we have something meaningful, I would be happy to have—to brief you on that. I don't want to commit to—I am not—you know, hopefully the next step will be an RFP, but I don't want to make any commitments until we see what we got.

Mr. BARLETTA. I will take you up on that offer.

Ms. ROBYN. Thank you.

Mr. BARLETTA. If there are no further questions, I would ask unanimous consent for the record that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing, and unanimous consent that the record remain open for 15 days for

any additional comments and information submitted by Members or witnesses to be included in the record of today's hearings.

[No response.]

Mr. BARLETTA. Without objection, so ordered. I would like to thank our witnesses again for their testimony today.

If no other Members have anything to add, the subcommittee stands adjourned.

[Whereupon, at 12:08 p.m., the subcommittee was adjourned.]

CHRIS VAN HOLLEN
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Congressman Van Hollen Statement to the
Economic Development, Public Buildings, and Emergency Management Subcommittee on
FBI Headquarters Consolidation

Chairman Barletta, Ranking Member Norton, I appreciate the opportunity to submit testimony today on the consolidation of the Federal Bureau of Investigations (FBI) headquarters in the National Capital Region. As you know, this is a significant lease, consolidating 11,000 employees in a single location. The Senate prospectus for this project calls for up to 2.1 million square feet on up to 55 acres.

As the General Services Administration (GSA) and FBI explore possible locations for this project, I strongly urge them to consider the full range of options in suburban Maryland with the GSA's criteria to find the best value for the taxpayer and the best space for their employees.

Additionally, as the Committee considers prospectuses in the National Capital Region, I would like to call attention to the ongoing issue of jurisdiction rent caps. As you know, the National Capital Region is the only region in the nation where GSA sets rental cap rates by jurisdiction rather than by project. This has been a problem for suburban Maryland, where the current $35 cap is particularly restrictive. Often, in order to remain competitive, local jurisdictions must subsidize lease construction projects with tax abatements and other incentives. I look forward to working with the Subcommittee, GSA, and my colleagues in the region to find a fair and equitable solution that ensures maximum competition and taxpayer value.

Again, I thank you for the opportunity to submit brief testimony today and look forward to continuing to work with the Subcommittee as it finalizes its resolution and continues oversight of this important project.

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Statement of Representative Robert J. Wittman (VA-01)
Subcommittee on Economic Development, Public Buildings and Emergency Management
Hearing on "FBI Headquarters Consolidation"
March 13, 2013

Chairman Barletta, Ranking Member Holmes Norton, and members of the subcommittee:

Thank you for holding this important hearing to receive testimony on the future of the FBI Headquarters. I appreciate the opportunity to submit my remarks for the record. I am pleased to join my colleagues from Virginia to ensure that the benefits of locating the FBI in the Commonwealth are known to the members of this subcommittee.

As you may know, the Virginia Congressional Delegation has been working with Virginia Governor Bob McDonnell, numerous partners in the private sector, and multiple localities in the Commonwealth that are interested in providing a home to the FBI. We believe Virginia is an ideal location for the FBI and will continue to work together to advocate for FBI relocation to Virginia.

On December 5, I joined with my colleagues Representatives Frank Wolf, Jim Moran, Gerry Connolly, and Senators Mark R. Warner and Jim Webb in sending a letter to the administrator of the General Services Administration (GSA) urging consideration of Northern Virginia for the new FBI Headquarters location following GSA's Request for Information seeking input on a location for a consolidated FBI Headquarters in the National Capital Region. Specifically, we requested the GSA undertake a qualitative "source selection" procurement that gives appropriate weight to qualitative factors other than just cost. I strongly support providing the FBI with a secure headquarters location that meets the needs of its workforce, allowing them to more effectively carry out their vital law enforcement responsibilities. I am pleased to share my views on some of these critical factors with the subcommittee.

There are many factors which would make a location in Northern Virginia the best choice for not only the FBI and its employees, but also for the taxpayer. As you know, the FBI Academy and the FBI Laboratory are located on a 385-acre complex in Quantico, Virginia, and the Northern Virginia Resident Agency is located in Prince William County, Virginia. Furthermore, Winchester, Virginia, is the future home of the FBI's Central Records Complex and proximity to the National Counterterrorism Center and the Central Intelligence Agency make a headquarters location in the region convenient for inter- and intra-agency activities.

Most importantly, a significant majority of the FBI workforce calls the Commonwealth home and will be directly impacted by the decision to relocate headquarters. A location in the Commonwealth would minimize adverse effects, particularly transportation and commuting concerns, on these employees. Furthermore, Virginia has some of the best schools in the country, and is consistently ranked one of the best places in the nation to live, work, and raise a family.

I look forward to working with you and the subcommittee as you seek to meet the needs of the FBI and provide the best value to the taxpayer.

STENY H. HOYER
DEMOCRATIC WHIP
5TH DISTRICT, MARYLAND

Congress of the United States
House of Representatives
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March 6, 2012

Testimony by Congressman Steny H. Hoyer (MD-5) Before the House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management on the FBI Consolidated Headquarters

I thank Chairman Lou Barletta, Ranking Member Eleanor Holmes Norton, and Members of the Committee for holding this hearing today to examine the possibility of a new, consolidated FBI Headquarters – and for the opportunity to testify on the merits of relocating it to Prince George's County, Maryland.

The J. Edgar Hoover building is in disrepair and does not comply with today's higher security standards. The agency suffers from space constraints and security challenges. To restore the current building is neither cost-effective nor feasible.

In addition, roughly half the Headquarters' staff is in leased space around the national Capital Region because there is insufficient space within the J. Edgar Hoover building. This dispersion of staff negatively impacts the FBI's ability to perform its mission.

Consolidating and relocating the Headquarters in a timely manner will help ensure that the FBI can carry out that mission – and save our taxpayers an estimated $44 million annually in the process.

Any new location for a possible new consolidated FBI Headquarters must meet several requirements. First, it must have a minimum of 45-50 acres of land. It must be located within the national Capital Region. It must have ready access to public transportation, such as metro rail. And it must have space to house approximately 11,000 personnel.

With a variety of potential sites in close proximity to Washington with sufficient available acreage and close to mass transit, Prince George's County is an ideal location for the new Headquarters.

Prince George's County has ample, undeveloped land near the Metro, the Marc commuter rail, the Capital Beltway, a variety of Metro and county transit bus lines, and regional bike trail networks. These sites can provide a secure and convenient campus setting.

Twenty-five percent of the Region's federal workforce resides in Prince George's County, and our state is already home to a plurality of the FBI's employees.

According to a Maryland state study released in September, 43% of FBI Headquarters employees live in Maryland, 17% live in Washington, D.C., and 33% live in Virginia.

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FBI personnel and their families could benefit from lower daily transportation expenses, Prince George's County's vibrant neighborhoods, and an easier commute.

In addition, Maryland has recently seen unprecedented growth in the field of cyber security, which would provide the FBI with greater access to experts in the field, as well as a highly-skilled workforce.

Our state is home to the U.S. Cyber Command at Fort Meade, the National Security Agency, the Defense Information Systems Agency, the National Cyber Security Center of Excellence Headquarters at the National Institute of Standards And Technology, the Department Of Defense's Cyber Crime Center, and the Intelligence Advanced Research Projects Activity.

Our state's institutions of higher education, including the University Of Maryland, College Park and Bowie State University – both located in Prince George's County – are training the next generation of leaders in cyber security.

Numerous companies and contractors in the field of cyber security are located in Prince George's County as well – not far from others operating in Montgomery and Anne Arundel Counties.

Prince George's County, with several potential secure and convenient locations and a significant portion of the region's federal workforce, is the right choice for the new FBI Headquarters.

I will continue working with our Senators, Members of the Maryland delegation, and local officials to advocate for any proposed consolidated FBI headquarters to be relocated to Prince George's County, which would be a win for the FBI, its employees, our regional economy, and our national security.

Thank you.

Testimony of
Rep. Frank Wolf (Virginia)
Subcommittee on Economic Development, Public Buildings and Emergency Management
House Transportation and Infrastructure Committee
March 6, 2013

Chairman Barletta and Ranking Member Holmes Norton, thank you for holding today's hearing.

Let me begin by saying there is no doubt the FBI needs a new headquarters' building. I have been there on numerous occasions in my capacity as chairman of the House Commerce-Justice-Science Appropriations subcommittee, which funds the bureau.

The present building is severely outdated and the working conditions are very poor. It is a relic of another era, and since 9 / 11 the bureau has assumed more responsibility as the nation's lead counterterrorism agency. Even today its mission is growing with the growing cyber threat. As it has added more responsibility it has more than outgrown its present space.

Obviously, I am here to support the bureau moving its headquarters to Virginia.

It is the logical choice, especially considering: A number of FBI agents live in Virginia. The Washington Field Office's Resident Agency is in Virginia. The FBI Academy is in Virginia. The FBI's new records facility is slated to be built in Virginia. There are also a number of other critically important facilities in northern Virginia with ties to the FBI, including the National Counterterrorism Center and other law enforcement and intelligence agencies. Having all these facilities within close proximity of each other makes sense and will allow for greater collaboration and operational efficiency.

There are a number of potential sites in Virginia that meet the needs of the bureau; whether they are in Fairfax County, Prince William County or Loudoun County.

They are all near major arteries and have access to mass transit. Most are within a 30 minute drive to the White House and Capitol Hill and all would meet the necessary security requirements.

Northern Virginia also is home to some of the best schools in the nation and I like to think it is a great place to live, work and raise a family. I raised all five of my children in northern Virginia and all are graduates of the Fairfax County public schools. Virginia colleges and universities also have a number of programs and training opportunities the FBI can take advantage of.

As this process gets underway, I think it is important the relevant committees and GSA work to ensure that the federal government is getting the best deal it can. It is for this reason that I encourage the subcommittee not limit its search to sites no further than 2.5 miles from the

Capital Beltway, as the Senate prospectus requires. That would arbitrarily prevent sites in Loudoun and Prince William counties from being considered.

In early December I joined with other members of the northern Virginia congressional delegation in writing GSA to say we expect the procurement process to be open and fair. I hope that will be the case. We also said we stand ready to assist with any additional information in support of the selection of a site in northern Virginia.

The bureau desperately needs a new headquarters and putting it in Virginia makes the most sense.

Again, thank you for allowing me to testify this morning.

March 6, 2013

Testimony by Congressman James P. Moran (VA) before the House Transportation and Infrastructure Committee,
Subcommittee on Economic Development, Public Buildings and Emergency Management

Chairman Barletta and Ranking Member Holmes Norton, thank you for allowing me the opportunity to testify before this subcommittee regarding the consolidation of the headquarters for the Federal Bureau of Investigation (FBI).

As you know, the General Services Administration (GSA) recently issued a Request for Information (RFI) to obtain suggestions from the development community, local and state jurisdictions, and other interested parties for a new headquarters facility for the FBI within the National Capital Region (NCR). I, along with a united Virginia congressional delegation, believe that Northern Virginia would make the ideal location for the new FBI Headquarters.

Northern Virginia is home to a majority of FBI personnel in the region. The FBI Academy and the FBI Laboratory, the premier crime lab in the U.S. employing over 500 scientific experts and special agents, are both located in Quantico, Virginia. The Northern Virginia Resident Agency, field office for several hundred agents, is located in Prince William County, and Winchester, Virginia, will be the future home of the FBI's Central Records Complex. A headquarters location in Northern Virginia would place it closer to these important FBI facilities.

In addition, the FBI occupies numerous clandestine facilities elsewhere in Northern Virginia. The region is also home the National Counterterrorism Center and the headquarters of the Central Intelligence Agency. A FBI Headquarters location in Virginia would increase opportunities for cross-agency coordination and promote increased operational efficiency.

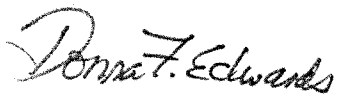
Finally, Northern Virginia offers geographically advantageous locations, roughly equal distance from Quantico and Washington D.C., offering easy access to other Federal agencies, Congress, and the aforementioned major FBI facilities. Our region also has some of the best schools in the country, and is consistently ranked one of the best places to live, work, and raise a family. Taken together, these attributes would help to minimize the adverse transition and transportation effects on employees assigned to the new headquarters.

While my top priority is to support efforts to locate the FBI Headquarters in Virginia, I would like to mention one location in Virginia's 8th District that I believe would be ideal for this facility, a GSA warehouse located in Springfield, Virginia. Situated on approximately 60 acres, the location could easily accommodate over 3.5 million square feet of highly-secure office space and allow for the productive use of underutilized government-owned real estate. The property also provides ample space for the FBI to accommodate potential future growth.

Given recent local challenges created by BRAC relocations, I believe this Subcommittee should consider sites that would require the least amount of offsite infrastructure to support the traffic that would result from the relocation. In this regard, the Springfield location is unique. Between extensive improvements to Interstate 395, the Express Lane Project on the Beltway, and the completion of the Fairfax County Parkway to Ft. Belvoir, over $1 billion has been invested in the road network in and around the this site. The Springfield site is also located next to the Franconia-Springfield Metro station, Amtrak and VRE rail lines, and is served by an effective bus system. The presence of both a high quality road network and mass transit options will help to promote efficient traffic flow and minimize the impact on the local community.

As GSA proceeds with its selection process, I encourage the Subcommittee to ensure that this competition is conducted in a completely open and fair manner. Unlike the Senate-passed prospectus, which would prevent consideration of potential sites in the Dulles area, I urge the Subcommittee to oppose unnecessary restrictions on the location of the new FBI Headquarters. The decision of where to locate this facility should be based solely on what is best for the FBI's ability to fulfill its vital law enforcement and national security missions. Through a transparent process free of political considerations, I am fully confident that sites in Virginia will stand out among all the options.

Thank you again for inviting me to testify and for your continued efforts to ensure that the best possible location is chosen as the new headquarters for the FBI.



The Honorable Donna F. Edwards (MD-4th)
"New Consolidated FBI Headquarters Building in the Washington, DC Area"
Hearing by the House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management
March 13, 2013

Chairman Barletta and Ranking Member Norton,

Thank you for the opportunity to testify. The future location of the FBI headquarters is vital to the men and women of the Bureau and their mission. It is also vital to the people of Maryland's 4th Congressional District, and specifically Prince George's County, where I live and which Congressman Hoyer and I represent in this Chamber.

We are here today because it is critical the FBI consolidate its operations to optimize the agency's ability to meet its vital mission and make the best use of the taxpayer's resources.

It has been almost 40 years since the FBI moved into the Hoover Building. We know the Bureau has outgrown it, and that it can no longer provide the security, infrastructure needs, and space required of the world's premiere law enforcement agency. In addition to its responsibilities here at home, today's FBI is a key leader globally in meeting our law enforcement needs.

We know in the National Capital Region alone, the FBI occupies more than 3 million square feet of space over 21 locations, resulting in $168 million in leasing costs alone.

Yet, surprisingly, the Hoover Building only houses 52 percent of the FBI headquarters' staff. This dispersed office structure is impeding the Bureau's ability to meet its core mission due to challenges in managing its headquarters, divisions, and offices effectively, while collaborating and sharing information across functions.

The fact that the FBI continues to operate at such a high level is a testament to the commitment, dedication, and hard work of our men and women who do their jobs above and beyond the call of duty.

To comply with post-9/11 security requirements, the FBI has looked to consolidate its facilities into one headquarters. In response to a 2011 GAO study, the FBI conducted a security assessment that documented threats and analyzed building security requirements consistent with the Interagency Security Committee standards. As a critical component of our country's national security apparatus, the agency must comply with these enhanced security standards.

We are here today because our public servants deserve one consolidated facility that honors their commitment, provides the best environment to achieve their missions, and saves taxpayer money.

The Senate's prospectus requires the new headquarters to be located within 2 miles of a Metro station and 2.5 miles from the Capital Beltway, while providing Level 5 security. This language is intended to ensure a fair, competitive process that includes sites within the District of Columbia and the nearby National Capital Region. Our taxpayers deserve such a process and I support it whole heartedly.

Let me say why I believe Prince George's County offers the most competitive combination to effectively meet the needs of the FBI, the Senate-approved Committee Resolution, and taxpayer value, with the finest location and access to world class facilities.

Joint Base Andrews, the President's airport, in Camp Springs in Prince George's County, would provide the FBI with a secure facility from which to depart anywhere in the world.

Fort Meade, home to the National Security Agency and the nation's leader in cyber security and its intelligence gathering apparatus, is another secure facility located nearby in Anne Arundel County, a part of which I also have the honor of representing.

The University of Maryland, in College Park in Prince George's County, has nationally ranked disciplines in criminal justice, computer forensics, biological sciences, language, homeland, cyber, and national security. It is also home to the Department of Homeland Security's Center of Excellence in Terrorism Studies, a national consortium of leading terrorism studies programs in the country.

Prince George's County is home to 15 Metro stops – the most in our region. It provides easy access to the White House and downtown Washington, DC, the Capital Beltway, the Department of Homeland Security's new campus at Saint Elizabeth's and our region's airports, while having the lowest prices of real estate near Metro facilities throughout our region.

In addition, over 67,000 federal employees reside in Prince George's County and the County has shown a strong commitment to attracting economic development and providing an affordable high-quality of life for its residents. Prince George's County is right for the FBI, and it will do right *by* the FBI.

If a consolidated FBI Headquarters becomes a reality anywhere within the parameters set by the Senate Committee Resolution, the District of Columbia still stands to gain.

The Hoover Building on Pennsylvania Avenue would free up a block on the most important street in America - allowing the District of Columbia to have a tax-generating tenant and a building that adds to the aesthetic value of Pennsylvania Avenue. That would complement the soon to be developed Old Post office site that was championed by this Committee in the last Congress.

Again, Chairman Barletta and Ranking Member Norton, thank you for allowing me to testify. I look forward to continue working with both of you in passing a Transportation and

Infrastructure Committee Resolution that establishes an open and fair competitive process to consolidate the FBI headquarters into one facility a reality.

Wednesday, March 6, 2013
Congressman Gerald E. Connolly (VA-11th)
Member Statement re: FBI Headquarters Consolidation
Hearing hosted by the T&I Subcommittee on Economic Development, Public Buildings and Emergency Management

Chairman Barletta and Ranking Member Holmes Norton,

Thank you for holding today's hearing on the FBI's proposal to consolidate its dispersed local workforce into a new campus-like headquarters within the National Capital Region. Today's discussion also will cover the GSA's subsequent proposal to use an innovative public-private-partnership development model that has attracted widespread interest. I appreciate the opportunity to testify as I represent a Northern Virginia district in which a significant portion of the FBI's workforce lives and works and which is home to locations that would be particularly well-suited to the FBI's needs. Given the national security interests involved and the magnitude of the development proposal, which would no doubt be one of the largest undertakings by the GSA and could establish a new model for future federal property management, close Congressional oversight will be paramount. I share the subcommittee's desire to ensure the best use and value for federal property, and I have no doubt that a fair and open competition will allow us to achieve that result here.

The FBI and GSA have been studying alternatives to its current headquarters in the J. Edgar Hoover Building for at least a decade. The Hoover building is an iconic landmark here in our nation's capital and has historical significance for the Bureau itself, but the aging building no longer meets the operational and security needs to match the Bureau's expanding mission within our national security network. Simply refurbishing the Hoover building was considered, but the building houses just 52% of the FBI's headquarters staff with the rest dispersed among 21 leased locations throughout the National Capital Region. Those leases alone cost more than $170 million annually. This situation has led to inefficiencies and redundancies that do not support an agile 21st century law enforcement workforce. The FBI estimates consolidating its operations and personnel in one location could reduce its current footprint by as much as 1 million square feet and yield a savings of as much as $60 million annually.

In December 2011, the Senate Committee on Environment and Public Works adopted a resolution authorizing the FBI and GSA to proceed with planning for the proposed consolidation. That resolution establishes a set of criteria to guide site selection, specifying that any potential property be located within 2 miles of a Metro station and within 2.5 miles of the Capital Beltway and that it be on a federally-owned site not larger than 55 acres. As this subcommittee begins drafting its companion resolution to move this process forward, I hope members will consider more flexible language that will allow for a fair and robust competition. A Request for

Information issued by the GSA in December 2012 solicited ideas from both the public and private sectors with the enticement of "swapping" the Hoover Building and its redevelopment potential for construction of a new FBI headquarters facility within the region. Such a proposal represents not only a new approach to federal property management, but also an economic development opportunity for the District of Columbia. An industry day hosted by GSA in January attracted a standing-room only crowd of more than 300 real estate and development professionals, demonstrating a high level of interest that could yield some innovative proposals.

Multiple locations throughout the National Capital Region would suit the FBI's needs. From a Virginia perspective, we have several sites that would offer strategic benefits to the FBI, its workforce, and taxpayers. Virginia already is home to a majority of the FBI's workforce and several of its critical operations, including the FBI Training Academy and Laboratory at Quantico, the Northern Virginia Resident Agency in Prince William County, and the future Central Records Complex in Winchester. Proximity to those operations would benefit the headquarters staff and reduce cross-regional traffic. A Virginia location also would offer proximity to the National Counterterrorism Center and the CIA, creating a nexus of national security operations and facilitating improved collaboration. In addition, a location in Northern Virginia would provide easier access to the metropolitan region's premier international gateway at Dulles International Airport.

There are at least half a dozen properties in Northern Virginia with proximity to current and future mass transit connections, which should be a key consideration in any site selection. We must learn from the mistake made at the Mark Center in Alexandria as part of the Base Realignment and Closure process. In that instance, the Pentagon relocated 6,000 jobs previously accessible by Metro to a new building alongside Interstate 395 accessible only by automobile, which only increased congestion on our region's already-clogged roads. One site, in particular, that I believe warrants serious consideration is a property the federal government already owns, the GSA's own warehouse facility in Springfield. The 70-acre property is grossly underutilized when you consider its location at the center of the regional transit and road network, including Metro, Virginia Railway Express, Interstate 95, and the Fairfax County Parkway. In the current climate of austerity, I don't think we can afford to overlook a parcel that we already control and that offers so many location advantages.

