Special Meeting of the Community Liaison Committee Meeting Wednesday, January 17, 2018 American University – Mary Graydon Center 7 p.m.

Introductions and Opening Remarks

The special meeting of the Community Liaison Committee (CLC) was opened at 7 p.m. by Don Edwards of Justice and Sustainability Associates, LLC, who facilitated the meeting on behalf of American University. He then turned the meeting over to Linda Argo, Assistant Vice President for External Relations and Auxiliary Services, who chaired the meeting in David Taylor's absence.

Linda Argo welcomed attendees and reviewed briefly the operations of the Community Liaison Committee and the special meeting protocols. She added that this meeting, called by Judy Chesser of the Tenley Neighbors Association and Jane Waldmann of the Tenleytown Historical Society, is in addition to the regularly scheduled quarterly meeting of the CLC.

Discussion on the Closing of the Tenleytown Location of Johnson's Florist and Garden Centers

Don Edwards stated that six individuals had been identified by the Ad Hoc Committee to Save Johnson's to kick off the meeting and that other attendees may speak after that.

Charles Smith, AU Director of Auxiliary Services, stated that his role is to manage the commercial properties that the university owns – 4401 Connecticut Avenue, NW; 4200 Wisconsin Avenue, NW; and 3201 New Mexico Avenue, NW. He continued that AU has thirty commercial tenants, most of which are on leases that extended beyond ten years. He offered the example of Apex Optical at 4200 Wisconsin Avenue, NW. This local business moved in 1991 and is slated to be at the location until 2025. He added that he would like to correct some misinformation that has been circulating in the community. He reaffirmed the university's commitment to Johnson's and added that AU spent years working with the owner to keep the business at 4200 Wisconsin Avenue, NW. He said that due to the terms of the lease, specifics regarding the negotiation could not be discussed publicly, but that since 2014, AU engaged Johnson's actively in a good faith effort to continue their tenancy at this location and spent a considerable amount of time and money in the process. He continued that AU felt there was resolution in 2017 and that the events of the last 30 days came as a shock. He closed by stating that after hearing from the owner recently, AU immediately responded and offered to continue the discussion, but has not heard back since then.

Judy Chesser, of the Tenley Neighbors Association, asked if as part of this recent communication from AU, Johnson's was offered anything different from the original deal.

Charles Smith replied that AU offered the owner what had been agreed upon by both parties in months of good faith negotiations.

Judy Chesser stated that she recognizes AU's legal right not to renew the Johnson's lease, but that the business is unique, has been in the neighborhood for many decades, and has a diverse work force. She asked what AU is doing to retain small businesses in the community and added that AU needs to support the common good by committing to keep Johnson's in the neighborhood. She said that there is an environmental component as well, as AU touts its status regularly as an arboretum.

Mary Alice Levine, of the Ad Hoc Committee to Save Johnson's, said that she lives in Tenleytown and referenced a petition to save Johnson's, which as of that afternoon had 2,020 signatures. She added that AU has a responsibility to keep the neighborhood green and beautiful by keeping Johnson's open. She said she has lived in the same house for 32 years and her children took swimming lessons at AU and she has used AU student babysitters in the past. Not until now has she had any issues with AU.

Glenn Westley, of the Spring Valley-Wesley Heights Citizens Association, said he has lived in the neighborhood since 1993 and always liked living near the university. He then referenced a 2011 meeting of Advisory Neighborhood Commission 3D which included a discussion about Geoff Tracy's attempt to open a grocery store in AU's commercial property at 3201 New Mexico Avenue, NW. He continued that despite neighborhood support, AU did not move forward on this proposal. He said that AU should consider not purchasing and repurposing commercial buildings that include neighborhood serving businesses.

Bill Krebs, of the Spring Valley-Wesley Heights Citizens Association, said that AU could contribute so much to the community at little cost if it chose to do so. He added that neighbors are always the last to be considered after students, alumni, and donors and that it would be easier if AU would talk to neighbors first before making decisions such as this.

Nina Kraut, a neighbor, said that she is a graduate of the Washington College of Law and that AU is not community oriented. She then asked if new tenants had been secured for the Johnson's space.

Charles Smith replied that nothing has been officially signed.

Nina Kraut asked if AU would consider extending the time Johnson's can stay in their space to allow the conversation to continue.

Charles Smith replied that the decision was made back in August, so the idea that it happened in the last two weeks is inaccurate.

Judy Chesser asked if AU would consider working with Johnson's to arrange for internships through AU's arboretum or other ways to integrate the two.

Charles Smith stated his intention is to be as forthright as possible and that he spent a lot of time trying to make this lease work. At some point, negotiations come to an end.

Don Edwards stated that this meeting is not one in which attendees should expect decisions, but rather that questions and information will be taken into consideration.

Judy Chesser asked if AU is open to an approach to keep Johnson's in its space.

Charles Smith replied that he is not at liberty to make commitments on behalf of AU and that he is at the meeting to hear feedback as well as to talk about the facts. He reiterated that AU spent a considerable amount of time and resources to keep Johnson's as a tenant. He added that he feels comfortable saying that the university did everything it could to do so and that the decision not to extend the lease was not made by AU, but rather by Johnson's.

Juliette Six, of the Tenleytown Neighbors Association, stated that she would like to reiterate the idea of communication and that AU should have made this known back in August.

