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**CAPITAL  
BUSINESS**

## COMMENTARY

### Prince George's is being unfairly excluded on federal leasing <web headline>

By Kwasi G. Holman

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*It is time to balance jobs and housing.  
Advances in IT technology enable "virtual consolidation"*

Whenever the federal government casts its net for office space in the Washington region's commercial real estate market, the District and Fairfax, Arlington and Montgomery counties are the ones most likely to snag the leases -- and the economic benefits. But Prince George's County is often overlooked.

More than 25 percent of the region's federal workforce resides in Prince George's, according to the National Center for Smart Growth Research and Education at the University of Maryland. Yet the county has only 70 out of 1,134 federal leases in the region's private market, according to Jeffrey D. Ludwig, senior vice president at NAI Michael, a real estate firm in the county.

Moreover, out of the \$1.9 billion in rent spent by the federal government in the Washington area, Prince George's receives only \$69 million. Further, leases in the county tend to be smaller -- 53,137 square feet compared with 75,454 square feet in the rest of the region.

The federal government is looking to consolidate operations of many of its agencies into private space, and Prince George's wants its fair share of those leases.

*Physical consolidation is  
a 19<sup>th</sup> century solution  
to a 21<sup>st</sup> century problem.*

My vision is for us to create a community where residents can get to work with minimal use of their vehicles. We need a multi-pronged strategy to establish mixed-use development with housing as well as office and retail space.

The relocation of agencies here could be the catalyst.

The government is looking to consolidate agencies into energy-efficient buildings near Metro stations. Many of the areas around Metro stations in the region are built out. But Prince George's has 15 Metro stations with development potential, making it a location deserving more attention in the future.

*This is why the proposed Maryland  
SRSOZ State Rail Station Overlay Zone  
is needed right now.  
This new state law will empower local  
governments to develop optimal  
pedestrian-friendly cities at every station.  
Land within walking distance of Metro  
stations is the scarcest resource in the  
region. We have been squandering it.*

*For example, Howard University's proposed Bio-Tech & Space Science campus should anchor a new city on top of West Hyattsville or Prince George's Plaza Metro instead of being built in the Rural Tier in Beltsville.*

*The SRSOZ will enable Prince George's County to make this feasible for Howard University.*

There are certain policy barriers that need to be overcome to draw developers willing to build office space that could accommodate federal agencies in the county. For instance, the federal government has a \$32-per-square-foot cap on leases paid in Maryland, compared with a \$36 rate in Virginia and a \$46 rate in the District.

*It is much more than just raising the rent.  
Local governments must act as  
"master developers" to create the public realm  
context within which private developers can  
build great buildings.*

*Read tabs 28a, 37, 48a on the Woodmont Triangle  
web page of [www.VirtualAdjacency.com](http://www.VirtualAdjacency.com).*

We've been working with our congressional delegation and the General Services Administration to address that discrepancy, which going forward will impede our ability to compete on future solicitations. There are developers that could provide the product for the federal government. The cost of steel and concrete are uniform throughout the region, but the \$32 cap in Maryland is not fair and inhibits developers' ability to get a good rate of return on their investment.

It would also help if the federal government more often opened its solicitations for space to the region, rather than limiting them to Northern Virginia or D.C.

*Virtual Consolidation using IT to  
implement Virtual Adjacency is the key.*

There are opportunities for existing Prince George's-based federal agencies to expand -- there could be more security- and defense-related operations near Andrews Air Force Base and more science-related work to support NASA and the National Oceanic and Atmospheric Administration.

We are capitalizing on the **Beltsville Agricultural Research Center's** work helping African countries reduce famine by producing better crop yields. There are more connections to be made with companies that can participate in the effort.

*And this is a most appropriate location  
for that work — the "Rural Tier"  
of Prince George's County.*

Much more is to come. By taking advantage of our assets, the federal government can help Prince George's take its rightful place as a major leader in the Washington metropolitan area.

*Kwasi G. Holman is president and chief executive of the Prince George's County Economic Development Corp.*