While that property would meet the criteria in the Senate Resolution, I also proudly represent neighboring Prince William County, which has put forth a proposal with great merit as well. That is why I respectfully request that the Subcommittee not arbitrarily limit the scope of its companion Resolution. If this process moves forward in an open, competitive fashion in which proposals are judged based on their merits, I have every confidence that a location in the Commonwealth of Virginia will prevail. The Virginia delegation is committed to working in a

bipartisan fashion with the Subcommittee, the FBI, and GSA to ensure we find the best location to meet the Bureau's operational and security needs and to achieve the best value for taxpayers.

**STATEMENT BY DOROTHY ROBYN, COMMISSIONER,
GENERAL SERVICES ADMINISTRATION'S PUBLIC BUILDINGS SERVICE
BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS & EMERGENCY MANAGEMENT
OF THE HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE**

March 6, 2013

Chairman Barletta, Ranking Member Norton, and Members of the Subcommittee, my name is Dorothy Robyn. I am Commissioner of the General Services Administration's Public Buildings Service. It is a pleasure for me to have this opportunity to appear before you.

Under new leadership, GSA has refocused on its mission of delivering the best value in real estate, acquisition, and technology service to government and the American people. In the Public Buildings Service, GSA is using the authorities Congress gave us to leverage private capital to deliver better and more efficient space to our partner federal agencies.

One example of this new approach is the subject of today's hearing. In early December, we issued a Request for Information (RFI) seeking private sector input on exchanging the FBI's J. Edgar Hoover Building—an outdated but valuable property on Pennsylvania Avenue—for the construction of a new headquarters somewhere in the National Capital Region.

In my testimony today, I would like to explain why the existing FBI headquarters building is no longer suitable to meet the agency's needs, how we hope to utilize the exchange process to obtain a replacement facility that will allow the FBI to achieve its mission in the most cost effective manner, and the benefits this effort will have in advancing GSA's commitment to creating a more efficient and sustainable federal building inventory.

Why is the J. Edgar Hoover Building no longer suitable as a headquarters facility for the FBI?

The answer to this question encompasses challenges with the building's design, the changes that have occurred in the FBI's mission since 9/11 and the very real challenges of modifying the building to accommodate current and future FBI needs and requirements.

The Hoover building opened in 1974. This was an era in which the FBI was primarily a law enforcement agency. The building was designed to store vast amounts of paper documents. It included a crime lab and a firing range. It was intended to be accessible to the general public, both for formal tours and for access to a second floor outdoor veranda located on top of space intended to house street-level retail establishments along Pennsylvania Avenue.

Remarkable for a building this new, the Hoover building has a gross area of 2.4 million square feet, but only 1.3 million square feet are usable to house FBI personnel and equipment. As a result, this facility now accommodates only a portion of the FBI's D.C. staff.

It also is structured in such a way that is largely incompatible with close collaboration of various staff and operations. It has interior walls of cement block lining corridors wide enough to accommodate the movement of large blocks of paper files. Whereas the FBI is making great strides in developing collaborative work spaces in its field offices around the country, there is limited ability to do that here.

The FBI's evolving mission encompasses combating new world threats including those posed by terrorism and breaches in cybersecurity. As such, consideration needs to be given to achieving the secure perimeter setback that is advised under the Interagency Security Committee's standards.

So, where do we go from here?

On December 3, 2012, GSA issued a Request for Information (RFI) seeking to tap the expertise of the real estate community on alternatives for replacing the J. Edgar Hoover building. Responses were due on March 4, at the beginning of this week, and we are now in the process of evaluating them.

We are prepared to "exchange" the Hoover building for a new facility of up to 2.1 million square feet that would consolidate personnel from the Hoover building and multiple leased locations.

What do I mean by "exchange"?

The exchange concept is one tool for GSA to dispose of our properties that are not meeting the Federal need, allowing us to leverage the equity of some of our buildings in the inventory to get new and highly efficient ones. Already we have put in motion a number of potential real property exchanges that can provide considerable savings to taxpayers.

In Los Angeles, we announced that we are pursuing the exchange of an outdated Courthouse for a new, highly efficient Federal building. Here in the National Capital Region, in addition to our FBI initiative, we are seeking ideas from the real estate community to exchange five existing federal buildings in Southwest Washington for new federal workspace and an innovative, mixed use eco-district.

These initiatives are part of a broader effort to more fully utilize all of GSA's existing authorities and realize the benefits to business, government, and communities.

Our FBI RFI is seeking the best ideas from the private sector for meeting the FBI headquarters needs and leveraging the value of the current headquarters site on

Pennsylvania Avenue. If an exchange were to occur, we would transfer title in fee simple for the Hoover Building in return for a new facility. This could involve a developer offering to build a new facility on land he or she owns, or build on land the government owns or acquires, or exchange for an existing building.

Based upon information that we obtain, we may issue a Request for Proposals. If there is a successful offeror, we would also expect the successful bidder to accommodate FBI staff housed in the Hoover Building until the new facility was ready for occupancy.

At the end of the process, the developer would own the Hoover Building, and we would own its replacement facility.

Throughout this process, we have not focused on a single location in the National Capital Region.

If we are correct, the Pennsylvania Avenue site has potential for higher and better use than as the headquarters of a Federal agency. This property, we think, should produce significant value toward creating a new FBI headquarters facility.

In addition, a new facility would advance GSA's efforts to create a more sustainable inventory of federal assets. We propose to consolidate as many as 11,000 FBI employees now occupying a total of 3 million square feet of space into a much smaller Federal footprint.

I anticipate that this is but one of many conversations we will have about our efforts to find a suitable headquarters for the FBI, and our exploration of alternative mechanisms to find innovative ways to enable our federal customers to carry out their agency missions at less cost to the American taxpayer.

Thank you for inviting me here today, and I look forward to answering any questions you may have.

Questions for the Record

Subcommittee on Economic Development, Public Buildings, and Emergency Management
House transportation and Infrastructure committee

FBI Headquarters Consolidation

April 24th, 2013

FBI Infrastructure

Perimeter Fence and IT Security
Who will be responsible for the cost of a perimeter fence on a FBI campus? Who will be responsible for maintaining the Information Technology (IT) and security for the perimeter fence? Is the cost expected to be amortized in the rent?

The funding source for a perimeter fence has not been determined at this time. GSA is committed to a cost-effective approach to a potential new FBI Headquarters.

Buildings
Does FBI intend to have one building or have multiple buildings on the site that will house federal employees? How will power be distributed to these structures? Will there be a master plan for the site?

The number of buildings required has not been identified yet as this number will be determined by characteristics of the selected site. GSA will use the most cost effective means to distribute power to these buildings.

Energy Distribution
How will energy be provided on the 40-55 acre site? Will there be an energy co-generation plant? What is the expected cost of the energy co-generation plant? Is the cost expected to be amortized in the rent?

The means of providing energy on the site will be site dependent and will be an important criterion in the selection of the site. A project of this size typically requires a co-generation plant. GSA would seek the most cost effective means.

Parking garage
If there is a parking garage on the site, what is the expected source of construction funds for the parking garage? Is the cost expected to be amortized in the rent? Will the number of parking spaces conform to National Capital Planning Commission standards on large government developments? Is the ratio of employees to parking spaces expected to be 4:1 or 3:1?

Determinations related to parking will be dependent on a number of factors, including location and distance to public transit. Parking ratios are also dependent on the location of the project and distance to public transit. GSA will seek the most cost effective means for realizing parking.

Roads
What is the expected cost of the internal road circulation for a campus? Is the cost expected to be amortized in the rent?

Minimizing the cost of internal road circulation, along with all other site development requirements, will be an important criterion in site selection. Until a site is selected, that exact cost will not be known.

Sensitive Compartmentalized Information Facility (SCIF) Space
How much SCIF space **will** be needed in the new facility? Is this amount of space expected to have a significant financial impact on a project?

GSA defers to FBI on this question.

Total costs
Both GSA and FBI have estimated that the total cost to build a new FBI building will be roughly $1 billion.

Does that cost estimate include costs associated with infrastructure necessary to provide Level 5 security for a new FBI headquarters?

Yes, GSA estimates included costs associated with Level 5 security, however many of these costs will be tradeoffs between building and site costs, and subject to specific site characteristics.

- Does the FBI expect all the costs associated with this project to be folded into the rent? What costs will be included in the operational costs? What costs will be included in the market rent?

  The acquisition strategy for a consolidated FBI headquarters has not yet been determined.

  What additional costs would the FBI have to pay outside of the rent charges to build a new headquarters?

  The acquisition strategy for a consolidated FBI headquarters has not yet been determined.

- What is the range of fully serviced rent that is expected in order to have a FBI campus?

  The acquisition strategy for a consolidated FBI headquarters has not yet been determined

FBI Headquarters Consolidation Hearing
Transportation and Infrastructure's Subcommittee on Economic Development, Public Buildings, and Emergency Management
Questions for the Record
Congresswoman Edwards

1. The Senate resolution passed by the Environment and Public Works Committee in 2011 sets location criteria for a potential headquarters site for the FBI. In the interest of having an open, fair, and competitive process that benefits the FBI and our taxpayers, does the Senate resolution prioritize any one region over another?

   GSA appreciates the Senate Environment and Public Works Committee's support for the FBI Headquarters project and looks forward to continuing to work with it and other oversight committees in Congress. GSA is committed to a fair, transparent, and open process that includes consideration of all areas in the metropolitan area.

   The Senate resolution requires, to the maximum extent feasible, that the FBI Headquarters be located within 2 miles of a Washington METRO station and 2.5 miles from the National Capital Region Beltway. GSA has not yet commenced any acquisition activity. The agency issued a Request For Information (RFI) on January 9, 2013, to obtain the widest possible range of options on how best to consolidate FBI Headquarters operations.

2. Does the Senate Environment and Public Works Committee-approved resolution exclude sites within Washington, DC?

   See response to Question 1

3. What is the timeframe for GSA to review the responses to the Request for Information?

   GSA expects to complete the review during the Summer of 2013.

4. How will the responses to the Request for Information be used in determining how to proceed with a formal Request for Proposals?

   The responses will be one of several sources of information and ideas that GSA will utilize to develop a project strategy. The responses will be analyzed individually and as a group to ensure the best ideas from each are evaluated.

5. Has GSA gotten any independent expert advice regarding valuation of the J. Edgar Hoover building?

   a. If so, from who and what did GSA learn?

      Like all buildings in the GSA inventory, the J. Edgar Hoover building is appraised

on a periodic basis. Those appraisals are confidential.

6. To evaluate the value of the current site of the FBI's Headquarters, have you looked at the value of comparable property on Pennsylvania Avenue, such as the Newseum and the Old Post Office Pavilion?

   Standard procedure for GSA appraisals is to consider comparable properties in the vicinity.

7. In the Request for Information, GSA mentioned the use of exchange authority as a way to dispose of the Hoover Building property and establish a new FBI Headquarters at another site.

   a. Can you describe the mechanics of how such an exchange would be carried out?

      The acquisition strategy for a consolidated FBI headquarters has not yet been determined. Use of the exchange process is one of several possible alternatives for establishing a new FBI Headquarters. In the event that an exchange is pursued, there are several alternatives for how an exchange could be structured. One example would involve a potential developer providing a building(s) to meet some or all of FBI's space needs. When this facility is ready for occupancy, ownership would transfer to the Federal Government. At the same time, ownership of the current FBI Headquarters would transfer to the developer.

   b. How would each property be valued?

      Each property would be valued through some form of market competition; GSA would seek to maximize the value to the Government, while providing for FBI's requirements.

   c. If a site that is owned by a unit of government is selected, would that foreclose the possibility of such an exchange, or can there still be an exchange?

      No, use of the exchange process would still be one of several possible alternatives for establishing a new FBI Headquarters. In the event that an exchange is pursued, there are several alternatives for how an exchange could be structured. One example would involve a potential developer constructing a building(s) to meet some or all of FBI's space needs on federally owned land. GSA is willing to consider proposed concepts involving privately owned property, property owned by state and local governments, or federally owned sites. GSA is also interested in exploring potential donations of usable sites for FBI's needs.

The following questions were directed to both GSA and FBI

1. How would phased construction of a new headquarters building be done to coincide with

consolidation of current FBI office locations?

Where practical, lease terms would be negotiated to coincide with the projected completion of the new facility in order to minimize lease exposure.

2. How far do both of you believe that employees will be willing to walk from a metro station to a new FBI Headquarters?

   One applicable benchmark is GSA's standard lease solicitation that provides that buildings less than 2,640 walkable linear feet from a Metrorail station are not required to provide shuttle service to/from the Metrorail station.

Department of Justice

STATEMENT

OF

KEVIN PERKINS
ASSOCIATE DEPUTY DIRECTOR
FEDERAL BUREAU OF INVESTIGATION

BEFORE THE

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS,
AND EMERGENCY MANAGEMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

AT A HEARING ENTITLED

"PROPOSAL FOR A NEW CONSOLIDATED FBI HEADQUARTERS
BUILDING IN THE WASHINGTON, D.C. AREA"

PRESENTED

MARCH 13, 2013

Kevin Perkins
Associate Deputy Director
Federal Bureau of Investigation

Subcommittee on Economic Development, Public Buildings, and Emergency Management
Committee on Transportation and Infrastructure
U.S. House of Representatives

"Proposal for a New Consolidated FBI Headquarters Building in the Washington, D.C. Area"
March 13, 2013

Chairman Barletta, Ranking Member Holmes-Norton and Members of the Subcommittee, thank you for the opportunity to discuss the Federal Bureau of Investigation's (FBI) need for a new consolidated FBI Headquarters Building in the Washington, D.C. area. I am pleased to appear before the Committee with my colleague from the General Services Administration (GSA), Dorothy Robyn.

The FBI has occupied the J. Edgar Hoover (JEH) building on Pennsylvania Avenue since its completion in 1974. When the FBI first moved into the building, we were primarily a law enforcement organization. At that time, in addition to office space, the building housed a crime lab and was used to maintain thousands of files and paper records.

Since then, and particularly since 2001, our mission and organization have grown in response to evolving threats. There has been significant growth in the Counterterrorism Division as well as the creation of the National Security Branch, Directorate of Intelligence, Cyber Division, and Weapons of Mass Destruction Directorate. In support of the FBI's expanded mission, we have worked to ensure that our infrastructure can continue to support FBI functions. This has required an increase in Information Technology personnel and a Resource Planning Office, as well as significant growth in our Security Division, Human Resources Division, Facilities and Logistics Services Division, and Office of the General Counsel.

The FBI has adapted the use of the JEH building over time to increase efficiency – the crime lab is now at Quantico, our paper records are housed elsewhere, we instituted an electronic system of record in July 2012, and we have converted non-personnel and equipment intensive spaces into office space to accommodate more employees. However, despite these efforts, the FBI's current headquarters housing is obsolete, inefficient and expensive.

In the 2009 Omnibus Appropriations bill, Congress directed the U.S. Government Accountability Office (GAO) to review the JEH building and associated FBI Headquarters offsite locations in light of its concerns about the security posture of the JEH building and its inability to house the current FBI Headquarters workforce. In November 2011, GAO issued a public report that identified both security and design deficiencies with the existing facility.

Furthermore, in response to issues raised in connection with the GAO review, the FBI conducted a security assessment in 2011 that documented threats and analyzed building security requirements consistent with Interagency Security Committee (ISC) security standards. These reviews demonstrate that a new consolidated FBI headquarters facility is urgently needed and we view this as one of our highest priorities for the foreseeable future. We are committed to working with Congress and our partners at GSA to explore options for a new facility.

The FBI currently has over ten thousand headquarters staff in multiple locations throughout the National Capitol Region. In fact, the JEH building houses just over half of our headquarters staff. The dispersal of employees has created significant challenges with regard to effectively managing the Bureau's twenty-seven headquarters divisions and offices, facilitating organizational change, and sharing information and collaboration across operational and administrative functions. It is our hope that consolidating FBI headquarters operations will improve information sharing and collaboration and eliminate redundancy.

The design of the JEH building presents a challenge to staff collaboration and information sharing. The compartmentalized structure of the building confounds an agile workforce; there is limited ability to realign organizational elements and adjust staffing to address shifts in our mission and changes in the threats we are addressing. We believe it is both time consuming and costly when many organizational elements involved are housed in different locations.

The FBI has evaluated its mission and determined that not all elements of FBI headquarters must be consolidated. Certain FBI divisions engage in less frequent direct coordination with other FBI headquarters elements and others in the D.C. law enforcement and intelligence communities. Among these Divisions are the Criminal Justice Information Services Division, Laboratory Division, Training Division, Operational Technology Division, Records Management Division, and Hazardous Devices School.

The FBI conducted an extensive assessment of the current JEH building and other headquarters offsite locations and determined the physical security to be inadequate based upon current ISC and FBI standards. In short, the FBI headquarters building should be housed in a facility meeting the highest level of protection as designated by the ISC. This standard of protection is reserved for agencies with the highest level of risk related to mission functions critical to national security or continuation of government. Simply put, current conditions of the JEH building do not provide an appropriate level of protection against threats.

The FBI has implemented some countermeasures at the JEH building to improve the security of the facility, but those efforts are not a substitution for relocating FBI headquarters employees to a location that affords the ability to provide true security in accordance with ISC standards.

Working with our partners at GSA, we have proposed locating a new Headquarters within the National Capital Region. Generally, the site should be served by mass transit, have adequate surrounding highway infrastructure, and be in substantial conformance with local land use plans. Several strategies have been proposed by various parties and, as the Committee

knows, at the end of 2012, GSA issued a Request for Information seeking ideas from the development community for exchanging the current JEH facility for a new consolidated FBI Headquarters. We will continue to work with GSA and with Congress in order to identify and implement a solution that that meets the FBI's needs now and in the future.

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

June 18, 2013

The Honorable Lou Barletta
Chairman
Subcommittee on Economic Development, Public
Buildings and Emergency Management
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed please find responses to questions for the record arising from the appearance of Kevin Perkins, Associate Deputy Director, Federal Bureau of Investigation, before the Subcommittee on March 13, 2013, at a hearing entitled "FBI Headquarters Consolidation." We hope that this information is of assistance to the Subcommittee.

Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter. The Office of Management and Budget has advised us that from the perspective of the Administration's program there is no objection to submission of this letter.

Sincerely,

Peter J. Kadzik
Principal Deputy Assistant Attorney General

Enclosure

cc: The Honorable Eleanor Holmes Norton
Ranking Member

Questions for the Record
Associate Deputy Director Kevin Perkins
Federal Bureau of Investigation
U.S. Department of Justice

Subcommittee on Economic Development, Public Buildings, and Emergency Management
Committee on Transportation and Infrastructure
U.S. House of Representatives

"FBI Headquarters Consolidation"
March 13, 2013

Questions Posed by Chairman Barletta

1. Who will be responsible for the cost of a perimeter fence on a FBI campus? Who will be responsible for maintaining the Information Technology (IT) and security for the perimeter fence? Is the cost expected to be amortized in the rent?

Response:

We will not be able to answer these questions until determinations are made regarding site configuration and design features.

2. Does FBI intend to have one building or have multiple buildings on the site that will house federal employees? How will power be distributed to these structures? Will there be a master plan for the site?

Response:

There will be a master plan for the site. We are not able to answer the remainder of these questions at this point in the process because these answers will depend on the characteristics of the selected site, the available infrastructure, and the site's utility components.

3. How will energy be provided on the 40-55 acre site? Will there be an energy co-generation plant? What is the expected cost of the energy co-generation plant? Is the cost expected to be amortized in the rent?

Response:

We are not able to answer these questions at this point in the process. The FBI will work with the General Services Administration (GSA) to identify the least expensive and most reliable sustainable options for obtaining power and other utilities.

4. If there is a parking garage on the site, what is the expected source of construction funds for the parking garage? Is the cost expected to be amortized in the rent? Will the number of parking spaces conform to National Capital Planning Commission standards on large government developments? Is the ratio of employees to parking spaces expected to be 4:1 or 3:1?

Response:

We are not able to answer these questions at this point in the process because these answers will depend on the site selected, how the site location affects parking needs and parking configuration, and the estimated costs and benefits of the parking options. Together with GSA, the FBI will carefully evaluate standards and local zoning requirements for all sites under consideration. We are open to considering all appropriate means of funding parking and other aspects of this project.

5. What is the expected cost of the internal road circulation for a campus? Is the cost expected to be amortized in the rent?

Response:

We are not able to answer these questions at this point in the process because these answers will depend on the site selected. While internal road circulation is often addressed as a site improvement accomplished as part of overall site development, whether the cost of internal road circulation might be handled separately in this particular case has not been decided.

6. How much SCIF space will be needed in the new facility? Is this amount of space expected to have a significant financial impact on a project?

Response:

We are not able to answer these questions at this point in the process. Although it has not yet been determined whether the site will include existing facilities or will require new construction, in either case the FBI intends to minimize the costs associated with Sensitive Compartmented Information Facility (SCIF) build out by minimizing the number of individual SCIFs and constructing entire floor plates as "SCIF ready." This approach will greatly reduce the amount of specialized SCIF wall construction because

only the walls around the perimeter and the building's core/elevator lobby will need to be built to SCIF standards.

7. Both GSA and FBI have estimated that the total cost to build a new FBI building will be roughly $1 billion dollars.

a. Does that cost estimate include costs associated with infrastructure necessary to provide Level 5 security for a new FBI headquarters?

Response:

Estimates of $1.4 billion based on FBI studies do include the infrastructure needed to provide a facility at ISC Level V.

b. Does the FBI expect all the costs associated with this project to be folded into the rent? What costs will be included in the operational costs? What costs will be included in the market rent?