Ann Callman, a neighbor, said that she has lived in Tenleytown for almost 30 years and enjoys walking to Johnson's. She added that there are no other similar businesses within walking distance and not much park space in the area, which makes the business even more important.

Jane Waldmann, of the Tenleytown Historical Society, said that she does not doubt that AU made a good faith effort during lease negotiations. She asked if a group of neighbors could meet with AU and Johnson's to learn more about the specifics. She said that AU has an opportunity to prove to the community that it cares about being a good neighbor and if that means fewer dollars for the university, it cannot be that significant.

Bill Rice, of the Ad Hoc Committee to Save Johnson's, read from a recent *Huffington Post* article by Mark Rosenman. He asked if AU President Sylvia Burwell was aware of these concerns.

Linda Argo replied that President Burwell is aware of the meeting and was not available to attend. She added that she also is aware of the issue and confident in the abilities of the responsible staff members to handle this matter.

Bill Rice asked if President Burwell with meet with his group.

Linda Argo replied that she will once again convey this request to her office.

Judy Chesser asked who at AU is ultimately responsible for this decision.

Charles Smith stated he is trying to convey facts and avoid any further misinformation. He said that there were long-term discussions with Johnson's and a good faith agreement reached. A standard confidentiality clause, included in all leases and applicable to both landlord and tenant, prevents AU from discussing specifics of the negotiations. He said that in 2014, AU worked closely with Johnson's to create a sustainable business model for them. This took place over a three-year period, and they could not make it work.

Nina Kraut asked who makes the decision that AU cannot work with Johnson's anymore.

Linda Argo replied that a decision like this is not made in isolation. She said that AU sold three commercial properties two years ago and now owns only three. She continued that she and Charles Smith report up through AU's Chief Financial Officer and that tenant negotiations are a part of this office. She said that terms had been reached with Johnson's and that after this agreement was reached, the business owner decided he no longer could accept those terms. He decided not to renew his lease and it was his decision not to say anything publicly until now. She reiterated that AU staff will convey these messages and the meeting invitation to President Burwell.

Mary Alice Levine asked what part of the recent Johnson's email blast about their closure was not true.

Charles Smith replied that the email blast contained misleading information when stating that the reason they were closing was due to rent increases.

Jonathan McHugh, of Advisory Neighborhood Commission 3E stated that rents usually increase, not decrease.

Martin White, a Tenleytown resident, said that Johnson's is a unique establishment in the community and deserves to be treated as such. He added that he is not sure that community concerns were a part of the decision-making process.

Henry Guyot, a neighbor, said that when businesses call themselves non-profits and make money or break even, they are not truly non-profit. He added that AU is non-profit institution yet makes profit from its commercial properties.

Nabe Nakazi, a Tenleytown neighbor, said that her husband is an AU grad. She continued that AU is free to do what it wants with its properties, but that making this purely a business decision is tone deaf. She stated that AU has a responsibility to be a good steward of this community.

Bill Krebs asked if this property will continue to be used for commercial purposes, to which Charles Smith replied yes.

Linda Argo emphasized the importance to AU adhering to confidentiality clauses in its leases. She said that anything AU might do to compromise this clause, which applies to both landlord and tenant, would have an impact on the other tenants with whom the university does business. She shared her frustration with the fact that AU cannot relay specific information regarding lease negotiations that might help the community better understand the outcome. She stated that AU is also disappointed with this outcome, but it is certainly not due to a lack of interest or effort on the university's part. What AU believed to be the result of productive, good faith discussions ended up being something that Johnson's could not live with.

Charles Smith stated that some people asked if the university really cared and if this is something AU would do normally. He said that AU did more to retain Johnson's as a tenant than ever has

been done for any other business. He added that AU went above and beyond to keep this local business at its current location. He said that AU spent a lot of time and effort with Mr. Johnson to get to an agreement that he ended up not being able to support. He stated that in his entire commercial real estate career, he has never done as much to retain a business, and that AU has at this point exhausted all of its options.

Linda Argo closed the meeting by stating that she would take the comments and requests back for discussion with others within the university.

Attendees

Community:

Julia Airey, Washington Times Hanna Buckley, Neighbor Katherine Buckley, Neighbor Ann Callman, Neighbor Judy Chesser, Tenley Neighbors Association Carolyn Edwards, Neighbor

Chuck Elkins, Advisory Neighborhood Commission 3D

Alma Gates, Advisory Neighborhood Commission 3D

Harry Gates, Neighbor Henry Guyot, Neighbor

Nina Kraut, Neighbor

Bill Krebs, Spring Valley-Wesley Heights Citizens Association

Mary Alice Levine, Ad Hoc Committee to Save Johnsons Flower and Garden Center

Carolyn Long, Neighbor

Jonathan McHugh, Advisory Neighborhood Commission 3E

Nabe Nakazi, Neighbor

Arthur Ott, Neighbor

Dennis Paul, Neighbors for a Livable Community

Juliette Six, Tenleytown Neighbors Association

Jane Waldman, Tenleytown Historical Society

Glenn Westley, Spring Valley-Wesley Heights Citizens Association

Betsy White, Neighbor

Martin White, Neighbor

American University Staff:

Linda Argo, Assistant Vice President for External Relations & Auxiliary Services Andrew Huff, Director of Community Relations Hisham Khalid, Associate General Counsel Chuck Smith, Director of Auxiliary Services

Other:

Don Edwards, Justice & Sustainability Associates Stephanie Klein, Justice & Sustainability Associates