February 9, 2012

Memorandum

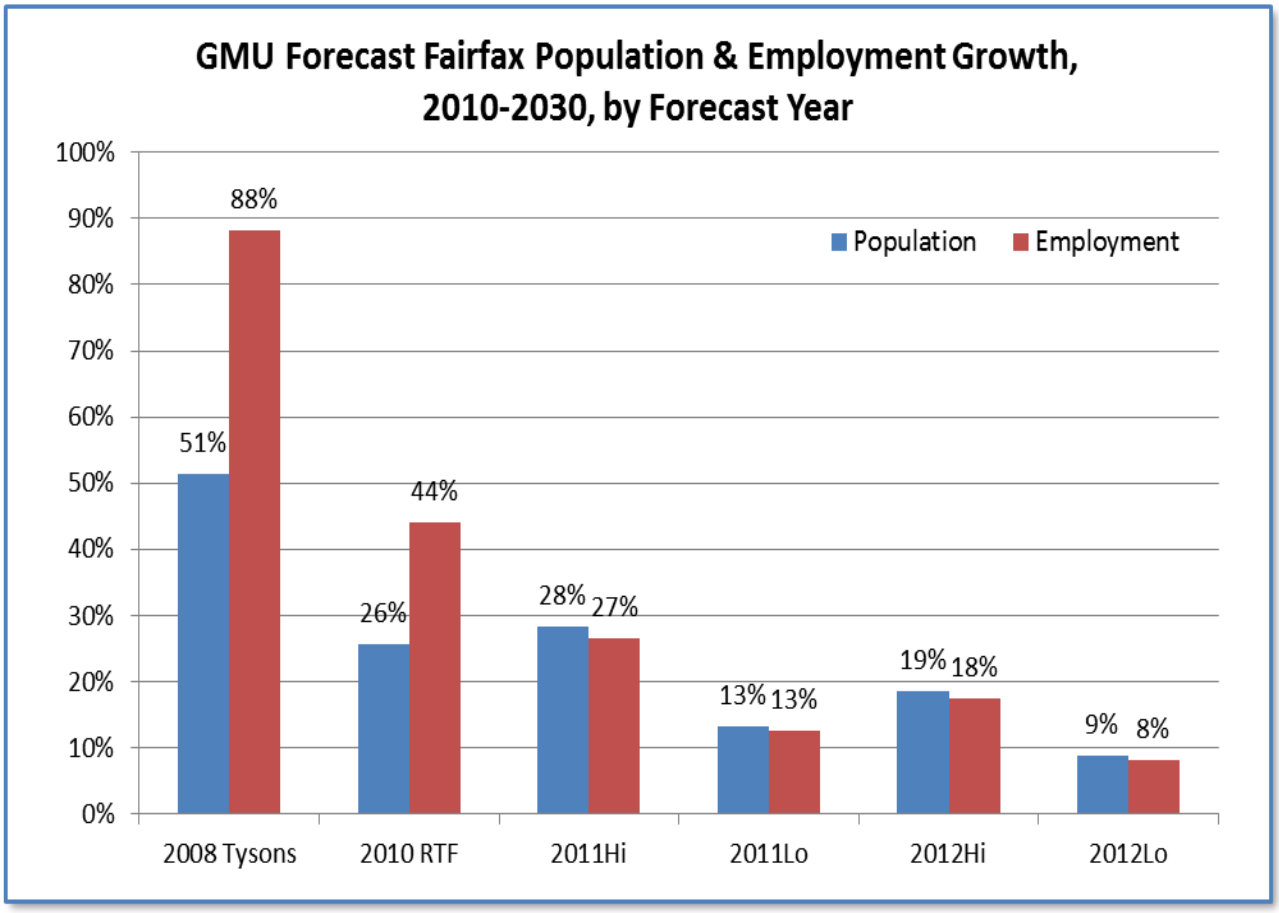
For: Reston Task Force Members

Re: Implications of Reduced Growth Prospects for Reston TOD Planning

At the last Reston Task Force (RTF), we received a briefing from Lisa Sturtevant, GMU Center for Regional Analysis (GMU), on their updated growth forecast for the Metropolitan DC region and Fairfax County. At its core was a forecast of dramatically reduced growth for the County. The latest forecast (2/12), which comprises a "High" and a "Low" forecast for the County, suggests employment will grow either 13% (Low) or 27% (High) from 2010 to 2030, GMU's mid-2010 forecast for the RTF that indicated employment would grow 29%, 39%, or 49% in the low, intermediate, and high scenarios respectively. In brief, the latest GMU forecast suggests that even the current "High" scenario will not see employment grow over the 20-year period as much as the lowest forecast provided 18 months ago.