Response:

The FBI expects the project to follow typical federal practices with respect to the costs included in the rent paid by tenant agencies. The FBI will require that the facility be constructed to commercial building standards to the maximum extent possible and will minimize the number of specialized features.

c. What additional costs would the FBI have to pay outside of the rent charges to build a new headquarters?

Response:

The FBI anticipates that typical outfitting costs and the specialized tenant improvements associated with a minimal number of unique FBI requirements will be funded outside of rent payments.

d. What is the range of fully serviced rent that is expected in order to have a FBI campus?

Response:

While the FBI defers to GSA with respect to the range of expected rent, we note that the rental cost will depend on the nature and location of the selected site.

Questions Posed by Representative Edwards

8. Can you discuss the reduction in footprint, the increase in efficiencies, and the cost savings that will come from a consolidation of the FBI headquarters?

Response:

The consolidated FBI Headquarters (FBIHQ) would reduce the needed square footage from over 3 million square feet to approximately 2.1 million, resulting in an estimated saving of $44 to $54 million annually. The space reduction will result from eliminating the duplication of support spaces at multiple locations, configuring the new space using a highly efficient open space concept with smaller workstations, eliminating many private offices, and aligning office space with the benefit of the guidance provided in GSA's 2012 "Workspace Utilization and Allocation Benchmark."

9. The 2010 Interagency Security Committee (ISC) standards established a baseline set of protective measures (countermeasures) to be applied at each facility according to its security level and outlined a risk management process for agencies to follow as they assess the security of their facilities.

a. What are some of the security requirements that the FBI will require for its new headquarters under the ISC standards?

Response:

Meeting Interagency Security Committee (ISC) standards will require the incorporation of a variety of security features, including perimeter fencing, physical setback, visitor and vehicle screening, access controls, security alarms, and cameras.

b. From a security perspective, is it important that the new FBI headquarters be located on land that is part of a larger campus?

Response:

We appreciate that the greater Washington National Capital Region is a heavily developed area and that land is a costly and limited resource. All options will be evaluated based on security, transportation access, street access, and other factors.

c. Is there any concern about the new FBI headquarters being adjacent to a mixed use development that might enhance the overall work environment for FBI employees?

Response:

Each prospective land parcel will be evaluated based on security, transportation access, street access, and other factors.

10. The FBI headquarters must be built to satisfy ISC security specifications. With that in mind, what in your view would encompass the ideal setting for a new consolidated Headquarters?

Response:

An acceptable site must allow us to address concerns related to employee and facility security, employee transportation, and downtown access.

11. Without getting into classified information or compromising safety, can you please provide the total number of employees and contractors at the FBI Headquarters who live in Virginia, Maryland, and DC (not breaking down by jurisdiction or by zip code)?

Response:

FBI employees and contractors live in all three jurisdictions in the Washington, D.C. metropolitan area. Demographic employee distribution will not be used as a site-selection factor. Through changing duty assignments and attrition, the geographic distribution of the residences of our employees and contractors changes over time. The new FBIHQ facility will house over 11,000 employees and contractors.

12. Given the need for the FBI to be near the White House, the Justice Department, and other government offices and facilities located in Washington, DC, how far away can the site be from DC by car and Metro at the furthest?

Response:

Access to major arteries and mass transportation is important to allow easy access to downtown Washington, D.C. Although a shorter travel time from the new FBIHQ to downtown is preferable to a longer travel time, no absolute limits have been established.

13. Can you provide information concerning the travel time from the various locations submitted in response to the Request for Information for a proposed new FBI Headquarters to Washington, DC?

Response:

Review of the responses to the Request for Information is not yet complete.

14. How would phased construction of a new headquarters building be done to coincide with consolidation of current FBI office locations?

Response:

Although we are not able to answer this question at this point in the process, current leases will be extended or renewed as necessary to coincide with the relocation schedule.

15. How far do both of you believe that employees will be willing to walk from a metro station to a new FBI Headquarters?

Response:

GSA has recommended that the walking distance from the nearest Metro station to the new FBIHQ facility not exceed 1/2 mile. It is anticipated that any greater distance would require shuttle service.

Donna F. Edwards

GSA Administrator

October 17, 2011

The Honorable Barbara Boxer
Chair, Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

Dear Chairman Boxer:

In accordance with section 3315 (b) of Title 40, United States Code, I am submitting the enclosed Report of Building Project Survey for the Federal Bureau of Investigation, Headquarters Consolidation, Washington, DC, Metropolitan Region. The U.S. General Services Administration has prepared this report in response to a resolution adopted by the Senate Committee on Environment and Public Works.

If you have any questions or concerns, please do not hesitate to contact me. Staff inquiries may be directed to [redacted], Associate Administrator, Office of Congressional and Intergovernmental Affairs. He can be reached at [redacted].

Sincerely,

Martha Johnson

Martha Johnson
Administrator

Enclosure

U.S. General Services Administration
1275 First Street, NE
Washington, DC 20417
www.gsa.gov

REPORT OF BUILDING PROJECT SURVEY
FEDERAL BUREAU OF INVESTIGATION
HEADQUARTERS CONSOLIDATION
WASHINGTON, DC, METROPOLITAN REGION

Report Number: BDC-13001
Congressional Districts: DC 00
MD 4,5,8
VA 8,10,11

INTRODUCTION

In accordance with a resolution adopted on July 13, 2011, by the Committee on Environment and Public Works of the United States Senate, the U.S. General Services Administration (GSA) has investigated the feasibility and need to construct or acquire a replacement consolidated headquarters facility to house the Federal Bureau of Investigation (FBI) in the Washington, DC, Metropolitan Region. GSA has identified several alternate funding strategies, all of which include leveraging the value of the existing headquarters, the J. Edgar Hoover Building (JEH), in Washington, DC.

BACKGROUND

The mission of the FBI is to protect and defend the United States against terrorism and foreign intelligence threats, to uphold and enforce the criminal laws of the United States, and to provide leadership to Federal, State, municipal, and international agencies and partners. The FBI has grown and changed tremendously since the September 11 terrorist attacks, having added to its law enforcement responsibilities those of intelligence gathering. Key FBI Headquarters (HQ) elements have become fragmented, which hampers information sharing and collaboration.

The FBI has identified a need to consolidate its HQ to support information sharing, collaboration, and integration of strategic priorities. Currently, FBI HQ elements are dispersed over 21 separate locations in the greater Washington, DC, area, occupying 3,033,702 rentable square feet of space, at a total cost to the Federal Government of $139 million annually. This dispersion and fragmentation has created significant challenges to effective command and control and to facilitating organizational change. Dispersion diverts time and resources, hampers coordination, decreases flexibility, and impedes the FBI's ability to rapidly respond to ever changing, asymmetric threats.

ANALYSIS OF SECURITY ISSUES

JEH and all 20 offsite leased facilities (with one exception) do not meet the applicable Interagency Security Committee (ISC) Standards. The U.S. Department of Homeland Security's Federal Protective Service states that the FBI Headquarters building should be an ISC Level-V facility. Level V is the highest security standard and is reserved for agencies with mission functions critical to national security or continuation of Government. Senate Report 110-397 – *Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2009*, also concluded that JEH does not meet the ISC physical security criteria. As the central headquarters for the management of intelligence and national security programs, the FBI HQ facility must have high reliability and survivability of utilities and infrastructure.

Perimeter protection and standoff (setback) distance are the most effective means of preventing or limiting damage from a bomb attack. JEH lacks adequate setback and other security features comparable to other agency headquarters in the intelligence community or the U.S. Department of Defense. There is no practical way to adequately secure and protect JEH. GSA, in its 2007 ***Site Analysis and Repositioning Study***, examined seven different renovation or redevelopment scenarios for JEH, but only one scenario improved security to the ISC Level IV; and that was accomplished by demolishing the entire existing building and then redeveloping the site within a 100 foot setback.

Almost all leased locations also have less physical security than that recommended for Federal facilities because the majority of off-sites are collocated with other tenants in private sector buildings. While the FBI-HQ spaces may be renovated to improve physical security, the overall facility may only meet existing commercial building security requirements, which are inadequate for FBI. The real risk from inadequate physical security is that FBI operations are more vulnerable and could easily be disrupted, potentially at a time when these capabilities would be most needed.

ANALYSIS OF INFORMATION TECHNOLOGY ISSUES

The FBI has taken measures to move the main data center offsite to a separate location. The move will be completed by the end of 2011. However, the relocation of the main data center does not address the shortcomings in IT infrastructure and access to IT systems in many FBI locations. IT infrastructure in JEH has reached capacity and cannot be expanded further. This shortcoming can best be addressed through consolidation and by providing a flexible infrastructure capable of supporting multiple IT systems.

CURRENT HOUSING SITUATION

The FBI is headquartered in JEH at 935 Pennsylvania Avenue, NW, Washington, DC, and occupies a prominent location within the full city block between Pennsylvania Avenue; 10th Street, NW; E Street, NW; and 9th Street NW. JEH was constructed in 1974 to meet FBI's requirements at that time, applying the design standards of the mid-20th century, including security, workplace layout, file storage, and mechanical and electrical systems. The building is not considered historic. Although originally sized to hold the entire FBI HQ staff, it now houses only 52 percent of the staff. A modernization of JEH would not provide the amount of space needed to house the HQ staff, nor satisfy FBI's security and collaboration needs.

In addition to JEH, HQ components are located in 20 leased locations that are dispersed throughout the greater Washington metropolitan region. In the post 9/11 era of heightened concern for protecting critical infrastructure and Government facilities, the current FBI HQ facilities do not meet Interagency Security Committee (ISC) Level-V security standards.

Location	Type	RSF	Expiration Date
J Edgar Hoover Building	Federally Owned Office	1,779,349	N/A
1001 Pennsylvania Ave, NW	Leased Office	30,420	Est. 4/31/2014
1001 Pennsylvania Ave, NW	Leased Office	35,249	12/31/2013
1101 Pennsylvania Ave, NW	Leased Office	11,101	4/13/2013
1325 G St, NW	Leased Office	43,760	2/15/2016
616 H Street, NW	Leased Office	53,740	9/14/2016
409 7th St, NW	Leased Office	27,594	12/15/2011
800 F St, NW	Leased Office	18,473	4/3/2013
555 11th St, NW	Leased Office	44,193	12/31/2013
1025 F St, NW	Leased Office	151,910	1/17/2015 - 11/24/2015
395 E St, SW	Leased Office	49,804	2/29/2016
375 E St, SW	Leased Office	225,034	Est. 4/12/2021 - 11/31/2021
1801 S Bell St, Arlington, VA	Leased Office	30,549	2/11/2016
1901 S Bell St, Arlington, VA	Leased Office	18,747	9/11/2012
2121 Crystal Dr, Arlington, VA	Leased Office	59,468	11/15/2019
2345 Crystal Dr, Arlington, VA	Leased Office	79,070	9/30/2018
Liberty Crossing, McLean, VA	Leased Office	113,161	Indefinite
14800 Conference Ctr Dr, Chantilly, VA	Leased Office	72,951	4/30/2012
Offsite X, Vienna, VA	Leased Office	53,272	1/31/2013
1577 Springhill Rd, Vienna, VA	Leased Office	21,867	7/13/2013
14360 Newbrook Dr, Chantilly, VA	Leased Office	63,515	Est. 5/31/2021
7980 Science Applications Ct, Vienna, VA	Leased Office	50,475	10/8/2013
Total		3,033,702	

DEVELOPMENT PLAN

The proposed FBI HQ facility, based in large part upon requirements identified by the FBI is projected to contain approximately 2.2 million rentable square feet and 3.7 million gross square feet including 4,300 structured parking spaces. It is expected to accommodate 11,055 personnel, resulting in utilization rates of 109 usable square feet (USF) of office space per person and 174 USF overall per person. The facility is expected to be built to ISC Level-V security on a site of up to 55 acres. The preferred location will be within a reasonable distance of the White House, the U.S. Capitol, and Quantico with proximity to both a Metrorail station and the Beltway. The improvements will include an open-plan workspace environment and state-of-the-art IT infrastructure as required by the latest intelligence work. Initial programming provides 4,300 structured parking spaces, a parking ratio of 1 space per 2.6 employees. In addition, 200 underground and surface spaces will be provided for official vehicles. The actual amount of parking required will depend on final site selection and the availability of alternate means of transportation.

Facility Component	Gross Square Feet	Rentable Square Feet	Usable Square Feet
Main Office Complex	2,381,299		
Conference Center	28,930		
Remote Visitor Badge Building	8,720		
Truck Screening Building	5,000		
Remote Delivery Facility	37,800		
Subtotal – Occupied Space	2,461,749	2,214,246	1,925,431
Parking Structure	1,283,400		1,283,400
Total – Built Space	3,745,149	2,214,246	3,208,831

PROCUREMENT AND IMPLEMENTATION PLAN

Funding Strategies Investigated

Federal Construction: Construction of a Government-owned facility on a Government-owned or purchased site using appropriated funds, consistent with GSA's authorities under title 40 U.S.C, § 3304 and 3305.

Lease Construction: Acquisition of a leased facility constructed on a federally controlled or privately owned site. The Government may purchase the site with the improvements at fair market value upon exercise of a purchase option using funds authorized and appropriated in a future fiscal year.

Ground Lease – Lease Back: Acquisition of a leased facility constructed on a Government-owned site, which has been ground leased to a developer. The site and improvements will revert to Government ownership at the end of the ground lease term. This strategy will be consistent with authorities provided in title 40 U.S.C. § 585(c) or Section 412, P.L. 108-447 and establishes the benefits of eventual Government ownership.

Acquisition by Exchange: Construction of a Government-owned facility on an existing or to-be-acquired (through purchase or donation) Government-owned site in exchange for the JEH site. The remainder of FBI's requirement would be acquired on an adjacent or nearby site via the Ground Lease – Lease Back strategy described above. This strategy will be consistent with authorities provided in title 40 U.S.C. § 581 and 585(c).

Assumptions That Apply to Every Strategy

The location of the facility is assumed to be within 2.0 miles of a Metrorail Station and 2.5 miles of the Capital Beltway with site costs similar to those found in the more developed, close-in suburban areas as a means to estimate the maximum cost the government would incur. The land cost estimates from these more developed submarkets provide for contingencies for site-specific and off-site improvements that may be required. As a way of providing sensitivity for lower land costs available in certain parts of the region and to lower the overall cost of the project, land donated to the Federal Government by a local municipality or State has been analyzed. Such a donation is expected to lower the 30-year present value cost of each strategy by approximately $300 million.

All of the proposed acquisition strategies are presumed to have some level of future Federal ownership. In leased strategies the buildings and land will be acquired through either purchase options at specific points in time or will revert to the Federal Government at the end of a ground lease term.

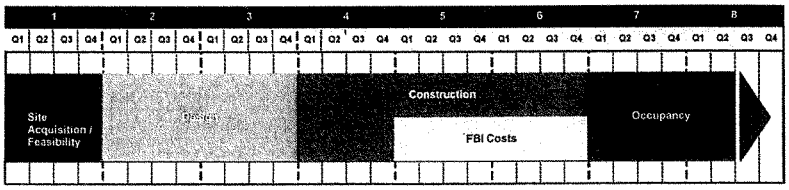
In all strategies, the new facility would comply with ISC Level-V security requirements and achieve LEED Gold Certification. Additionally, GSA would oversee the facility design in accordance with GSA's Design Excellence program.

Although there are subtle variations in schedule activities for each of the strategies presented herein, the total timeline can be broken down into the following sequential components:

Land Acquisition:	It is estimated that it will take approximately 6 months to 1 year to either acquire a site or determine the feasibility of using a federally owned site. In the Ground Lease - Leaseback strategy, the structuring and execution of the ground lease would also be completed in this timeframe. Land Acquisition would not be necessary in the Lease with Purchase Option strategy
Design:	Two years to complete facility design
Construction:	Three years to construct
Occupancy:	Occupancy begins at the conclusion of construction

The following figure is a high-level depiction of the project implementation timeline based on these major milestones:

Implementation Timeline



BUDGETARY AND FINANCIAL IMPACT ANALYSIS

It is assumed in the strategies presented below that when FBI vacates JEH, the Federal Government will be able to leverage the value of that parcel through exchange or disposal. The value of JEH, in the year after FBI relocates to the new facility, is estimated to be approximately $610 million. In addition to the 30-year present value costs of each strategy presented below, it is estimated that moving; security equipment; furniture, fixtures, and equipment; and information technology will be an additional cost to FBI of approximately $202 million (2011 dollars).

Present Value Cost Analysis of Alternative Strategies

Federal Construction

This alternative has a 30-year, present value cost of $1,862,371,000.

Lease Construction

This alternative has a 30-year, present value cost of $2,458,309,000, excluding the cost to the Government of exercising any possible future year purchase option.

Ground Lease – Lease Back

This alternative has a 30-year, present value cost of $2,096,712,000.

Acquisition by Exchange

This alternative has a 30-year present value cost of $1,933,911,000.

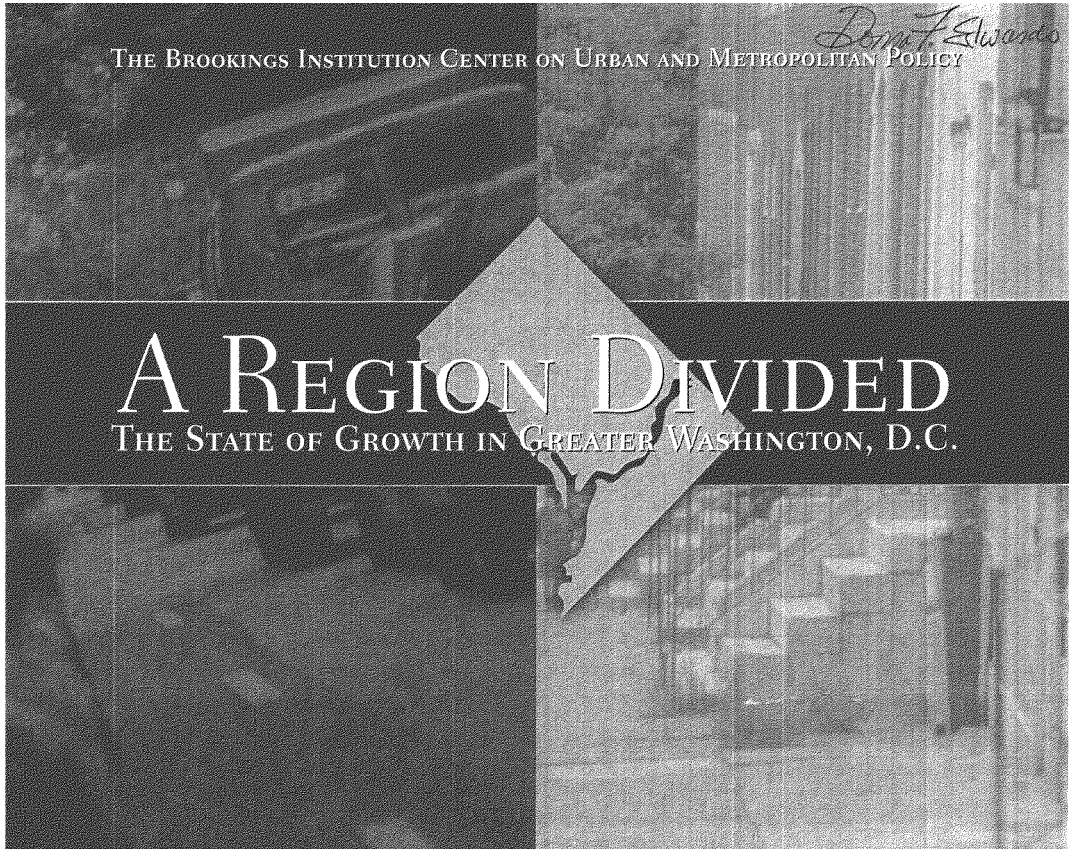
RECOMMENDATION

The recommendation is Federal Construction.

Submitted at Washington, DC, on October 17, 2011

Recommended: Robert A. Peck
Commissioner, Public Buildings Service

Approved: Martha Johnson
Administrator of General Services


Dom F Edwards
The Brookings Institution Center on Urban and Metropolitan Policy
A Region Divided
The State of Growth in Greater Washington, D.C.

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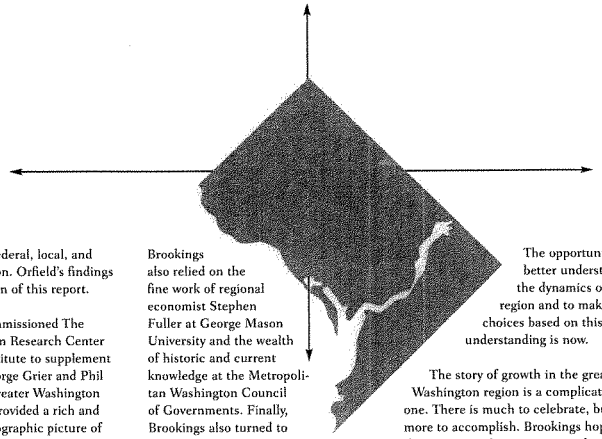
Mission Statement

The Brookings Institution Center on Urban and Metropolitan Policy seeks to shape a new generation of urban policies that will help build strong neighborhoods, cities and metropolitan regions. In partnership with academics, private and public sector leaders, and locally-elected officials, the Center is informing the national debate on the impact of government policies, private sector actions, and national trends on cities and their metropolitan areas. By connecting expert knowledge and practical experience to the deliberations of state, regional, and federal policymakers, the Center aims to help develop integrated approaches and practical solutions to the challenges confronting these communities.

PREFACE



This report on the state of the greater Washington region draws upon new research as well as some existing literature to determine how the region is truly growing, particularly during this period of enormous prosperity and rapid change.

The Brookings Institution Center on Urban and Metropolitan Policy commissioned metropolitan researcher Myron Orfield to analyze and map the socio-economic and growth trends in the Washington region. Wherever possible, Orfield used the most up-to-date figures and the smallest geographic unit available. Unfortunately, going beyond federal data sources (e.g., Census Bureau, Bureau of Labor Statistics) to get good information about the Washington suburbs and their neighborhoods requires time-intensive local data collection. Orfield's analysis strikes a good balance in using a mix of federal, local, and regional information. Orfield's findings form the foundation of this report.

Brookings also commissioned The Greater Washington Research Center and the Urban Institute to supplement Orfield's work. George Grier and Phil Dearborn at the Greater Washington Research Center provided a rich and more current demographic picture of each jurisdiction in this region, using figures from 1990 and 1996. Mark Rubin and Margery Austin Turner at the Urban Institute conducted a useful examination of the pattern of jobs and job growth in the region, by sector and by location (central city vs. inner beltway vs. outer beltway). The analysis by Rubin and Turner is part of a larger, comprehensive Urban Institute project about economic and social change and opportunities in every neighborhood in the Washington region. The full texts of all of these research studies are available at the Center on Urban and Metropolitan Policy at Brookings.

Brookings also relied on the fine work of regional economist Stephen Fuller at George Mason University and the wealth of historic and current knowledge at the Metropolitan Washington Council of Governments. Finally, Brookings also turned to much of the *Washington Post's* thorough coverage of the region and its counties to ensure that this report captures the full tenor of our regional dialogue, politics, and policy developments.

Concerns about the effects of rapid growth in parts of this region are rising. The proposed solutions have been many, varied, and oftentimes competing. Given the pressing nature of this debate, Brookings chose not to wait until the 2000 Census was compiled and released before providing a picture of growth and development in the Washington area.

The opportunity to better understand the dynamics of this region and to make choices based on this understanding is now.

The story of growth in the greater Washington region is a complicated one. There is much to celebrate, but more to accomplish. Brookings hopes this report on the economic and social health of this metropolitan area helps inform this region's leaders as they work together to try to build a greater National Capital region.

Executive Summary

The greater Washington region has experienced enormous growth and change in the 1990s. It is enjoying economic growth and steady prosperity. The central city, once nearly bankrupt, is now posting budget surpluses. The region, already the nation's seat of governance, is also becoming the nation's capital of information technology and digital communication. This is a wealthy region and it has many economic, historic, and natural assets that will continue to attract visitors, new workers, and businesses that will keep this economy humming.

The booming economy has made growth a more pressing issue in this region, particularly in the fast-growing counties where traffic congestion, overcrowded schools, and threats to overall quality of life have elected officials, business leaders, and citizens scrambling for solutions. This report reveals that the challenges of growth are broader and more complex. In short:

1 **The Washington region is divided by race, income, jobs, and opportunity, with the eastern half of the region carrying the area's burden of poverty and social distress while the western half enjoys most of the region's fruits of prosperity.** But the divide cuts through jurisdictions so that the District and its suburbs have both pockets of distress and areas of affluence. In the end, these polarizing trends hurt fast-growing counties and ultimately shape the pattern of growth in this region. Struggling neighborhoods with poor performing schools and wealthier neighborhoods with expensive housing—both located in the core of the region—compel some businesses and families to locate in outlying suburbs, putting additional pressures in these already fast-growing communities. The problems of hyper growth on one hand and social distress on the other are intertwined.

2 **The Washington region has the resources to bridge this divide.** This is primarily a prosperous region. The central city has traction in the new economy. The region's economy is rapidly diversifying. Capital and philanthropic investments are rising. Poverty here, while deeply troubling, is not as severe or as concentrated as in other communities. And while Washington is a region with two states, a state-like central city, and an engaged federal government, this region has a low degree of local fragmentation that makes building collaborations more possible than in other places.

3 **The Washington region can grow smarter and must do this now.** First, the regional debate in the Washington area is picking up momentum —at the federal, state, regional, and local levels. But this conversation is mostly aimed at trying to ease the crowding out of roads, schools, local budgets, and the last remaining open space in neighborhoods. Unless these current efforts broaden and embrace the fuller set of factors that fuel decentralization, this region will not be able to realize its full economic potential. Secondly, growth is not going to go away. This region will continue to gain jobs and people and consume more land. If our regional divisions widen as growth proceeds, it will be difficult, if not impossible, to create a region that is competitive, prosperous, and livable.

1. A Region Divided

The maps in this report and the research on which this report is based depict a region that is divided—by income, race, job growth, and type of public investment. The dividing line runs along 16th Street NW in the District, and along I-95 in Maryland and Virginia. For the most part, middle- and upper-income families, substantial public and private sector investment, and economic expansion are found on the west side of this line, while lower-income families, minorities, and little or no job growth are found on the east side of this divide. Of course, not every western community is affluent, and not every eastern community is struggling. But the trends indicate an east-west fault line.

In some cases, the divide cuts right through communities, so that a single jurisdiction can be, paradoxically, both

prosperous and troubled. The District has affluent neighborhoods and the area's highest concentration of jobs within the same borders as the largest concentration of poor families and welfare recipients. Arlington has a strong commercial and office sector, and some neighborhoods of expensive housing in North Arlington, but also signs of economic distress in its school population in South Arlington. Prince George's County has a very low overall poverty rate and many middle-class families living beyond the Capital Beltway, but also a high number of working families earning less than the regional median income. Counties on the western side of the region are generally prosperous but are struggling with traffic congestion, school overcrowding, and poorer student populations in some schools.

a. Main Findings

- **The Income Divide** At the end of 1996, 45 percent of the region's poor lived in the District of Columbia. By May 1999, 64 percent of the region's welfare recipients lived in the District, while 15 percent lived in Prince George's County. In 1996, the District and Prince George's County had the most single-parent households with children. Also in 1996, 30.1 percent of District households, and less than half of the families living in Alexandria, and Prince George's, Frederick and Arlington counties earned more than $50,000 a year, compared to 71.3 percent in Fairfax County, 66.4 percent in Montgomery County, and 61.1 percent in Loudoun County.

- **The Race Divide** In 1996, the District of Columbia and Prince George's County had 70 percent of the region's black population and 57 percent of the region's non-white population, but only 32 percent of the region's total population. The region is becoming more racially and ethnically diverse, however. Other jurisdictions, such as Arlington, Alexandria and Montgomery and Fairfax counties, saw significant increases in their non-white populations from 1990 to 1996.

- **The School Divide** In 1997, the District of Columbia and Prince George's County had 32 percent of the region's public school students, but 55 percent of the region's low-income students and 62 percent of the region's black and Latino public elementary school students. In 1996, there were 75 public schools in the region with more than three-quarters of their students eligible for free or reduced cost lunches. All but three were in eastern D.C. There were 53 public schools in the region with roughly half to three-quarters of their students eligible for free or reduced cost lunches. Thirty-nine of these were in older suburban neighborhoods, including 20 in Prince George's County, and nine in Arlington.

- **The Job Divide** As of June 1998, the District had 24 percent of the region's jobs, while the suburbs outside of the Capital Beltway were home to half of all regional jobs and two-thirds of all suburban jobs. Yet, the areas with the densest concentrations of jobs are mostly found in the central city, Arlington and Alexandria, and near the Capital Beltway.

- **The Transportation Divide** Of the $2.8 billion spent on major highway improvements in the Washington suburbs between 1988 and 1998, 10 percent of the public funds went to improving roads inside the Capital Beltway, while 80 percent went to roads outside of the Beltway.

- **Other Consequences of Growth** For three years, the Washington region has been ranked the second most congested metropolitan area in the country, behind Los Angeles. In 1996, the region also ranked first for the number of hours a person wastes sitting in traffic.

  Loudoun County projects needing 22 new schools in the next six years; Prince George's County needs 26 new schools in the next 10 years. Fairfax County has 14,000 students learning in 550 trailers. In addition to needing more classrooms, the "big three" suburban counties are also seeking additional funds to renovate older schools.

  From 1970 to 1990, the population of the Washington region increased by 35.5 percent, while the amount of land used for urbanized purposes (houses, shopping centers, office buildings, parking lots, etc.) increased by 95.7 percent, or almost two and a half times as fast.

b. Implications

The eastern portion of this region bears the burden of poverty. Washington, D.C. and Prince George's County bear the highest costs — fiscally and socially — of housing the region's poorest families and children. Even affluent households in northwest Washington and east Prince George's County cannot escape the price of higher poverty, which they pay in higher taxes and reduced services. Arlington County and Alexandria also have a relatively large proportion of low-income and working families.

The western part of the region enjoys most of the fruits of prosperity. Wealth and prosperity primarily benefit those living west and north of the central city, in Fairfax, Montgomery, and Loudoun counties as well as other communities outside of the Capital Beltway. These jurisdictions have high proportions of their residents earning more than $50,000 and have become the location of choice for new firms.

The divisions in this region cannot be explained as "city versus suburb." Because the rough dividing line cuts through many counties and the central city itself, the region cannot be described as strong suburbs surrounding a weak city, nor even as strong outer suburbs ringing a weak urban and inner suburban core. Many sections of the District and inner suburban communities are facing economic and social challenges, but the other parts of the District and those suburbs are affluent.

This region is starkly divided by race. There is no denying the presence of racial segregation in this region: 70 percent of the area's African-Americans live in Washington, D.C., and Prince George's County. The racial divisions are in part, but not entirely, class divisions. In this region, as in so many others, poverty and race are intertwined. The areas with higher poverty rates and more schoolchildren receiving free or reduced cost lunches are areas where black and Latino families live. Not all minority families in the region are poor—there is a thriving black middle-class in the portion of Prince George's County outside the Beltway. But it is true that black families of all income levels tend to live in the eastern portion of the region, while whites live in the western half. Mitigating this division somewhat is the increasing numbers of minorities and recent immigrants living throughout the metropolitan area.

These polarizing patterns hurt fast-growing counties. Growth is not only a concern of the communities that are struggling economically and losing residents. Fast-growing counties are straining to provide new schools, services, and infrastructure while preserving open space and protecting the environment. Of all of the area's jurisdictions, Prince George's County is in the toughest bind; it must deal with both the high costs of social distress in inner Beltway communities and the high costs of new growth elsewhere in the county.

The patterns of extensive growth in some communities and significantly less growth in others are inextricably linked. Poor neighborhoods with high costs, low services, and poor-performing schools push out families with resources, who move to the edges of the region. As these families leave, so do jobs, services, and businesses. This flight only further weakens already struggling places and puts more pressures on other, fast-growing jurisdictions. Another factor pushing families to the outer edges of the metropolitan region and exacerbating the crowding and congestion there is high housing prices in many affluent communities, including the northwest quadrant of Washington, D.C., North Arlington and other places on the west side of the region. Most families cannot afford to live in these expensive, centrally located neighborhoods, so they move to the region's edge.

2. A Region with Resources

The divisions in this region may seem intractable but Washington has the assets to bridge them. In the 1990s, the region as a whole has experienced dramatic population gains, with accompanying job growth and rising median household incomes. Despite federal government downsizing, the Washington area's economy has been expanding steadily. Capital investment is rising, and the region's housing, retail, and office markets are among the hottest in the country. Philanthropic giving, from traditional foundations and corporate leaders, is growing. The region has seen remarkably low unemployment rates, declining poverty levels, and less crime.

This region is home to the federal government, a major employer that will not relocate, and a tourism industry that is the envy of other cities. Unlike other metropolitan areas, this region's task is not bailing out a failed central city. The District, despite its challenges, is a city with traction in the new economy, a high concentration of jobs, and many neighborhoods that are attractive to businesses and residents. The regional economy is now diverse and, thanks to the area's three major airports, it is globally competitive. Poverty here, while deeply troubling, is not as severe or as concentrated as in other communities. The divisions in this region are serious, but not so deep that the strong economy cannot lessen them. Also, despite the complexities of including two states, a unique city with many state-like powers, and a closely-involved federal government, the Washington metropolitan area has a low degree of local fragmentation. Unlike in other regions, the political leaders from each of the area's jurisdictions can actually sit around one table and build regional collaborations and coalitions much more easily than other places.

3. A Region that Can Grow Smarter

All of the jurisdictions in the region, no matter what their social or economic condition, are linked. One reason that low-income families live in the eastern part of the region is that there is almost no affordable housing elsewhere (Montgomery County is an exception). This initial imbalance can spark a chain reaction of increasing instability and the subsequent flight of families with resources. As poverty and distress increase in one community, and as schools cease to be able to educate students, families and businesses flee to the edges of the metropolitan area, further weakening older communities, accelerating the decentralization of the region's economy, and creating additional crowding in schools and on roads. Another factor feeding growth on the fringe is the high cost of housing in many affluent, centrally located western areas. Families who cannot afford to live in these communities also head to the region's edge or remain in neighborhoods with cheaper housing. Leaders in this region must understand that the problems of explosive growth in one half of the region and little growth in the other are inextricably linked, and must be solved together.

In fact, these problems are often linked in another way, because many if not all

of them can be found in the same jurisdiction. As noted above, the rough east-west dividing line between wealth and distress cuts right through the District of Columbia and many counties and communities. Thus, just about every decision-maker in this region has a reason to join in the search for solutions.

Now is the time to begin that search, for two reasons. First, issues of traffic congestion, school overcrowding and loss of open space have become central elements in regional (and local, and individual) conversations, and have led to some policy changes. The State of Maryland has been a leader in defining and implementing smart growth policies. Individual counties in Southern Maryland and Northern Virginia have taken steps to manage growth, imposing impact fees and even moratoriums on development in communities already struggling with overcrowded schools. Community groups, faith-based organizations, and environmentalists have organized around regional growth and workforce strategies. High-tech and other business leaders have rallied around a regional agenda involving transportation, education, and workforce development. However, the proposed and enacted solutions to these problems have not addressed the full range of forces that shape our region's patterns of growth and opportunity. Second, this region will continue to gain jobs and people and consume more land. If our regional divisions widen as growth proceeds, it will be difficult if not impossible, to create a region that is competitive, prosperous and livable.

Report Background

A number of studies have been conducted on different aspects of the greater Washington region. Some separately examine social, economic, and demographic trends, others focus on the region generally or the District of Columbia in particular. This report brings together some of the best knowledge of this region and introduces new research to show how the health of each jurisdiction here affects the overall metropolitan area. But this report is by no means comprehensive. It tries to link trends, such as social isolation, school composition, and traffic congestion, that are normally not discussed in tandem.

This report is based on a longer report entitled, "Washington Metropolitics" by researcher Myron Orfield and his Metropolitan Area Research Corporation. Orfield, a Minnesota state representative and metropolitan researcher, has mapped and documented the social, economic, and demographic trends in 22 regions across the country. This report supplements Orfield's analysis of the Washington region with the Urban Institute's most recent findings about job growth in the region and with the Greater Washington Research Center's latest analysis of census figures on the social and demographic trends in this region.

This project examined trends in the following communities of the greater Washington region: four counties in Maryland (Charles, Frederick, Montgomery, Prince George's); four counties in Virginia (Loudoun, Prince William, Arlington, Fairfax); five independent cities in Virginia (Alexandria, Fairfax, Falls Church, Manassas, Manassas Park); and the District of Columbia. This region of study is smaller than the Census-defined Washington MSA (which also includes Stafford and Calvert counties). But this region expands upon the region as defined by the governance boundaries of Washington's primary formal regional body, the Metropolitan Washington Council of Governments, by including Frederick and Charles counties.

This Brookings report will be the first in a series of papers on the future of growth in the Washington region. Brookings will issue studies that build on these trends and identify a range of policy considerations that address such pressing issues as transportation, affordable housing, and workforce development.

The report includes: (1) an overview of the region's economy, how it has performed and evolved in recent years; (2) an examination—trend by trend, map by map—of growth in metropolitan Washington; (3) a summary of what the response has been to date in the region to address some of the concerns around growth; and (4) thoughts about how this region can begin to frame its vision and efforts for building a vibrant region. The report also provides an Appendix of tables, which support its main findings.

A Profile of the Region*

Demographics

Population

Washington Region	
1990	3,923,574
1996	4,201,738
1998	4,308,853

Racial Composition

Washington Region	1990 %	1996 %
White	65.8%	62.4%
Black	26.6%	28.1%
Asian	5.1%	5.9%
Other	2.5%	3.5%

Nation	1990 %	1996 %
White	83.9%	82.8%
Black	12.3%	12.6%
Asian	3.0%	3.7%
Other	0.8%	0.9%

Households

Washington Region	
1990	1,460,785
1996	1,583,696

Economics

Average Annual Pay

Washington Region		Nation	
1996	$36,383	1996	$29,686

Poverty Rate

Washington Region		Nation	
1990	6.3 %	1990	13.5%
1996	4.3 %	1996	13.7%

Unemployment Rate

Washington Region		Nation	
1990	3.2%	1990	5.62%
1996	3.9%	1996	5.40%
1998	3.2%	1998	4.48%

Jobs Created

Washington Region	
1989-90	16,900
1995-96	17,500
1996-97	56,700
1997-98	66,100

Gross Regional Product (GRP) in billions

Washington Region	
1996	$189.0
1997	$194.0
1998	$200.8

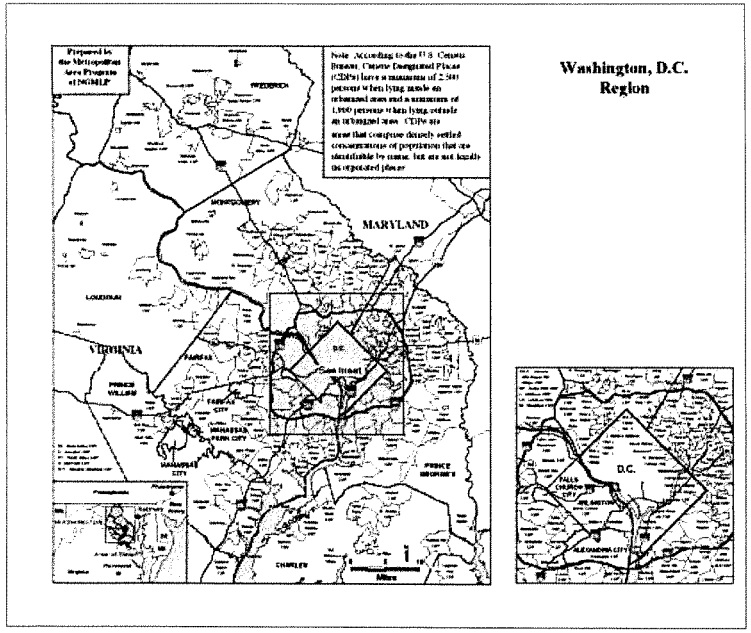
Office Vacancy Rate 1999

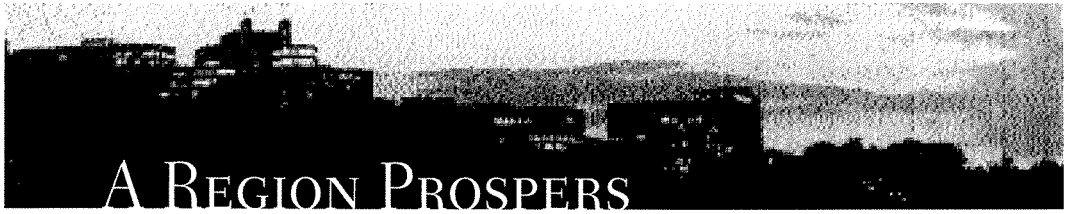
Washington Region	Nation
7.5%	9.0%

Permits for New Home Construction

Washington Region	
1990	24,621
1996	31,015
1998	37,603

*These statistics are for the Washington Metropolitan Statistical Area, which also includes Stafford and Calvert counties.


Washington, D.C.
Region
Prepared by the Metropolitan Area Program of NCSMLP
MARYLAND
VIRGINIA
D.C.
Miles



A Region Prospers

The greater Washington regional economy is strong and continues to flourish. Much of the region's prosperity can be attributed to the explosive growth of the technology industry and the private sector generally and the shifting role of the federal government from a major employer to a primary customer in the region. Federal government downsizing has meant a decline in the number of public sector employees—particularly in the District of Columbia—but, at the same time, federal outsourcing and federal government spending in the Washington region has increased steadily, spurring demand for private sector products such as systems integration, services, and research in areas ranging from bio-medicine to advanced weaponry. This has cushioned some of the effects of federal workforce reductions. Indeed, total employment in the Washington region grew by 12.3 percent from 1990 to 1998. Total jobs stood at 2.5 million in 1998.

The population of the region has also grown steadily, from 3.8 million in 1990 to 4.3 million in 1998, making it the 6th most populous metropolitan area in the country. The region's average annual pay is higher than the national average; its poverty, unemployment, and office vacancy rates are lower than the national average. In sum, by nearly all measures, the greater Washington region is thriving.

The number of new jobs in the Washington region continues to rise. The Washington region created 56,700 new jobs in 1997, 66,100 new jobs in 1998, and is expected to create 82,000 this year.

Washington is moving away from its "company town" past—the "company" being, of course, the federal government. The federal government is still a major economic presence in this region, even after the elimination of 60,000 area federal jobs since 1993. The federal government's spending contributed 34 percent of the area's gross regional product in 1997, and this percentage has stayed fairly constant since the mid-1980s.

Payroll has, essentially, been replaced by procurement as the major form of federal spending in the area. From 1984 to 1997, federal procurement spending in the Washington region grew by 182 percent, but only increased 9.3 percent across the country. Payroll and procurement money have different effects in the local economy. Procurement spending tends to increase the private sector's ability to attract new customers outside the region, and boost its export capabilities.

As the federal government has changed its shape and role, the private sector has grown steadily, and now represents 78.5 percent of the regional job base, up from 60 percent in 1968. The private sector is creating jobs in the region at a much faster pace—more than ten times faster—than the public sector.

Even the District of Columbia, hardest hit by federal downsizing, is seeing overall job growth, thanks to increases in private employment. While the District of Columbia lost 3,000 government jobs between April 1998 and April 1999, it added 4,600 private sector jobs, for a total gain of 1,600.