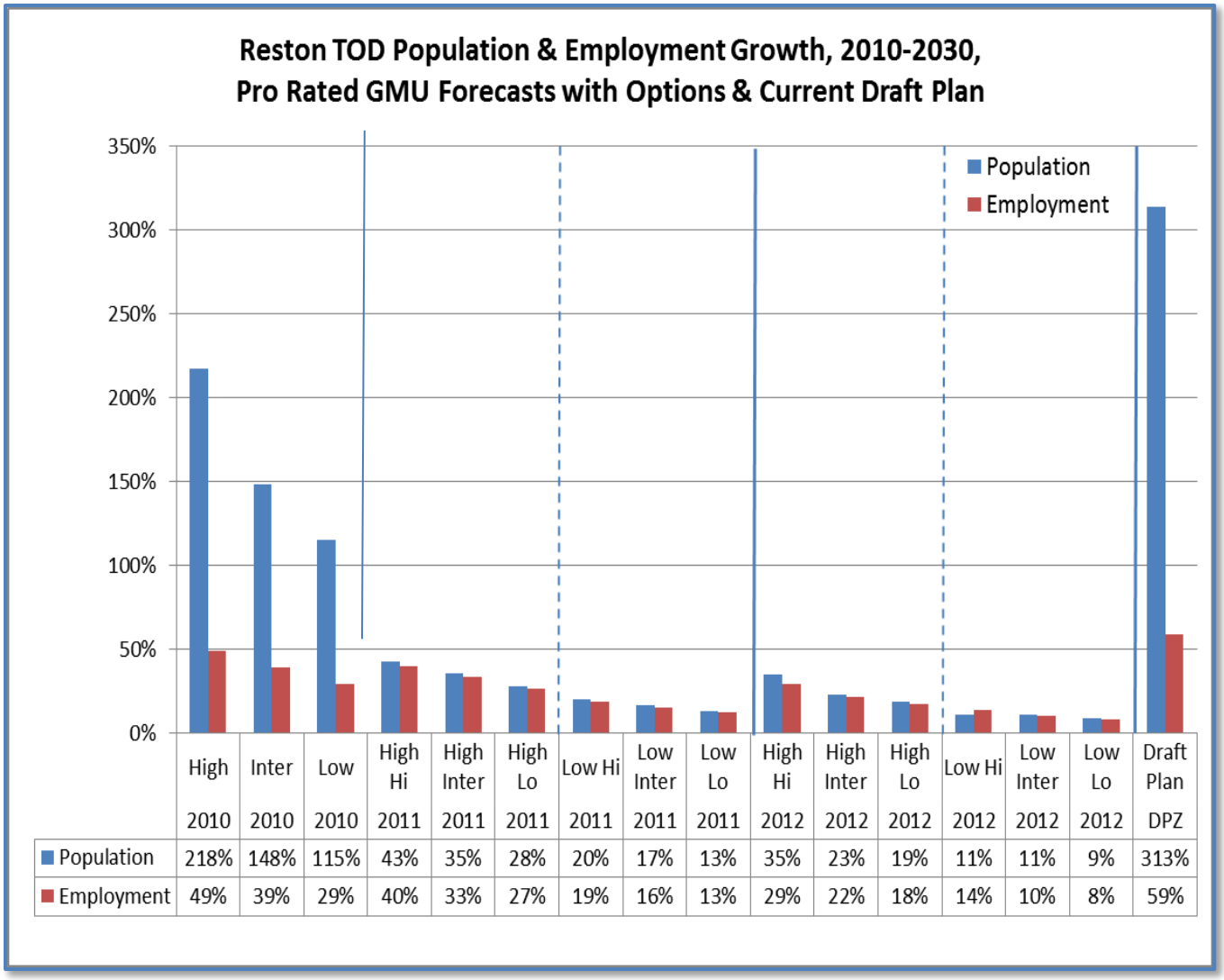
I have tried to capture these employment as well as population (residential) forecasts in the graphic below which shows GMU's 2010-2030 employment and population projections for Fairfax County in 2008, 2010, 2011, and 2012. All of these forecasts are based on 2010 estimates of 1,030 thousand residents (about right per Census 2010). The earlier job forecasts estimate 680,000 jobs for 2010 while the latter two are based on 633,000 jobs in 2010, meaning the earlier forecasts are more exaggerated than they appear here.