The information and communications (InfoComm) industries were the fastest growing industries in the region.

Since the 1980s, the InfoComm industries have established themselves as major regional economic engines. By 1998, there were at least 344,500 InfoComm jobs in the region—and this number includes only information and communications jobs, and not the vast number of other regional technology related jobs in fields like aerospace, defense systems, and biomedicine.

The InfoComm industry not only is creating jobs at a fairly rapid clip, it also has a strong "multiplier effect," meaning that each new InfoComm job leads to the creation of another job in another industry in the Washington region. The 66,600 InfoComm jobs that were created from 1992 to 1998 led to 67,300 other private sector jobs in the area.

The greater Washington region leads the nation in Internet services, and has the second largest number of technology workers in the nation, after Silicon Valley in California.

Median income, housing sales, and commercial construction levels—all indicators of economic health—look very strong for this region.

Median household income rose from $23,858 in 1980 to $48,900 in 1990 to $57,200 in 1998 (not adjusted for inflation).

Home sales in the first quarter of 1999 rose by 10.2 percent over the same period in 1998. Almost 19,000 new units were sold in 1998, up 22 percent from 1997. Last year, more homes were sold in the Washington region than in any other metropolitan area in the country.

In 1997, commercial construction of office space and other non-residential buildings totaled 21.2 million square feet, which was valued at more than $1.8 billion. This represents an 8 percent increase over 1996, the year in which both the MCI Arena and Jack Kent Cooke Stadium were built. Office space dominated the construction in the inner ring suburbs, while retail space grew the most in the outer suburbs.

The Washington region's unemployment rate dropped to 2.3 percent in April 1999, the lowest level since 1980.

The suburban unemployment rate dipped down to a low 1.9 percent, creating labor shortages in all sectors, while the unemployment rate in the District dropped from 8.6 percent (or 23,100 unemployed) in April 1998 to 6.3 percent (or 16,900 unemployed) a year later.

The region's prosperity includes the District of Columbia.

To be sure, the District of Columbia has steadily lost population—11.1 percent between 1990 and 1996. However, an Urban Institute study points out that the loss in that six-year period was unusually high for the District, and resulted not so much from more people moving out of the District (annual rates of outmigration changed little from the 1980s and 1990s) but from significantly fewer people moving into the city from outside the region. The researchers suggest that this drop may have resulted from the spate of negative publicity about the District that was quite widespread in the early 1990s. Thus, it is possible that the worst population losses are behind the city.

There has been a steady decline in crime and unemployment and a significant growth in property values in the District. Home sales in the city were 48 percent higher in the first six months of 1998 than the first six months of 1997. Unlike many older central cities across the country, the District is still an important employment node, with a higher concentration of jobs than any other single jurisdiction in the region. While it is unclear how long these positive trends will last it is undeniable that they are good news for the District.

A Region Divided

Most of the counties and jurisdictions that make up the greater Washington region have benefitted significantly from the hot economy of the 1990s. The region as a whole is setting records on a range of positive economic indicators, and individual jurisdictions are also doing very well. Even the District of Columbia has slowed its population loss, its downtown is bustling well into the evening, and there is a homebuying boom in some of its neighborhoods.

But the story of growth in this region does not stop there. Overall prosperity masks a more troubling trend of socioeconomic distress in particular areas of this region. The struggles these communities face, economically and demographically, do not show up in aggregate statistics. In a region composed of very large counties, three of which are nearing one million residents, county-wide indicators do not provide a precise account of all that is happening inside these county borders.

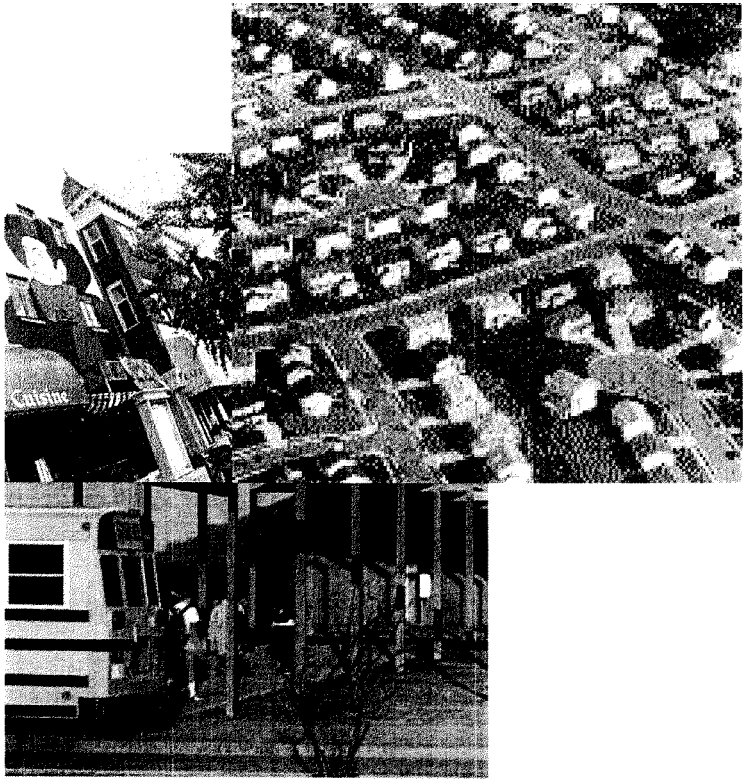
This report attempts to uncover the other story of growth in the Washington region. This section relies principally on the work of Myron Orfield, a Minnesota state representative and metropolitan researcher who has analyzed 22 metropolitan areas around the country and has visited many more. Orfield has mapped various demographic and market trends in the Washington region using indicators, such as census tract and elementary school level data, that give a detailed picture of the growth patterns in this metropolitan area. This section of the report also draws from the work of demographer George Grier at the Greater Washington Research Center and Mark Rubin and Margery Austin Turner at the Urban Institute.*

Orfield's maps starkly depict a region that is divided—by income, race, job growth, and type of public investment. For the most part, the half of the region that extends west of 16th Street, NW in

**The maps, charts, and table that support this region's trends are provided in the body and Appendix of this report.*

Washington, D.C., and west of I-95 in Maryland and Virginia, is reaping most of the benefits of the strong economy. It is the half that is home to most of the middle- to upper-income families, the new economy jobs and businesses, and retail and commercial growth. By contrast, the communities east of 16th Street, NW, and I-95, including portions of Arlington and Alexandria and Prince George's County have most of the area's poor households, minority families, and struggling schools. There are a few exceptions to this east-west division: a number of neighborhoods in Montgomery, Fairfax and farther counties face increasing social and economic challenges, and the portion of Prince George's County that is outside the Capital Beltway is not socially and economically distressed.

This is a complicated region, and hard numbers cannot adequately convey the texture of life in the places we describe in this report. Communities are defined by much more than median income, or job growth, or poverty levels. But there is no denying the powerful story these maps convey. Washington is a region divided.



The Income Divide: Poverty

The Trend:

At the end of 1996, approximately 175,000 persons, or 4.3 percent of the region's population, lived in poverty. Nearly half of the region's poor lived in the District.

Grier's analysis shows that while the number of persons in poverty in the Washington region declined by 27.5 percent between 1990 and 1996, approximately 45 percent of the region's poor are now concentrated in the District of Columbia. In 1996, nearly 15 percent of the District's residents, approximately 80,000 persons, lived in poverty.

In 1990, nearly all of the region's high poverty neighborhoods were located in east Washington, D.C.

By mapping poverty by census tract, Orfield shows precisely where poverty was located in 1990 in each of the jurisdictions. While poverty has dropped in the region, the map shows that nearly all of the high poverty neighborhoods are located on the east side of the District, with the rest are found in Prince George's County, and portions of Alexandria, and Arlington and Frederick counties. Of the 10 extreme poverty tracts ("extreme" indicating that 40 percent or more of the population is poor), all were located in east Washington, D.C. Of the 65 tracts that were 20 to 40 percent poor, 55 were in the District and the rest were in the suburbs.

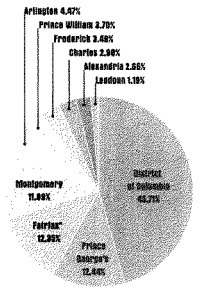
As of May 1999, 64 percent of the region's welfare caseloads were concentrated in the District.

In May 1999, there were 29,000 families receiving welfare benefits in this region. Welfare caseloads have declined here, as they have across the country, but they are becoming concentrated in the District. The second largest concentration—15 percent—is in Prince George's County. The remaining cases—20 percent—are scattered throughout the other suburbs. While welfare caseload declines are not an accurate measure of welfare reform's success, the distribution of caseloads does indicate something about access to economic opportunity.

What This Means:

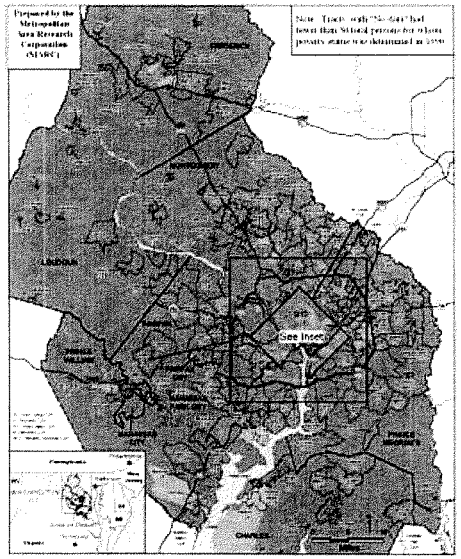
Poverty has some obvious detrimental consequences for individual households and particular neighborhoods. But being home to large numbers of poor people also places serious financial burdens on entire jurisdictions. A series of studies from the Wharton School at the University of Pennsylvania has shown that, despite receiving federal anti-poverty aid, cities with high levels of poverty have to spend more of their own revenues on direct poverty expenditures (e.g. welfare, public health, and hospitals) than do jurisdictions with low poverty. Poverty also drives up the cost of providing other services like police, schools, courts, and fire protection. As two Wharton scholars concluded, "This reduces the resources cities have to serve nonpoor residents and increases the tax rates they have to charge all their residents." That means all the residents and businesses in the District of Columbia are paying for the costs of high poverty, at the expense of better services and infrastructure.

Share of Washington Region's Persons in Poverty, 1996 (In Ranking Order)



**Fairfax County data includes the Cities of Fairfax and Falls Church.*
***Prince William County data includes the Cities of Manassas Park and Manassas.*

Source: 1990 - U.S. Census of Population; 1996 - Greater Washington Consumer Survey. Analyzed and computed by the Greater Washington Research Center; Grier, George, "Washington Area Growth and Change in the 1990s," 1998.

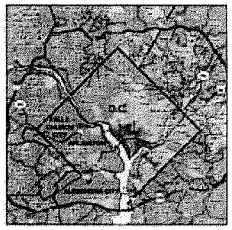


Percentage Persons in Poverty by Census Tract, 1990

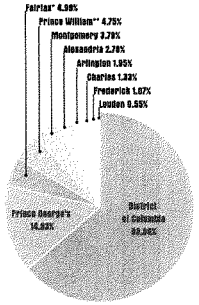
% Persons in Poverty
Regional Value: 6.5%

- 0.0 to 9.9% (685)
- 10.0 to 19.9% (122)
- 20.0 to 39.9% (65)
- 40.0% or more (10)
- No data (72)

Data Source: 1990 U.S. Census of Population and Housing Summary Tape File 3A



Share of Washington Region's Welfare Caseloads, May 1999 (In Ranking Order)



*Fairfax County data includes the Cities of Fairfax and Falls Church.
**Prince William County data includes the Cities of Manassas Park and Manassas.

Source: D.C. Department of Human Services; Maryland Department of Human Resources, Family Investment Administration; Virginia Department of Social Services

The Income Divide:
Single Parent Households

The Trend:

In 1990, nearly all of the communities with a high percentage of female-headed households with children were located within the District and Prince George's County.

Orfield found that, in 1990, approximately 19 percent of all households with children in the region were headed by single mothers. However, as his map shows, nearly all communities with female-headed households comprising more than 33 percent of their families were found in the District and Prince George's County. Forty-seven percent of the District's families were single-mother families, while two communities in Prince George's County actually had a higher percentage of female-headed households with children than Washington, D.C.—Dodge Park (51.8 percent) and Palmer Park (54.9 percent). Other neighborhoods in Prince George's County with high proportions of female-headed households with children included Seat Pleasant (46.5 percent), Suitland-Silver Hill (44.3 percent), and Oxen Hill-Glassmanor (38.3 percent).

The map also shows that there are a number of census tracts in Arlington and Alexandria and along the major interstates of Montgomery and Fairfax counties that have over 19 percent of their households with children that are female-headed.

By 1996, the District and Prince George's County continued to have the highest percentage of single-headed households with children in the region.

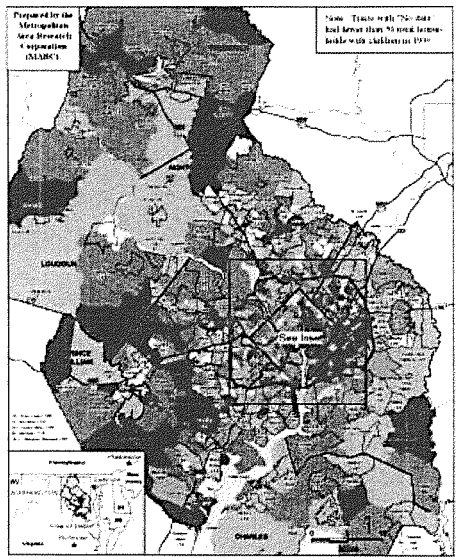
The Greater Washington Research Center tracked single-headed households with children—80 percent of which are headed by women. In 1996, the District of Columbia and Prince George's County had the highest number of single-headed households with children in the region (at 28,031 and 35,66, respectively) as well as the highest percentage of such families as a share of their households (at 12.1 percent and 12.7 percent, respectively). Together, the District and Prince George's County had nearly half (48 percent) of the region's single-parent households, even though they make up only 32 percent of the region's total population.

Between 1990 and 1996, the District and some of the outer suburbs saw a drop in their percentage of single-parent families, while the inner-ring suburbs experienced gains in these households.

According to Grier, the District lost approximately 8,120 single-parent households between 1990 and 1996, a 22.5 percent drop. As a share of all households, the percentage of single-headed households with children dropped in the District (by 2.4 percentage points) and in Charles, Frederick, and Prince William counties (by an average of one percentage point), but grew slightly in Alexandria and Arlington, Fairfax, Montgomery, and Prince George's counties by, on average, half of a percentage point.

What This Means:

While the percentage of single-parent households grew slightly in the inner-ring suburbs, female-parent households are primarily concentrated in the eastern part of the central city and in the close-in portions of Prince George's County. While single-headed households may not necessarily live in poverty, they clearly have more challenges than two-parent households with children. In 1997, the median household income for a married couple with children was $51,681, for a single father $36,634, and for a single mother $23,040.

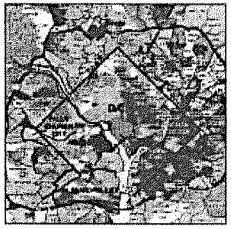


Female-headed Households with Children as a Percentage of Total Households with Children by Census Tract, 1990

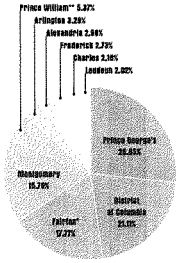
% Female-headed HH's
Regional Value: 18.9%

0.0	to	4.2%	(67)
4.4	to	8.3%	(159)
8.5	to	14.7%	(197)
15.0	to	18.8%	(78)
18.9	to	35.3%	(200)
36.1% or more			(160)
No data			(93)

Data Source: 1990 U.S. Census of Population and Housing Summary Tape File 3A



Percent Share of Washington Region's Single-Headed Families with Children, 1996 (In Ranking Order)



**Fairfax County data includes the Cities of Fairfax and Falls Church.*
***Prince William County data includes the Cities of Manassas Park and Manassas.*

Source: U.S. Census of Population; 1996 Greater Washington Consumer Survey. Analyzed and computed by the Greater Washington Research Center: Grier, George. "Washington Area Growth and Change in the 1990s" 1998.

The Income Divide: Median Income

The Trend:

In 1996, households earning more than $50,000 were the majority in all jurisdictions but the District, Alexandria, and Arlington, Frederick, and Prince George's counties.

Grier found that in 1996, the District had the lowest percentage in the region of households earning more than $50,000—at 30.1 percent. In fact, the District was the only jurisdiction in the region that lost middle- and upper-class families between 1990 and 1996. The highest percentages of middle to upper income households were in Fairfax County (71.3 percent), Montgomery County (66.4 percent), and Loudoun County (61.1 percent).

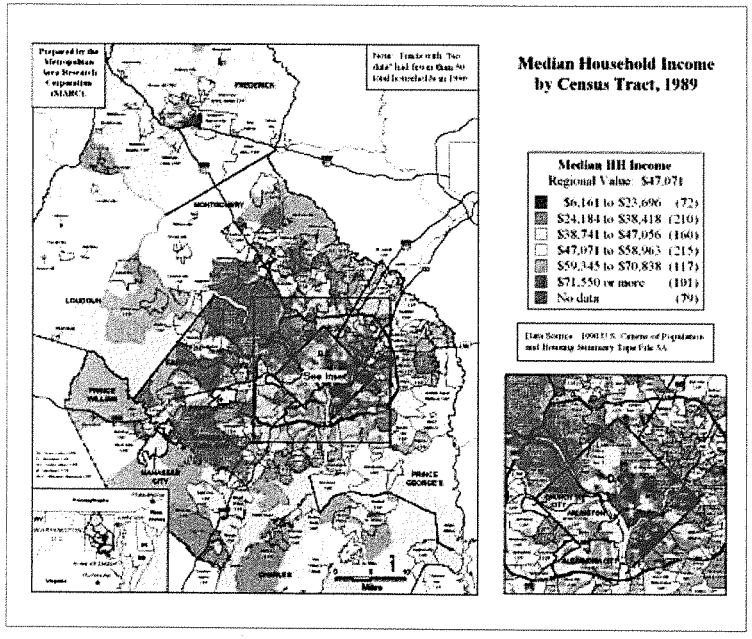
Between 1990 and 1996, the region experienced a 25 percent gain in the number of families earning $50,000 or more. The District lost households in this income bracket, albeit only a few—327 families.

In 1989, the majority of households earning less than the area median income were located in the east quadrants of the District, the inner part of Prince George's County, and the farther suburbs of Frederick, Loudoun, and Prince William counties.

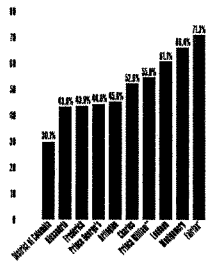
According to Orfield's 1989 census-tract level map, the majority of households earning less than $47,071 (then the median household income) were concentrated in the central and eastern core of the region. The District's median household income in 1989 was $30,727, or about 65 percent of the area median. There were ten individual communities that had lower median household incomes than the District; nearly all of these were in Prince George's County, including Langley Park ($29,570) and Dodge Park ($23,630). There were also nine communities in the region that had median household incomes above $90,000, including three above $100,000. All but one of these very affluent communities were located north or west (or both) of the District, such as Great Falls ($102,780) and Chevy Chase Village ($128,160).

What This Means:

Higher-income families live in the region's western half, while working families earning less than the area median income are concentrated in the central city and in the communities immediately east of the District. The portion of Prince George's County that is beyond the Capital Beltway is the exception to this pattern.



Percent of Washington Area Household with Incomes of $50,000 or More in Current Dollars, by Jurisdiction, 1996



*Fairfax County data includes the Cities of Fairfax and Falls Church.
**Prince William County data includes the Cities of Manassas and Manassas Park.

Source: 1990 - U.S. Census of Population; 1996 Greater Washington Consumer Survey. Analyzed and computed by the Greater Washington Research Center; Grier, George, "Washington Area Growth and Change in the 1990's," 1998.

The Race Divide

The Trend:

In 1996, the District of Columbia and Prince George's County made up 32 percent of the region's total population, but had 70 percent of the region's black population and 57 percent of the region's non-white population.

According to Grier's table, in 1996, 63.5 percent of the District's population was black and 68 percent was non-white. For Prince George's County, those proportions were 62 percent and 69 percent, respectively. The communities with the next highest percentages of African-American residents were Alexandria (26.8 percent), Charles County (21.2 percent), and Montgomery County (15.8 percent).

Between 1990 and 1996, all of the jurisdictions in the region except the District, saw an explosive growth of African-American, Latino, Asian, and immigrant families.

According to Grier's tables here and in the Appendix, between 1990 and 1996, the District lost 11 percent of its population and 14 percent of its non-white population. The total population of Arlington and Alexandria rose 3.3 percent during this period, while the number of minorities grew by 28 percent. Alexandria, in particular, saw its non-white population leap to 40.5 percent in 1996.

Montgomery County's overall population and minority population grew by 8.4 percent and 36 percent, respectively. The percentage of non-white persons in the county jumped to almost 30 percent by 1996.

What This Means:

First, these trends demonstrate that the region is starkly divided by race. Even though the racial composition of many counties is changing, no other jurisdictions in the region have anything close to the percentages of minority families found in Washington, D.C. and Prince George's County. There is no denying that, with 70 percent of the area's black population residing in the District and Prince George's County, this is a racially segregated region. While the reasons for the racial divide are not clear, many studies have documented that the segregation of African-Americans across the country has remained high. In *American Apartheid*, authors Douglas Massey and Nancy Denton found that segregation levels were almost as high for affluent and middle-class blacks as for poor blacks, and that blacks were more segregated than other racial groups, even if those other groups were mostly poor. For instance, in 1980, in the Los Angeles metropolitan area, wealthy African-Americans were more segregated than poor Hispanics.

Some have wondered whether the eastward migration of Washington area African- Americans is related to job growth in Howard and Anne Arundel counties. According to the latest commuting patterns from the Washington Council of Governments, the answer is no. Even the most mobile of workers, those with cars, primarily travel to jobs within their jurisdiction of residence or to the adjacent county. For instance, in Montgomery County, 50 percent of commuters traveled to jobs within the county, 30 percent to Washington, D.C., 6 percent to Fairfax, and 1 percent to Howard. In Prince George's County, 41 percent of workers with cars drove to jobs within the county, 32 percent to the District, 8 percent to Montgomery, 4 percent to Fairfax, 3 percent to Ann Arundel, and 1.3 percent to Howard County.

Second, the Washington region is becoming increasingly diverse. The greatest growth in minority or non-white populations occurred in the inner ring suburbs and some newly developing counties, like Loudoun. Some of this is partly due to the high levels of immigration in this region. The Washington area is the fifth most popular destination point for immigrants to the U.S., most of whom are not moving into the city as their predecessors have, but are primarily locating in the suburbs.

The foreign-born residents of the Washington region have a wide range of educational backgrounds, resources, and earning power. In 1970, one in 22 residents in the Washington region were foreign born; today, it is one in six. The community around Columbia Pike in South Arlington (zipcode 22204) has the largest concentrations of immigrants in the metropolitan area. The Aspen Hill-Silver Spring-Wheaton community in Maryland (zip 20906) is the region's most internationally diverse.

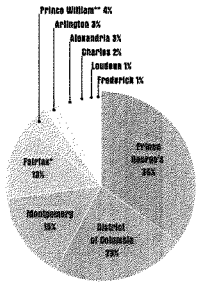
Percent of Population by Race and Jurisdiction in the Washington Metropolitan Area, 1990 and 1996

	White		Blacks		Asian/ Pacific Is.		Other		Non-White	
	1990	1996	1990	1996	1990	1996	1990	1996	1990	1996
Central City										
District of Columbia	29.6%	32.2%	65.9%	63.5%	1.9%	1.7%	2.7%	2.6%	70.4%	67.8%
Core Suburbs										
Alexandria	69.2%	59.5%	22.1%	26.8%	4.2%	7.8%	4.5%	6.0%	30.8%	40.5%
Arlington	76.5%	72.5%	10.5%	10.9%	6.8%	7.3%	6.2%	9.3%	23.5%	27.5%
Total Core Suburbs	73.6%	67.3%	15.1%	17.2%	5.8%	7.5%	5.6%	8.0%	26.4%	32.7%
"Big Three" Inner Suburbs										
Fairfax*	81.6%	77.1%	7.6%	9.4%	8.3%	10.4%	2.4%	3.1%	18.4%	22.9%
Montgomery	76.8%	70.9%	12.2%	15.8%	8.2%	8.9%	2.8%	4.5%	23.2%	29.1%
Prince George's	43.1%	31.0%	50.7%	61.9%	3.8%	3.9%	2.4%	3.1%	56.9%	69.0%
Total "Big Three"	68.0%	60.9%	22.6%	27.7%	6.9%	7.9%	2.5%	3.6%	32.0%	39.1%
Outer Suburbs										
Charles	79.3%	75.3%	18.2%	21.2%	1.2%	0.9%	1.3%	2.6%	20.7%	24.7%
Frederick	93.3%	91.4%	5.3%	5.8%	0.9%	1.5%	0.5%	1.3%	6.7%	8.6%
Loudoun	89.5%	86.4%	7.3%	7.1%	2.4%	4.0%	0.8%	2.5%	10.5%	13.6%
Prince William**	83.6%	79.9%	11.3%	13.6%	3.2%	3.6%	1.9%	3.0%	16.4%	20.1%
Total Outer Suburbs	86.2%	83.1%	10.3%	11.7%	2.1%	2.6%	1.2%	2.4%	13.8%	16.8%
Metro Area Total	**65.1%**	**61.4%**	**27.0%**	**28.9%**	**5.3%**	**6.1%**	**2.6%**	**3.5%**	**34.9%**	**38.5%**

**Fairfax data includes the Cities of Falls Church and Fairfax.*
***Prince William data includes the Cities of Manassas Park and Manassas.*

Source: 1980, 1998 U.S. Census of Population; Grier, George, "Washington Area Growth and Change," 1998.

Share of Racial and Ethnic Minority Population by Jursidiction, 1996



**Fairfax County data includes the Cities of Fairfax and Falls Church.*
***Prince William County data includes the Cities of Manassas Park and Manassas.*

Source: 1990 - U.S. Census of Population; 1996 - Greater Washington Consumer Survey. Analyzed and computed by the Greater Washington Research Center; Grier, George, "Washington Area Growth and Change in the 1990's," 1998.

The School Divide: Class

The Trend:

In 1997, the District of Columbia and Prince George's County had 32 percent of the region's public school students, but 55 percent of the region's low-income public school students.

According to Orfield, in 1997, approximately 31 percent of the region's elementary and secondary school students were eligible for free and reduced cost meals. However, four school districts in the region had a higher percentage of students eligible for lunch subsidies than the area's average—the District of Columbia (73.4 percent), Alexandria (51.2 percent), Arlington (42.7 percent), and Prince George's (40.8 percent).

In 1996, 75 public schools in the region had over 75 percent of their students qualify for free and reduced cost meals (shown in the red flags on the map). While most of these schools were located in the District, three were in the inner-ring suburbs: one in the Kentlands community of Prince George's County (75.2 percent), one in south Arlington (76.5 percent), and the other near the edge of Adelphi in Montgomery County (80.4 percent).

There were 53 public schools in the region that drew between 54.2 percent and 73.5 percent of their students from poor families (orange flags). Of these schools, 39 (or 74 percent) were located in older suburban neighborhoods, primarily in Arlington (9 schools) and Prince George's County (20 schools). The schools with almost one-third to one-half of their students from low-income households were found in Fairfax and Montgomery counties (marked by yellow flags).

What This Means:

Information about students eligible for free and reduced-cost meals gives a finer and more accurate picture of the socioeconomic health of different neighborhoods within large jurisdictions than do other indicators for three reasons.

First, federal lunch subsidies may be a more reliable measure of distress than the poverty level, simply because the poverty level is very low: $16,276 for a family of four as of 1997. A focus on only those families officially below the poverty level ignores the other families earning slightly more who are subject to many of the same difficulties as the officially poor. Therefore relying on poverty levels underestimates the amount of distress in a community or in a school population. In order for students to be eligible for reduced cost meals, their families' income level must not be above 185 percent of the federal poverty level. For the 1999-2000 school year, children in a Maryland family of four earning up to $21,710 are eligible for free meals, while those whose family income is less than $30,895 annually receive reduced cost lunches.

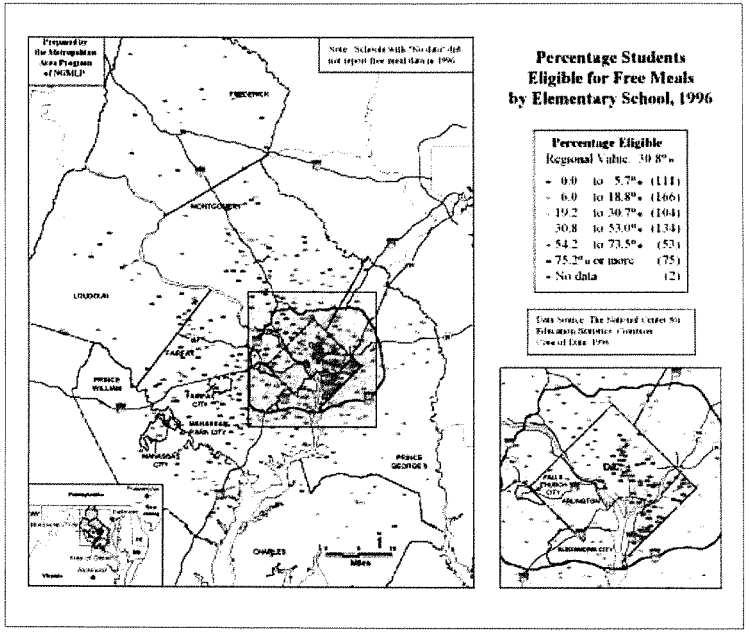
Second, school populations more or less mirror the populations of the neighborhoods in which the schools are located. Thus, individual school level data is a finer measure of a community's health than jurisdiction-wide figures (Prince George's County is probably an exception: its court-ordered busing system, which ended in 1998, somewhat weakened the neighborhood-school link.)

Third, schools with high proportions of low-income students have a significant impact on where families with children choose to live. As Myron Orfield wrote in one of his first metropolitan area studies: "Deepening poverty and other socioeconomic changes show up in schools before they do neighborhoods.... Elementary school enrollment patterns therefore sound an early warning of impending flight by the middle class, the first group to leave a neighborhood when schools fail. Perceived school quality is a key factor in attracting or retaining middle-class residents (and the businesses that cater to them), and thus in maintaining property values, which in turn fund schools—in a potentially vicious cycle."

In particular, there is a strong correlation between high percentages of low-income students in a school and poor performance in standardized tests. In 1999, the *Washington Post* amassed and published test scores for all elementary schools in the region. A review of this

data shows that in the District, for example, the ten public elementary schools with the largest fraction of students scoring "below basic" levels on the math and reading sections of the Stanford 9 test (for the 1997-98 school year) had between 80 and 99.5 percent of their students qualifying for free or reduced-cost lunches. All but one of these schools were in Northeast and Southeast D.C. By contrast, the ten public elementary schools that performed best had between 1.4 and 44 percent of their students eligible for free or reduced-cost lunches. All of these schools were in the city's northwest quadrant.

Schools with high proportions of students from poor families are primarily concentrated in the eastern portion of the Washington region—in areas like the eastern part of the District, inner Prince George's County, and some portions of Arlington—but are starting to appear in parts of Montgomery County (alongside the I-270 corridor) and inner Fairfax County. This widening pattern of distress, particularly in the "big three" inner counties, threatens to push families out to the edges of the region, in search of better schools, which will accelerate the decline of older communities and exacerbate overcrowding problems in newly developed areas.



The School Divide: Race

The Trend:

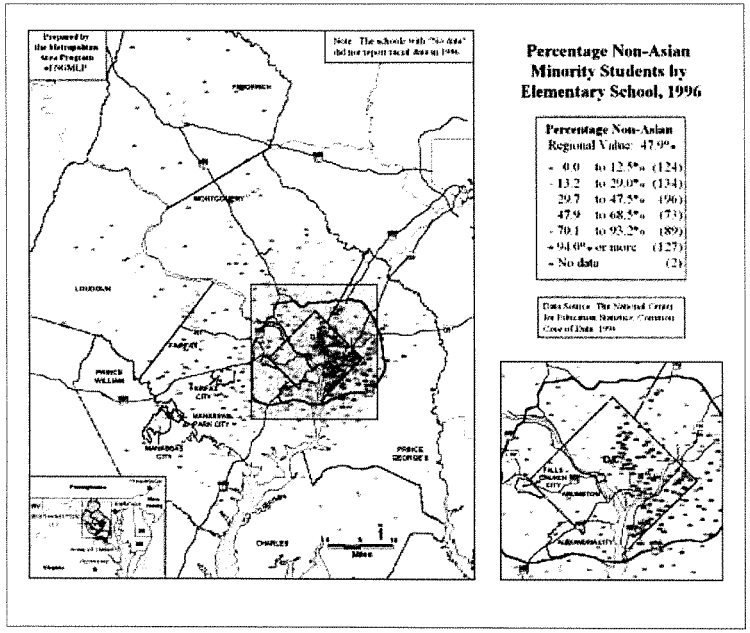
In 1997, the District of Columbia and Prince George's County had 32 percent of the region's public elementary school population but 62 percent of the region's black and Latino public elementary school students.

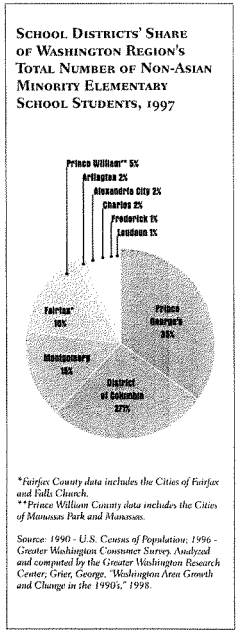
In 1997, 45 percent of the region's public elementary schools—or 289 schools—had a student body that was 48 percent or more African-American and Latino. As demonstrated in Orfield's map, there is nearly a straight line down the middle of Washington, D.C., separating those schools with high minority populations from those with almost no black or Latino students. The bulk of the schools with large numbers of non-Asian minority students are in the District, Prince George's County, Arlington, and Alexandria, but a number are also found outside of the Capital Beltway.

What This Means:

In the eastern half of the District, in the inner part of Prince George's County, and in parts of Arlington and Alexandria, poverty and race are intertwined. This is also true for select neighborhoods in Fairfax and Montgomery counties. This map and the map tracking students eligible for free and reduced cost meals—both of which document each public school in the region—are nearly identical. The schools with poor children are also the schools with minority children. These schools struggle to create an effective learning environment for students from distressed families, but they face enormous difficulties. Families with resources, reluctant to keep their children in schools with large numbers of poor children, move away in search of more solidly middle-class schools. This flight of middle-class families from distressed schools only accelerates decline in the neighborhood overall, further weakening communities that are on the edge of instability.

The poverty and race link is broken in the section of Prince George's County that lies beyond the Beltway. The schools in this section of the county educate mostly middle-class, black children. The map thus affirms one positive and one disturbing fact about this region. First, there is a thriving black middle-class here. Second, this region is starkly divided along racial lines—and this divide is even sharper than the class division.





*Fairfax County data includes the Cities of Fairfax and Falls Church.
**Prince William County data includes the Cities of Manassas Park and Manassas.

Source: 1990 - U.S. Census of Population; 1996 - Greater Washington Consumer Survey, Analyzed and computed by the Greater Washington Research Center; Grier, George, "Washington Area Growth and Change in the 1990's," 1998.

The Job Divide

The Trend:

A growing share of the region's jobs are located outside of the District of Columbia and beyond the Capital Beltway.

According to a recent Urban Institute study, as of June 1998, the District had 24 percent of the region's jobs, while the suburbs outside of the Capital Beltway were home to half of all regional jobs and two-thirds of all suburban jobs.

The District's share of regional employment dropped from one-third in 1990 to one-fourth in 1998.

Between 1985 and 1995, the western counties gained jobs faster than the rest of the Washington region.

Orfield's first map on the facing page compares the rate of job growth in 20 major employment centers in the Washington region to the metropolitan average rate of job growth, with an index score of 1.0 as the regional average.

Five job centers either lost jobs or grew more slowly than the rest of the employment centers in the region: Downtown D.C.; Crystal City/Pentagon City/Alexandria; Bethesda/Chevy Chase; Downtown Silver Spring, and Central Prince George's County.

The fastest growing job centers in the Washington region are located in the west, northwest, and southwest, in Tysons Corner and Reston/Herndon in Virginia and Rockville and Gaithersburg-Germantown in Maryland.

The District and the suburbs inside the Capital Beltway still have some of the area's highest concentrations of employment.

Orfield's second map shows employment per 100 persons, per CAD (COG analysis district) zone as of 1995. It shows that employment is most densely concentrated in the District of Columbia's downtown area, in inner-ring suburbs such as Arlington and Alexandria, and in communities that border the Capital Beltway, like Greenbelt, Maryland, and Tyson's Corner, Virginia.

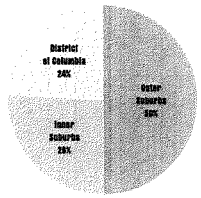
What This Means:

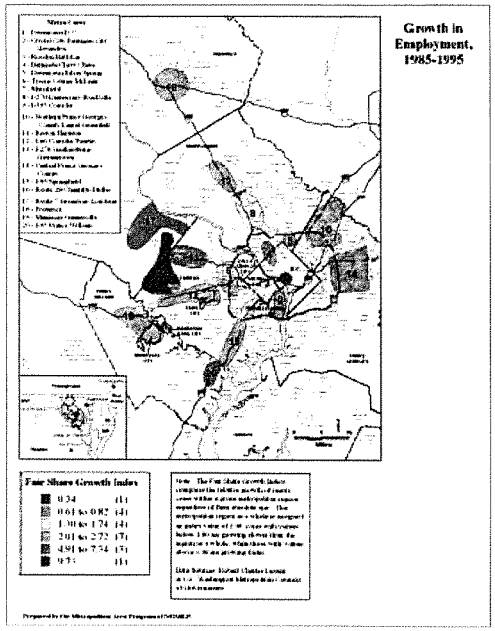
The region's most significant job growth and the biggest proportion of jobs are found not only in the western part of the metropolitan area, but also outside of the Capital Beltway.

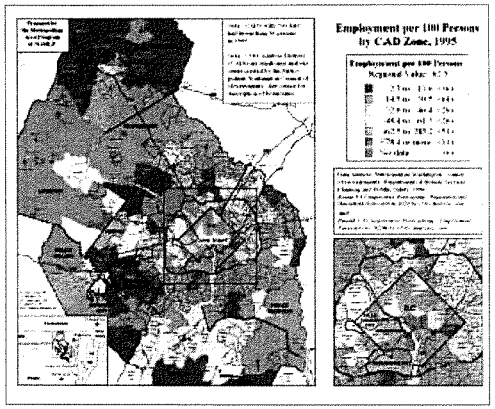
As Urban Institute's Mark Rubin and Margery Austin Turner have written, "The District's declining share of the region's jobs reflects three important trends. First, many types of economic activity simply follow population, since individual households are their primary customers. Thus, as population grows in the suburbs, the number of suburban grocery stores, dry cleaners, gas stations, schools, and libraries grow as well, inevitably increasing suburban employment totals. In addition, many of the region's new businesses have located in the suburbs, even if they do not serve a primarily residential customer base. For example, the dramatic growth in high-tech businesses over the last decade has brought a large number of new firms to Northern Virginia, not to the District of Columbia. And finally, many employers have left the District of Columbia for suburban locations over recent decades, some following the "pull" of residential suburbanization and others responding to the perceived "push" of burdensome regulations, high taxes, and ineffective public services within the city."

The first map also shows that job growth centers are located along major highways in the region, such as I-270, I-66, I-395, and the Dulles toll road and its extension to Leesburg. Yet, the areas with the most significant employment growth are not necessarily the areas that have the densest concentration of jobs.

Job Location in the Washington Region, 1998




Growth in Employment, 1985-1995
Fair Share Growth Index


Employment per 100 Persons by CAD Zone, 1995
Employment per 100 Persons

The Transportation Divide

The Trend:

Of the $2.8 billion spent on major highway improvements in the Washington suburbs between 1988 and 1998, 10 percent of the public funds went to improving roads inside the Capital Beltway, while 80 percent went to roads outside of the Beltway.

The remaining 10 percent of highway spending went toward fixing up the Capital Beltway itself. Transportation spending data for the District of Columbia were not available.

The attached map provided by Orfield shows only those highway improvement projects (not maintenance) that spent more than $3 million widening roads, replacing bridges, building new roads, and expanding or enhancing major interchanges outside of the District. Of the $2.8 billion spent on highway improvements, the most expensive projects—those costing over $100 million—were all outside of the Beltway. They included work on: I-95 from the District to the edge of Prince William County ($341 million); I-270 from the Beltway through Montgomery County ($277 million); US-50 in Prince George's County ($241 million); I-66 through Fairfax and Prince William counties ($160 million); and I-370 in Montgomery County ($147 million).

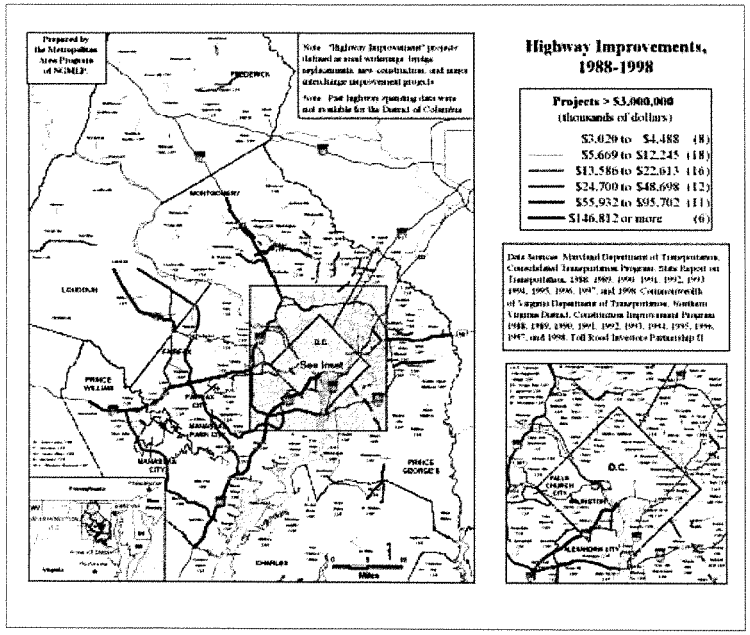
What This Means:

Since transportation expenditures were not available for the District of Columbia, rough estimates on mass transit spending, particularly on projects within the Capital Beltway, were collected to try to get a more honest account of total spending patterns in the region. According to estimates from the Washington Metropolitan Area Transit Authority and media reports, approximately $2.4 billion was spent on expanding the Metrorail line inside the Beltway between 1988 and 1998. This sum includes funding spent on completed and ongoing efforts to add three new Metro stations on the Green Line, one station on the Red Line, and the recently completed Van Dorn/Franconia-Springfield station on the Blue Line, which borders the Beltway. Other major transportation expenditures not accounted for in the District include the bridge replacement of Whitehurst Freeway and the improvements on the Southwest and Anacostia freeways.

In the absence of more concrete data, it appears that if there is a transportation divide in this region, it arises from the fact that highway monies are primarily going to the farther out suburbs while transit spending is staying in the core. However, it is more important for communities to understand how these different types of investments—highway versus mass transit—affect growth and opportunities in their communities.