- The 2008 forecast was prepared for the Tysons Task Forecast and prepared in a manner very much like the forecast prepared for the RTF in 2010. In brief, it forecast what generally unconstrained growth potential would look like over the period.
- The 2010 forecast is the one prepared for the RTF.
- The 2011 (10/11) and 2012 (2/12) forecasts, with their "High" and "Low" variants are prepared somewhat differently than the earlier forecasts.
    - The "High" forecast includes a larger residential component consistent its goal of maximizing the economic product of the region and the county. The goal, in essence, is to have people spend what they earn where they earn it. It includes important policy shifts for local governments to make housing more affordable and change its mix.
    - The "Low" forecast comes close to using the same assumptions as the earlier GMU forecasts; that is, people live where they can afford to live, which is generally farther out, resulting in a loss of spending potential for the Metro areas in which they work. No housing policy shift is assumed.



The obvious next step is to try to understand the implications of GMU's much lower recent county forecasts for our planning of development in Reston's Transit Oriented Development (TOD) area. To accomplish this requires interpolation of the county data to the TOD area. This poses some difficulties as a separate e-mail discussion I've had with Lisa Sturtevant indicates. In general, I believe it would be fair to say that there are no circumstances in which development in the TOD area would likely be lower than the overall population and employment growth rate for the county. For example, in the 2012 Low case pictured above, the base value would be a 9% increase in population and an 8% increase in employment. Using that value as the equivalent of the "low" forecast in GMU's 2010, I generated hypothetical "intermediate" and "high" forecast growth estimates for the 2011 and 2012 forecasts by pro rating the growth at the same rate as established by GMU in its 2010 forecast for the TOD areas. The results of this calculation effort are shown in the table below along with the GMU 2010 forecast and DPZ's current draft plan formulation for allowable growth.[1]

[1] The current basic DPZ draft plan for 2030 would allow non-residential development 20% above GMU's high forecast in 2010. It would also allow a 20% residential "bonus" as well as a 20% increment above GMU's high residential forecast in 2010



	High 2010	Inter 2010	Low 2010	High Hi 2011	High Inter 2011	High Lo 2011	Low Hi 2011	Low Inter 2011	Low Lo 2011	High Hi 2012	High Inter 2012	High Lo 2012	Low Hi 2012	Low Inter 2012	Low Lo 2012	Draft Plan DPZ
Population	218%	148%	115%	43%	35%	28%	20%	17%	13%	35%	23%	19%	11%	11%	9%	313%
Employment	49%	39%	29%	40%	33%	27%	19%	16%	13%	29%	22%	18%	14%	10%	8%	59%

Without beleaguering the array of data presented above, what the table clearly shows is that the current DPZ draft plan formulation would allow residential development nearly nine times the highest forecast (High Hi) from the 2012 GMU forecast and an employment development nearly twice that of the highest plan variant of GMU's most recent forecast. Of course, at the other extreme (Low Lo), the ratios are more extreme.

Given the disparity between GMU's latest forecast and the DPZ draft plan, I believe that the RTF ought to have a serious discussion at our next meeting about how we amend the draft plan formulation to reflect the latest estimates. I would also recommend that the DPZ draw up some alternative approaches to such an effort as part of that discussion.

My point here is not to recommend a solution, but to point out that we will have a serious credibility problem with the Planning Commission and with the Board of Supervisors if we move forward with the current draft plan. In fact, it would be more serious than the credibility problem faced by the Tysons Task Force when it initially proposed allowing development of some 200 million GSF there, roughly four and a half times the current density. In fact, having calculated the GSF demands for these scenarios separately, I

can tell you that the existing 17% vacant office space (~3.7MM GSF) in Reston could accommodate nearly two-thirds of all the forecast non-residential growth under the highest 2012 GMU forecast (High Hi) for 2030, notwithstanding the varieties of non-residential space. In short, the current draft DPZ plan formulation appears to authorize residential and non-residential growth vastly disproportionate to the current 20-year growth forecast for the county and, indirectly, the Reston TOD area.

We need to discuss what to do about adapting to the region's new economic reality.

Sincerely,

Terry Maynard
RCA Representative
Reston Master Plan Special Study Task Force