The connection between highway spending and growth is unclear—economists differ on whether highways spur growth or have no effect on development. As shown in the maps, the patterns of job growth and highway spending in the Washington region are parallel. Fast-growing job centers are located along I-66, I-395, I-270 corridor, the Dulles Toll Road and the new Greenway extension to Leesburg (the only highway project on the chart that was made possible by private funding)—all of which were either built, widened, or substantially improved in the past 10 years.

Yet, despite all these highway investments, the highest concentrations of jobs are found in employment centers located in the central city, in Arlington and Alexandria, and around the Capital Beltway.

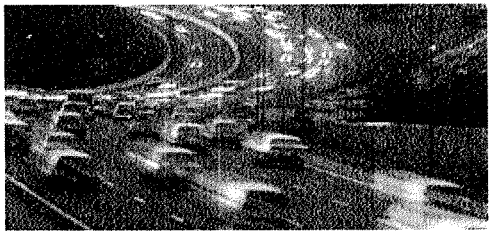

Prepared by the Metropolitan Mapping Program of NCSMLP
Note: "Highway Improvement" projects defined as road widenings, bridge replacements, new construction, and major interchange improvement projects
Note: Past highway spending data were not available for the District of Columbia
Highway Improvements, 1988-1998
Projects > $3,000,000
(thousands of dollars)
$3,020 to $4,488 (8)
$5,609 to $12,245 (18)
$13,586 to $22,613 (16)
$24,700 to $48,698 (12)
$55,932 to $95,702 (11)
$146,812 or more (6)
Data Sources: Maryland Department of Transportation, Consolidated Transportation Program; State Report on Transportation, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, and 1998; Commonwealth of Virginia Department of Transportation, Northern Virginia District, Construction Improvement Program 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, and 1998; Toll Road Investors Partnership II
FREDERICK
MONTGOMERY
LOUDOUN
PRINCE WILLIAM
FAIRFAX CO.
FAIRFAX CITY
MANASSAS PARK CITY
MANASSAS CITY
D.C.
See Inset
PRINCE GEORGE'S
CHARLES
Miles
FALLS CHURCH CITY
ARLINGTON
ALEXANDRIA CITY

The Other Side of the Divide

The greater Washington region has robust growth in the western half and not enough growth in large portions of the eastern half. The result is an uneven set of opportunities for families and businesses in the region. But the fast-growing areas are not clear winners from this pattern of growth and development. While they have welcomed the boost to their economies, these communities have also learned that explosive growth comes with a price.

Traffic congestion in the Washington region has worsened in this period of rapid growth. Concern about congestion, and the time it robs from families, businesses and individuals, comes from all quarters—workers getting to area jobs, parents running errands, trucks making local or cross-state deliveries, and travelers en route to other destinations. Traffic jams are also no longer limited to weekday rush hours, but occur during lunch time and weekends as well. Since 1996, the Washington region has been deemed the second most congested metropolitan area in the country, lagging only behind Los Angeles. This ranking is up (or down) from 1983, when the Washington region was ranked fifth among major U.S. metropolitan areas for its congested roadways. The region also ranked first in 1996 for the number of hours a person wastes sitting in traffic.

Explosive growth has exacerbated the problem of overcrowded and crumbling schools in the region. Nearly all school districts, except for the District of Columbia's, have reported that they need to build additional schools to relieve overcrowding in classrooms and to accommodate future growth in their student populations. Loudoun County projects needing 22 new schools in the next 6 years; Prince George's County needs 26 new schools in the next 10 years. Fairfax County has 14,000 students learning in 550 trailers. In addition to needing more classrooms, the "big three" suburban counties are also seeking additional funds to renovate older schools.



Overbuilding at the metropolitan fringe has led to a decade of stagnant housing prices and property values. The over-construction of low-priced new homes in Washington's outlying suburbs, coupled with a glut of townhouses and condominiums, has kept the selling prices of similar suburban homes down and overall property values in the region stagnant. Sellers in these markets are losing or barely breaking even on their homes, while recent homebuyers, many of whom moved out to these communities in search of affordable first homes, are seeing their investments plummet in value.

Despite the high rate of home sales in the late 1990s, home values in the metropolitan area, except for Washington, D.C., and Arlington, have remained flat. For instance, while sales of new single family homes in Northern Virginia rose by nearly 22 percent between 1997 and 1998, the assessed home values in the counties of Fairfax and Loudoun grew by only one percent. According to the latest local real estate reports, home values in the area's other major jurisdictions, Montgomery and Prince George's counties, also increased by less than one percent.

Some local officials are raising property taxes to help pay for more services and schools, which are needed because of new growth. Places like Montgomery, Loudoun, and Prince William counties are struggling to find ways to pay for more services and schools to meet the demands of their new residents, business owners, and companies. This is especially frustrating in Virginia because, unlike in Maryland, local jurisdictions by law are not allowed to access income tax revenues, which have leapt thanks to the thriving economy (the State of Maryland realized a budget surplus in 1999 as a result of the growth in income tax revenues). Instead, Virginia suburbs must rely on property taxes as a primary source of local revenue. With sluggish real estate values, counties in Virginia are stuck with a large tab and a small pocketbook. While local leaders have appealed to their state legislators for more resources, they have also incrementally raised property taxes, in part to help pay for growth (property taxes have risen in most Northern Virginia suburbs to make up for the drop in property values during the recession of the early 1990s). Prince William County now has the highest real estate tax of any jurisdiction in Virginia, and Loudoun County's tax rate—up 20 percent in the last decade—is projected to rise in coming years. Arlington has raised taxes in part to help pay for the changing school needs of their growing immigrant school population.

Extraordinary growth, particularly in the technology sector, has created many high-skilled jobs but not enough workers to fill them. Business leaders from across the region are struggling to find workers in this extremely tight labor market. Private sector firms are reporting that job postings are staying up for extended periods of time with few responses from qualified candidates. The high-tech industry, both nationally and in the Washington region, is the sector straining the most under these conditions of extremely low unemployment (the suburban unemployment rate in Washington dipped below 2 percent by April 1999). According to the U.S. Department of Labor, the nation will need at least 1.3 million new information technology workers between 1996 and 2006. According to Potomac KnowledgeWays, Northern Virginia alone has 19,000 unfilled technology jobs that represent $1 billion in unearned wages.

Growth creates environmental strains, which threaten the region's high quality of life. From 1970 to 1990, the population of the Washington region increased by 35.5 percent, while the amount of land used for urbanized purposes (houses, shopping centers, office buildings, parking lots, etc) increased by 95.7 percent, or almost 2 and a half times as fast. In the 1980s, the region lost more than 200,000 acres—or the equivalent of five District of Columbias—of farmlands, forest, and wetlands. According to current pace-of-growth projections, Loudoun County will lose the equivalent of four football fields of open space every day over the next 30 years. Each additional acre of paved surface sends 30,000 gallons of water per inch of rain into the nearest waterway. In the watershed area of the Chesapeake Bay, one of this region's natural treasures, there will be more development between 1990 and 2020 than there was between 1608 and 1950—and much of that development will be in the Washington metropolitan area.

The region's air quality is also diminishing, in part because of the increase in vehicle miles traveled (VMT), in part because of the additional power plants and industrial sites that serve the region's growing population. The metropolitan area's VMT is estimated to jump jump 179 percent in the next twenty years. The American Lung Association estimates that at any given time more than 400,000 people in the metropolitan region are considered chronically at-risk from air pollution—almost 60,000 of them children with pediatric asthma.

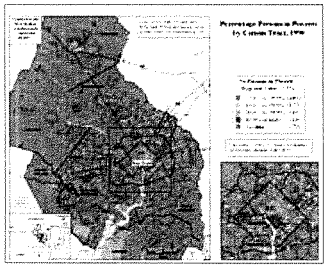
The Full Picture: A Region Divided

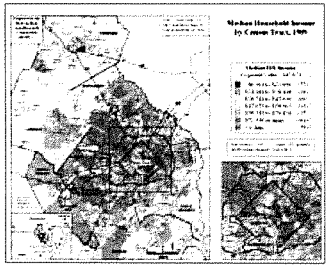
In sum, the twin consequences of growth in the greater Washington region, with hyper development on one hand and social distress on the other, have resulted in a region that is starkly divided. A slightly right-tilted line that cuts down the center of Washington, D.C. splits the region into east and west halves.

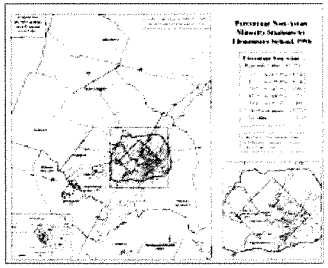
These maps recap the story, and the mismatch is visibly glaring. The orange and red spots, indicating distress, heavily dot the eastern portion of the region, in nearly the exact same places on each of the maps. The orange and red are primarily found in eastern D.C., the inner part of Prince George's County, and portions of Arlington and Alexandria. The exceptions are the signs of distress in parts of inner Fairfax County, up I-270 in Montgomery County, and some parts of the outlying suburbs.

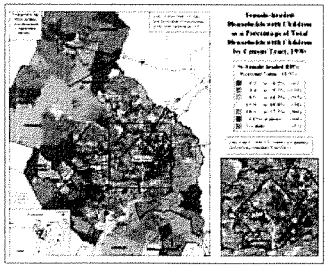
The blue spots, indicating wealth and opportunity, primarily paint the western half of the Washington region. These include large parts of Fairfax, Loudoun, Frederick and Montgomery counties. The exceptions in the east are the far eastern and southern portions of Prince George's and Charles counties outside of the Beltway that have more stable neighborhoods.

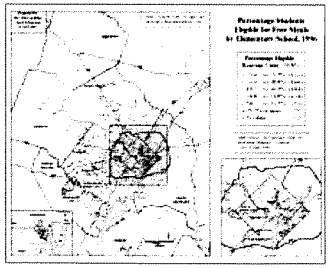
There is no denying the social and economic opportunity divide in the Washington region.

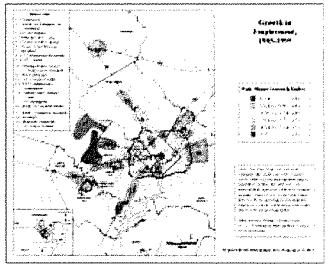












Pulling It All Together

The statistics, charts, and maps presented in this report tell a compelling story about the current state of the Washington, D.C. region. The story is partly about a wealthy region, blessed with a wide array of natural and economic assets. Yet it is also a story about a region divided by race, class, ethnicity and opportunity. The maps show a region out-of-balance, struggling with the consequences of very little growth on one side and an extraordinary amount on the other. The following conclusions are inescapable:

1. **The eastern portion of this region bears the burden of poverty.** Washington, D.C. and Prince George's County bear the highest costs—fiscally and socially—of housing the region's poorest families and children. Even affluent households in northwest Washington and east Prince George's County cannot escape the price of higher poverty, which they pay in higher taxes and reduced services. Arlington County and Alexandria also have a relatively large proportion of low-income and working families.

2. **The western part of the region enjoys most of the fruits of prosperity.** Wealth and prosperity primarily benefit those living west and north of the central city, in Fairfax, Montgomery, and Loudoun counties as well as other communities outside of the Capital Beltway. These jurisdictions have high proportions of their residents earning more than $50,000 and have become the location of choice for new firms.

3. **The divisions in this region cannot be explained as "city versus suburb."** Because the rough dividing line cuts through many counties and the central city itself, the region cannot be described as strong suburbs surrounding a weak city, nor even as strong outer suburbs ringing a weak urban and inner suburban core. Many sections of the District and inner suburban communities are facing economic and social challenges, but the other parts of the District and those suburbs are affluent.

4. **This region is starkly divided by race.** There is no denying the presence of racial segregation in this region: 70 percent of the area's African-American residents live in Washington, D.C., and Prince George's County. The racial divisions are in part, but not entirely, class divisions. In this region, as in so many others, poverty and race are intertwined. The areas with higher poverty rates and more schoolchildren receiving free or reduced cost lunches are areas where black and Latino families live. Not all minority families in the region are poor—there is a thriving African-American middle-class in the portion of Prince George's County outside the Beltway. But it is true that African-American families of all income levels tend to live in the eastern portion of the region, while whites live in the western half. Mitigating this division somewhat is the expanded diversity of the Washington region, with increasing numbers of blacks, recent immigrants, and other minorities living throughout the metropolitan area.

5. **These polarizing patterns hurt fast-growing counties.** Growth is not only a concern of the neighborhoods that are struggling economically and losing residents. Fast-growing counties are straining to provide new schools, services, and infrastructure while preserving open space and protecting the environment. Of all of the area's jurisdictions, Prince George's County is in the toughest bind; it must deal with both the high costs of social distress in inner Beltway communities and the high costs of new growth elsewhere in the county.

6. **The patterns of extensive growth in some communities and significantly less growth in others are inextricably linked.** Poor neighborhoods with high costs, low services, and poor- performing schools push out families with resources, who move to the edges of the region. As these families leave, so do jobs, services, and businesses. This flight, only further weakens already struggling neighborhoods and puts more pressures on other, fast-growing jurisdictions. Another factor pushing families to the outer edges of the metropolitan region and exacerbating the crowding and congestion there are the high housing prices in many affluent communities, including the northwest quadrant of Washington, D.C., North Arlington and other places on the west side of the region. Most families cannot afford to live in these expensive, centrally located neighborhoods, so they move to the region's edge, or remain in communities with cheaper housing.

Emerging Response

The greater Washington area has a history of working collectively on region-wide concerns. In recent years, as a result of the booming economy, the challenges presented by growth have become a more pressing regional concern. "Slow growth", "smart growth", no roads, more roads, less construction, more classrooms, more workers, more funding—these and other subjects have taken center stage in local elections, public meetings, policy discussions, the media, and even in casual conversations. In response, numerous efforts and proposals have been put on the table—by local, regional, state, and even federal leaders—to try to address the symptoms of hyper growth. The efforts described below are a testament that there is a foundation from which true regional collaborations and reforms can emerge.

The Washington region has successfully created a number of formal regional bodies to coordinate and/or oversee the transportation, infrastructure, and general development of the metropolitan area. Like most regions, the Washington area has created a handful of formal organizations—some by legislative mandate, others in response to regional crises—to address basic infrastructure and service needs that naturally span jurisdictional lines, such as water and sewer, air quality, and transportation. These formal governance and advisory bodies actually operate programs or monitor compliance with federal standards at a metropolitan level. They are:

- **Metropolitan Washington Council of Governments.** Known colloquially as the "Washington COG," this entity helps plan and coordinate housing, transportation, environmental, human services, and public safety policies and programs across 17 local jurisdictions in the region. Both the National Capital Region Transportation Planning Board and the Metropolitan Washington Air Quality Committee (see below) are independent subsidiaries of COG. Formed in 1957 as an independent organization to promote regional coordination, COG was formally recognized as the official regional planning agency for the Washington metropolitan area in 1965.

- **National Capital Region Transportation Planning Board.** Formed in 1965, in response to the requirements of a 1962 federal highway act, the Transportation Planning Board (TRB) effectively serves as the Washington area's Metropolitan Planning Organization (MPO) for transportation. The MPO develops the region's short- and long-term transportation plans and coordinates the area's transportation funding priorities.

- **Metropolitan Washington Air Quality Committee.** This Committee works with state and local officials

to ensure that the Washington metropolitan area complies with federal standards for clean air in this region. The Committee was established in 1991 in accordance with the federal Clean Air Act of 1990.

- **Washington Metropolitan Area Transit Authority.** The Transit Authority operates and manages the regional bus and Metrorail systems. The Authority was created in 1967 by Congress, the District, Maryland, and Virginia as an Interstate Compact.

- **Metropolitan Washington Airports Authority.** The Airports Authority, an independent interstate agency, is responsible for managing, operating, and improving both the Dulles and Reagan Washington National airports. After Congress passed legislation in 1986 transferring the operation of Dulles and National airports to a regional body under a 50-year lease, the District City Council and the Virginia General Assembly enacted an interstate law creating the Metropolitan Washington Airports Authority.

- **D.C. Water and Sewer Authority.** Established in 1996, the latest accomplishment in formal regional arrangements, the Authority is responsible for delivering water service to the District of Columbia and sewer service to the District, large portions of Montgomery and Prince George's counties, and some communities in Fairfax and Loudoun counties.

Jurisdictions in the region have also entered into formal contractual agreements to meet mutual needs. There are formal cross-jurisdictional agreements on water supply and distribution, sewage treatment, and solid waste disposal. Jurisdictions have also forged formal compacts on emergency services, including police, fire and rescue services.

In recent years, the regional dialogue has extended beyond governments and governmental bodies. A number of new regional coalitions—organized by business leaders, public leaders, and special interest groups—are actively engaged in growth and development issues. There are many organized voices in the region who are shaping the growth dialogue, such as developers, homebuilders, local chambers of commerce, environmental groups, and citizens' organizations. The following is a profile of some of the larger coalitions of leaders working towards solutions for the region.

- **The Board of Trade's Potomac Conference** is a project of the Greater Washington Board of Trade, which brings together the region's top business and government leaders to shape and implement an agenda for a healthier region. At the June 1999 gathering of the Potomac Conference, the area's "new economy" leaders released a regional plan to help make the greater Washington area a top global technology center. The Conference called for a series of steps, including: (1) creating a skilled workforce and a technology education curriculum in the region; (2) better supporting bioscience/ biotechnology growth in the region; (3) launching a message campaign that markets the region as the center of the new economy; and (4) improving the region's transportation system to enhance economic prosperity.

- **Coalition for Smarter Growth** is an alliance of prominent environmental and civic groups in the region, such as the Sierra Club, the Chesapeake Bay Foundation, and the Piedmont Environmental Council, as well as some county-based citizens groups. The Coalition is dedicated to protecting the environment, the health of the District and its older suburbs, and main street businesses while stopping proposals that promote sprawl. The Coalition has influenced the outcome of such major growth and development efforts as the passage of Maryland's "smart growth" legislation and the defeat of Disney's history theme park in Prince William County.

- **Virginia Coalition of High Growth Communities** is a coalition of elected officials and activists from over 20 fast-growing communities in Virginia that pushes for growth management tools and reforms from the state. The Coalition's agenda includes requests to limit the construction of new homes in areas with inadequate schools and infrastructure and to impose fees on developers so they can help share the costs of growth. The Coalition also called for the state to share income tax revenues with the localities that generate these funds so they can pay for the costs of new schools, infrastructure, and services. These proposals were defeated in the last session of the Virginia General Assembly, but the Coalition intends to continue its campaign for more local powers to deal with growth.

To date, most regional and cross-jurisdictional discussions have focused on the negative consequences of rapid growth—traffic congestion, overcrowded schools, and the loss of open space. An array of regional and local groups and governments have put forth an array of transportation-related proposals; county-level growth management initiatives have also been crafted in an attempt to deal with clogged roads and slow the pace and lower the costs of rapid development. There is also increasing support for strengthening the region's workforce and better linking workers to jobs, particularly in the fast growing technology sector in the Washington suburbs.

- **Transportation—to ease traffic congestion and improve job access—remains the most hotly debated issue in the Washington region.** There are many proposals to increase transportation funding, speed up transportation planning, and expand or improve nearly every part of the regional highway system. There are heated debates about how to deal with estimated future transportation funding shortfalls in the states of Maryland and Virginia. Plans for the new Woodrow Wilson Bridge and the Inter County Connector are getting significant public attention. There are alternative proposals that call for smaller-scale infrastructure designs and better integration of land use and transportation decisions. There are mass transit proposals to upgrade the Metrorail system, to add new Metro stations and new lines in both the District and the suburbs, to create a transit option for Dulles Airport, and improve and extend bus services throughout the region. In Congress, U.S. Representative James Moran and Senator Charles Robb will reintroduce a bill to create a regional transportation authority that will give the current Transportation Planning Board expanded powers on transportation planning and spending decisions.

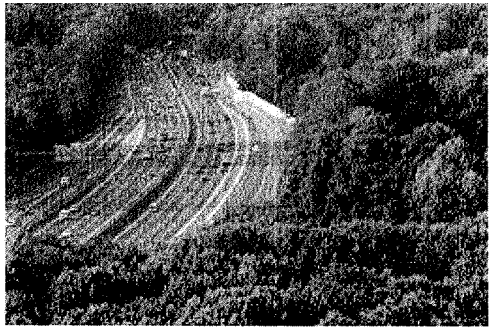
Most of these large scale efforts have been stalled due to lack of funding, complex coordination between regional, state, and federal actors, and the stalemate between the business community on one hand and citizen groups and environmentalists on the other. For every major proposed transportation project, there is an alternative concept. In short, nearly all major transportation investment decisions come with controversy.

- **States and counties within the region are also attempting to channel and cover more of the costs of rapid development, but they have very different sets of tools.** In Maryland, both Montgomery and Prince George's counties, for example, have taken steps to ease the development pressure in rural areas and encourage growth in established communities. Montgomery County has become nationally recognized for its policies of transferring development rights from rural to urbanized land and mandating mixed-income housing. Prince George's County recently imposed a four-year moratorium on development in areas where schools are overcrowded and has voted to raise impact fees on developers to help pay for new school construction. All these efforts are occurring in a state that is one of 12 in the country to have a growth management statute. Maryland is currently leading the charge to steer state road, sewer and school funds away from farms and open spaces to already developed areas targeted for growth.

The Virginia counties operate within a different construct. Neither the Governor nor the state legislature of Virginia have given counties a wide array of tools to manage, redirect, or slow growth. The 1999 session of the General Assembly denied counties the power to restrict new home construction in areas without sufficient roads and schools and to impose impact fees on developers. Virginian localities are also fiscally strapped because, unlike other states, they can not tax their residents' growth in income and wealth to help pay for services and school infrastructure.

- **There are early efforts to better coordinate and operate workforce development strategies at a regional level.** While most regional workforce efforts are in the planning stages or operating at a very small-scale, they are picking up steam. Two very different concerns drive the push for regional collaborations on workforce. First, welfare reform time limits and work participation requirements are pressuring local jurisdictions to move low-income persons into jobs—particularly those that pay a living wage. Second, the rapid growth of high tech jobs in suburban Virginia and Maryland have led to severe labor shortages in this high-skilled sector.

The twin pressures of welfare reform and suburban labor shortages are precipitating new strategies for improving skills training, job placement, transportation access, child care and other social support programs—and basic interjurisdictional coordination—to better meet the needs of both workers and employers in the region. For instance, COG and the Board of Trade/Potomac Conference have each taken steps to broaden the conversation around regional workforce issues, holding forums and releasing regional workforce plans that try to meet the disparate needs in this region. There are other efforts aimed at simply trying to improve information sharing and coordination between all the workforce development programs in the region, such as: (1) an initiative led by Wider Opportunities for Women and other groups to identify and remove barriers to work (e.g., child care, information, transportation) for low-skilled individuals; and (2) Potomac KnowledgeWay's recent effort to document every job training and employment source in the region, particularly those that support the high tech industry. Finally, there are also efforts aimed explicitly at connecting low-skilled, low-wage workers to available jobs throughout the region, such as the Washington Metropolitan Area Transit Authority-led effort to link transportation services to employment opportunities.



Efforts to reinvigorate slower growing communities are happening, but are not generally part of the regional debate. For the most part, the current regional dialogue has been driven by leaders in the fast-growing counties. The challenges of little growth in some communities have been seen by leaders in other jurisdictions as specifically urban or local—rather than regional—issues, even though the conditions of distressed communities have a powerful impact on the shape of growth in this metropolitan area. Many jurisdictions are working feverishly to improve public school performance, by hiring new superintendents and reforming the school system. Jurisdictions also continue to pursue economic development strategies to reinvigorate older or declining communities. For instance, the District has been aggressively pursuing a strategy of increasing businesses, retail, entertainment, and residential life in its downtown, much of which will be anchored by the new MCI Arena and the upcoming convention center. Montgomery County is about to break ground on major redevelopments in downtown Silver Spring and Bethesda. Last year, Prince George's County won a planned Circuit City distribution center. Both Arlington and Alexandria have attracted growth to neighborhoods along mass transit lines.

A regional action plan must link all these conversations, plans, proposals, and activities, embracing concerns that affect all jurisdictions and residents in the greater metropolitan area.

Where Do We Go From Here?

This report is the first in a series of reports on the state of the Washington, D.C. region and, more importantly, on the policies regional leaders can choose to adopt. This report is not meant to be comprehensive. It does not cover all aspects of regional life. The areas it does explore—social and economic trends—should be analyzed in greater depth, particularly after the release of the 2000 census.

We have deliberately avoided providing specific policy guidance on some of the major issues facing the region. We believe that it is more important at this stage of our region's development to have a clear understanding of the social, economic, and demographic trends affecting the Washington metropolitan area, and to describe regional issues in a broad, integrated way.

Yet the report does provide some general principles that should guide regional efforts to deal with growth in the future.

First, the region needs to focus on the full range of issues that shape its growth and development patterns. As explained in the previous section, current regional action focuses principally on the visible, negative consequences of explosive growth in the western part of the region and other suburbs—congestion, the decline in air quality, the loss of open space. That is not a bad thing. The fact that decision-makers, corporate leaders, and residents are all thinking about how best to grow is good news. There is increasing recognition that growth is desirable but, if left unfettered, has high costs. There is also increasing recognition that in thinking about growth and development, we must think regionally.

Yet, in our efforts to address the consequences of growth, we cannot ignore the forces that drive growth in some parts of the region and not in others. Poor schools in one jurisdiction push out families and lead to overcrowded schools in other places. A lack of affordable housing in thriving job centers leads to long commutes on crowded freeways for the region's working families. Expensive housing—out of the reach of most area households—in many close-in western neighborhoods creates pressures to pave over and build on open space in outlying areas, as people decide that they have to move outwards to build a future.

This is one metropolitan area, fundamentally linked by markets and roads and labor networks and media. The problems related to extensive, rapid growth in outer counties on the western side of the region—congestion, school overcrowding, rising property tax rates, loss of open space—are the flip side of problems caused by little growth and opportunity in most of the eastern part of the region—failing schools, economic isolation, lack of investment. As a region, we need to connect these issues. If we do not, our solutions to growth's challenges will be limited, at best.
By saying that the regional conversation should be broadened, we do not mean to condemn previous efforts at regional action. The Washington, D.C. region does collaborate on a range of issues, and the desire for regional action is growing in both the public and private sectors. Yet, again like most regions, we are more defined by our separateness and jealously guarded autonomy, than by any metropolitan form of governance and action.

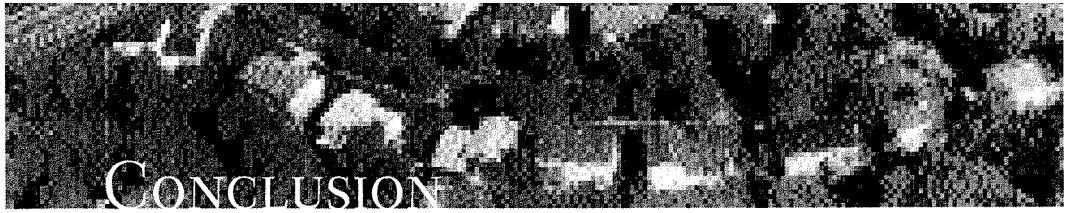
Second individual jurisdictions should understand and acknowledge how connected they are already. Regional interdependence and interconnection is a hard fact. When one county decides to place a moratorium on new home construction, neighboring counties must brace themselves for a likely influx of new residents; or, conversely, when one community goes on a development spree, nearby jurisdic-

tions must grapple with additional traffic, pollution, and threats to open space. Calls for more regional coordination, cooperation, and discussion are simply the logical outgrowth of this understanding.

By saying this, we do not mean to suggest abolishing local control, or subjecting every local government decision to region-wide veto. We do think that local decision-makers need to keep regional dynamics in mind, and that regional decisions should respect local needs. The balance between local control and regional collaboration is a difficult one, and each region finds its own. But fundamentally, schools, or land use, or housing policy, or zoning, or highway investment, while administered or decided upon locally, by locally elected officials, have region-wide impacts, and those impacts must be acknowledged and accounted for.

Finally, our region deserves and should demand the most advanced, up-to-date, objective information with which to make decisions. Regional decision makers and residents need better, more easily accessible information on which to base decisions than they currently have. Some federally collected data is useful, but it cannot answer critical questions such as: What is the link between transportation spending and jobs in this region? How do immigrants contribute to the regional economy? What are the positive and negative cross-border spillover effects from large development projects? Where are different employment sectors located in the region, and why? We have an excellent foundation to build on—universities like George Mason University, George Washington University, Georgetown, Howard, and the University of the District of Columbia, government entities like the Washington Council of Governments, private research institutions like the Urban Institute, the Greater Washington Research Center and the Fannie Mae Foundation. These institutions perform excellent analyses of disparate trends and are an invaluable resource for our decisionmakers and opinionmakers.

However, much of the existing research is aimed at specific issue areas (e.g. welfare reform, demographic trends, housing) or limited to specific geographies (e.g. District only, Washington region generally). These studies are invaluable, but holistic assessments of the region—and the interconnectedness of its parts—are also needed. Therefore, we propose that area research institutions form a consortium dedicated to assembling, collecting, assessing and disseminating information on this region on a regular basis. Such a consortium could pool the complementary expertise that exists across the region. It could be funded from the private foundation community to ensure that its work is objective and independent. It could have an advisory group of corporate, civic, political and community leaders to ensure that its research projects are informed by real experience and that its findings reach area decision-makers. Chairmanship of the consortium could be rotated—from one major local institution to another—to ensure that all key institutions have a stake and are committed. It could be tasked to provide benchmarks for the region and inform us where we are succeeding and, more importantly, where we are falling short.



Conclusion

In many ways this is a blessed region. It has robust population and economic growth. It is the administrative capital of the nation and boasts an economy-driving technology sector, nationally renowned research institutions, universities and hospital centers and world-class airports. It is rich in history, natural beauty, and culture. Each year, our region attracts millions of visitors from across the country and around the globe. Thus, unlike many other regions in the country, the Washington, D.C. region is in a position of strength. It has choices. It can realistically envision a positive future. It can—to the extent any region can—control its own destiny.

At this point, this region can grow in two distinct ways. It can continue along the current path of current growth and development. This will probably involve regional collaboration on a few issues; most public sector decisions, however, will be made by individual counties and the state and federal governments. This course will lead, no doubt, to further wealth for some in the area and more economic activity for particular jurisdictions. But it also could leave certain places and people in the region further and further behind, economically and socially, and exacerbate traffic congestion and environmental degradation.

There is another option. This option will maintain and extend the economic competitiveness of this region. Without a strong economic base, few other social objectives can be achieved. But this alternative will equally emphasize the need to grow in a way that protects our environmental treasures, enhances quality of life, provides access to economic and educational opportunity for all residents and encourages economic activity within all jurisdictions.

Few regions in this country have chosen this second option, perhaps because few regions have the economic health and civic capacity necessary. For whatever reason, this path is the "road less traveled." It is not an easy one to take. Our market may be metropolitan; we may read the same newspapers, travel the same roads, watch the same nightly newscasts. Yet we are a region still divided by race, class, wealth, opportunities.

The challenge for the National Capital Area is to move beyond these divisions and embrace a future that is economically sound, environmentally sustainable and socially equitable.

Appendix

Number and Percent of Persons in Poverty, 1990 and 1996
Washington Metropolitan Area

Jurisdiction	Persons in Poverty		Percentage of Population		Percentage Change
	1990	1996	1990	1996	1990-1996
Central City					
District of Columbia	96,278	80,016	15.90%	14.80%	-16.89%
Core Suburbs					
Alexandria	7,732	4,663	7.00%	4.00%	-39.69%
Arlington	11,895	7,826	7.00%	4.50%	-34.21%
Total Core Suburbs	19,627	12,489	7.00%	4.28%	-36.37%
"Big Three" Inner Suburbs					
Fairfax*	29,864	21,617	3.50%	2.40%	-27.62%
Montgomery	31,651	19,407	4.20%	2.40%	-38.68%
Prince George's	41,282	21,774	5.70%	2.80%	-47.26%
Total "Big Three"	102,797	62,798	4.40%	2.51%	-38.91%
Outer Suburbs					
Charles	5,007	5,078	4.90%	4.40%	1.42%
Frederick	7,055	6,110	4.70%	3.40%	-13.39%
Loudoun	2,625	2,084	3.00%	1.70%	-20.61%
Prince William**	8,141	6,481	3.30%	2.20%	-20.39%
Total Outer Suburbs	22,828	19,753	3.88%	2.75%	-13.47%
Total Metro Area	**241,530**	**175,056**	**6.30%**	**4.32%**	**-27.52%**

**Fairfax data includes the Cities of Falls Church and Fairfax City.*
*** Prince William County data includes the Cities of Manassas Park and Manassas.*

Source: 1990 - U.S. Census of Population, 1996 – Greater Washington Consumer Survey and the Greater Washington Research Center, Grier, George "Washington Area Growth and Change," 1998.

Welfare Caseloads, May 1999
Washington Metropolitan Area (In Ranking Order)

Jurisdiction	Total Number of TANF Cases	Share of Region's Caseload
District of Columbia	18,750	63.86%
Prince George's	4,383	14.93%
Fairfax*	1,466	4.99%
Prince William**	1,393	4.75%
Montgomery	1,114	3.79%
Alexandria	817	2.78%
Arlington	573	1.95%
Charles	389	1.33%
Frederick	315	1.07%
Loudoun	160	0.55%
Metro Area Total	**29,360**	**100%**

**Fairfax data includes the Cities of Falls Church and Fairfax City.*
*** Prince William County data includes the Cities of Manassas Park and Manassas.*

Source: D.C Department of Human Services; Maryland Department of Human Resources, Family Investment Administration; Virginia Department of Social Services

Single Headed Families With Children Washington Metropolitan Area

	Single Headed Families with Children		Change 1990–1996		Percent of All Households in Jurisdiction	
	1990	1996	Number	Percent	1990	1996
Central City						
District of Columbia	36,151	28,031	-8,120	-22.50%	14.50%	12.10%
Core Suburbs						
Alexandria	3,445	3,958	513	14.90%	6.50%	7.00%
Arlington	3,801	4,367	566	14.90%	4.80%	5.30%
Total Core Suburbs	7,246	8,325	1,079	14.90%	5.50%	6.00%
"Big Three" Inner Suburbs						
Fairfax*	18,736	23,603	4,867	26.00%	6.20%	7.10%
Montgomery	18,483	20,853	2,370	12.80%	6.50%	6.80%
Prince George's	33,231	35,661	2,430	7.30%	12.90%	12.70%
Total "Big Three"	70,450	80,117	9,667	13.70%	8.30%	8.70%
Outer Suburbs						
Charles	3,043	2,893	-150	-4.90%	9.20%	7.50%
Frederick	3,338	3,625	287	8.60%	6.30%	5.70%
Loudoun	1,768	2,684	916	51.80%	5.80%	6.10%
Prince William**	6,227	7,134	907	14.60%	7.60%	7.20%
Total Outer Suburbs	14,376	16,336	1,960	13.60%	7.30%	6.60%
Total Metro Area	**128,223**	**132,809**	**4,586**	**3.60%**	**9.00%**	**8.66%**

**Fairfax County data includes the Cities of Fairfax and Falls Church.*
***Prince William County data includes the Cities of Manassas Park and Manassas.*

Source: 1990 - U.S. Census of Population; 1996 - Greater Washington Consumer Survey, Analyzed and computed by the Greater Washington Research Center; Grier, George, "Washington Area Growth and Change in the 1990's."

Households with Incomes of $50,000 or More in Current Dollars, 1989 and 1996
Washington Metropolitan Area

	1989 (in 1989 $)	1996 (In 1996 $)	Change 1989-1996 Number	Change 1989-1996 Percent	Percent of All Households in Jurisdiction in 1990	Percent of All Households in Jurisdiction in 1996
Central City						
District of Columbia	70,227	69,900	-327	-0.50%	28.20%	30.10%
Core Suburbs						
Alexandria	20,646	24,696	4,050	19.60%	38.80%	43.60%
Arlington	34,230	37,391	3,161	9.20%	43.60%	45.60%
Total Core Suburbs	54,876	62,087	6,884	5.50%	41.60%	44.80%
"Big Three" Inner Suburbs						
Fairfax*	185,093	237,480	52,387	28.30%	60.80%	71.30%
Montgomery	155,908	202,666	46,758	30.00%	55.10%	66.40%
Prince George's	104,908	124,914	20,006	19.10%	40.70%	44.60%
Total "Big Three"	445,909	565,060	119,151	26.70%	52.80%	61.60%
Outer Suburbs						
Charles	14,714	20,149	5,435	36.90%	44.70%	52.60%
Frederick	19,551	27,801	8,250	42.20%	37.10%	43.90%
Loudoun	16,278	26,949	10,671	65.60%	53.20%	61.10%
Prince William**	39,487	54,621	15,134	38.30%	48.20%	55.00%
Total Outer Suburbs	90,030	129,520	39,490	43.86%	45.40%	52.80%
Total Metro Area	**661,042**	**826,567**	**165,525**	**25.04%**	**46.40%**	**53.80%**

**Fairfax County data includes the Cities of Fairfax and Falls Church.*
*** Prince William County data includes the Cities of Manassas and Manassas Park.*

Source: 1990 – U.S. Census of Population; 1996 Greater Washington Consumer Survey. Analyzed and Computed by the Greater Washington Research Center, Grier, George, "Washington Area Growth and Change in the 1990s," 1998.

Population by Race and Jurisdiction in the Washington Metropolitan Area, 1990 and 1996

	White		Blacks		Asian/ Pacific Is.		Other		Non-White		Total Population	
	1990	1996	1990	1996	1990	1996	1990	1996	1990	1996	1990	1996
Central City												
District of Columbia	179,690	173,853	399,751	342,610	11,233	9,209	16,226	13,913	427,210	365,732	606,900	539,585
Core Suburbs												
Alexandria	76,907	68,850	24,557	31,022	4,687	8,986	5,032	6,898	34,276	46,906	111,183	115,756
Arlington	130,745	127,440	17,947	19,130	11,596	12,807	10,648	16,426	40,191	48,363	170,936	175,803
Total Core Suburbs	207,652	196,290	42,504	50,152	16,283	21,793	15,680	23,324	74,467	95,269	282,119	291,559
"Big Three" Inner Suburbs												
Fairfax*	691,684	698,656	64,647	84,972	70,745	94,485	20,708	27,687	156,100	207,144	847,784	905,800
Montgomery	581,379	581,773	92,375	129,550	61,774	72,697	21,499	36,949	175,648	239,196	757,027	820,969
Prince George's	314,559	238,684	369,622	475,519	27,922	30,323	17,165	24,214	414,709	530,056	729,268	768,740
Total "Big Three"	1,587,622	1,519,113	526,644	690,041	160,441	197,505	59,372	88,850	746,457	976,396	2,334,079	2,495,509
Outer Suburbs												
Charles	80,252	87,297	18,425	24,599	1,208	1,014	1,269	3,023	20,902	28,636	101,154	115,933
Frederick	140,114	165,139	7,961	10,487	1,379	2,734	754	2,358	10,094	15,579	150,208	180,718
Loudoun	77,053	107,369	6,293	8,870	2,084	4,980	699	3,122	9,076	16,972	86,129	124,341
Prince William**	209,326	236,408	28,336	40,195	7,888	10,533	4,827	8,742	41,051	59,470	250,377	295,878
Total Outer Suburbs	506,745	596,213	61,015	84,151	12,559	19,261	7,549	17,245	81,123	120,657	587,868	716,870
Metro Area Total	2,481,709	2,485,469	1,029,914	1,166,954	200,516	247,768	98,827	143,332	1,329,257	1,558,054	3,810,966	4,043,523

**Fairfax data includes the Cities of Falls Church and Fairfax.*
***Prince William data includes the Cities of Manassas Park and Manassas.*

Source: 1980, 1998 U.S. Census of Population; Grier, George, "Washington Area Growth and Change," 1998.

Percentage of Elementary and Secondary School Students Eligible for Free and Reduced-Cost Meals by School District, 1997 (In Rank Order)

	Students Eligible	Total Enrollment	Percent Eligible
District of Columbia	56,446	76,880	73.40%
Alexandria City	5,360	10,463	51.20%
Arlington	7,621	17,848	42.70%
Prince George's	52,326	128,347	40.80%
Montgomery	28,380	125,023	22.70%
Charles	4,717	21,620	21.80%
Prince William**	12,072	56,647	21.31%
Fairfax*	27,080	145,971	18.60%
Frederick	5,152	34,632	14.90%
Loudoun	2,108	21,695	9.70%
Metro Area Total	**201, 262**	**639,126**	**31.50%**

**Fairfax County data includes the Cities of Fairfax and Falls Church.*
***Prince William County data includes the Cities of Manassas and Manassas Park.*

Source: District of Columbia Public Schools; Virginia Department of Education; School Districts of Charles, Frederick, Montgomery, and Prince George's counties.

Percent Share of Non-Asian Minority Elementary School Students by School District, 1997 (In Rank Order)

	Non-Asian Minority	Total Enrollment	% Non-Asian Minority
District of Columbia	46,181	48,978	94.3%
Prince George's	60,179	73,895	81.4%
Alexandria City	3,998	5,636	70.9%
Arlington	4,093	8,198	49.9%
Montgomery	25,019	71,625	34.9%
Charles	3,873	11,746	33.0%
Prince William**	8,217	26,607	30.9%
Fairfax*	16,525	74,675	22.1%
Loudoun	1,405	11,041	12.7%
Fredrick	2,073	19,607	10.6%
Metro Area Total	**171,563**	**352,008**	**48.7%**

**Fairfax County data includes the Cities of Falls Church.*
***Prince William County data includes the Cities of Manassas Park and Manassas.*

Source: District of Columbia Public Schools, Maryland Department of Education, Virginia Department of Education.

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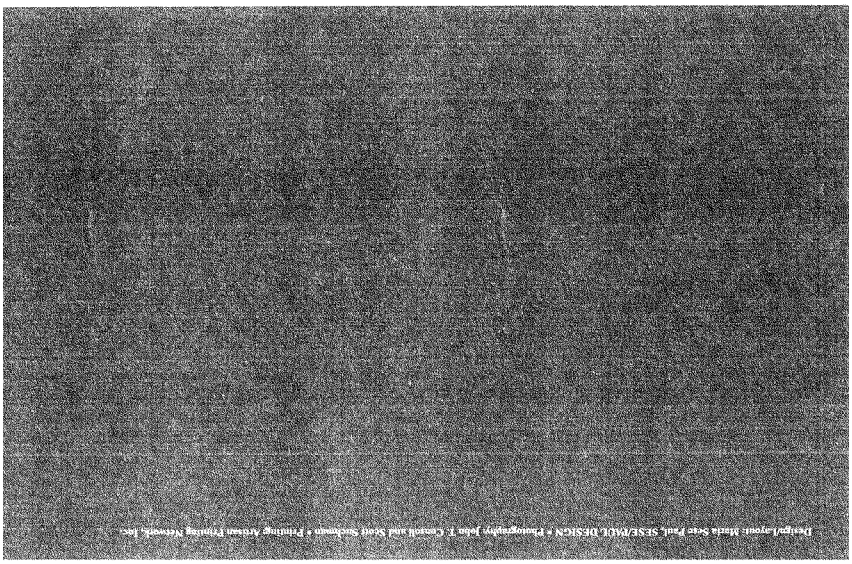

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