



DRAFT

To: Matt Kelly, CEO JBG Smith
Date: May 10th, 2024
Subject: The Crystal City Underground

We, the Presidents of the three civic associations in 22202 (Arlington Ridge, Aurora Highlands, and Crystal City), constituting the Livability22202 coalition, write to request a meeting with you. The recent decision to close the Underground, and the lack of transparency throughout the process has left us feeling concerned about the future relations between the community and JBG Smith. We kindly request a meeting with you and your team to discuss the plans and timeline for the Underground and opportunities that might open up in its absence. At a minimum, we would like factual information in order to educate the community and dispel rumors we are hearing.

To provide some background: The Crystal City Underground has been a foundation of Crystal City since Charles E. Smith Company built the city. The Underground was innovative when it was created in 1976 and remains near and dear to the heart of residents and those who visit and work in Crystal City. The 2010 Crystal City Sector plan cited the Underground as an important component, and recommended a study to improve and develop a strategy for preservation. Thus, reading the Washington Business Journal Article of April 30, 2024, that JBG Smith will now close all remaining retail stores and restaurants in the Crystal City Underground came as a shock. This comes after years of effort by the community to provide JBG Smith with innovative solutions to the occupancy problem in the Underground, We are dismayed by the decision to close all retail stores, and by the lack of courtesy notification afforded to community members who have worked diligently in partnership with JBG Smith representatives.

We recognize that this is a business decision on the part of JBG Smith which has determined "that the Underground retail concept is no longer financially sustainable." Unfortunately, it is our opinion that JBG Smith has strangled, ignored, and underinvested resources in what was once a great feature of the area that was not just retail, but a meeting place for community members and clubs. From 2019 to the present, Livability22202 and the Crystal City Civic Association provided extensive creative ideas for occupancy by both retail and non-retail tenants. The Livability22202 Action Plan of November 2019 called for transforming "the Underground as a unique

linear chain of art galleries, performance and creative spaces linked by a pedestrian corridor.”

In October 2020 we shared objectives and plans with JBG Smith:

- Strengthen Underground with new east-west connection(s) under Route 1 – integrate concepts with Route 1 planning
- Develop “hubs” of activity at key locations
- Develop uses that strengthen a sense of place and do not compete with prime street-level retail
- Improve orientation with an overall design concept that enhances entrances and focuses on key destinations

JBG Smith took measures to consider implementing our ideas and we were promised over the next 3 years that a meeting would be hosted to provide feedback and a way forward. Not only were our recommendations not acted upon, but we never received any rationale for their rejection. During this time, retail stores have been under extreme pressure to survive without investments in the facility. Instead of a vibrant community asset, JBGS now has a liability and thousands of square feet of empty space.

When JBG Smith took over from Vornado, we were assured that you would be a neighborhood company and who would work closely with the community. Despite monthly engagements between JBG Smith and community members in 22202, of which the Underground was a frequent topic, we were never formally notified of plans to close the Underground. We were told in 2023 that the status quo would be maintained, and only learned with the rest of the public that JBG Smith had made the decision to close all retail operations. We do not feel this closed door process and the subsequent failure to disclose plans with local civic leaders before the media, is the work of a “good neighbor.”

Not only would the three Presidents like to meet with you to discuss both opportunities for improved partnership on future developments, but we also call on JBG Smith leadership to organize a meeting with the community and the civic associations to explain this business decision, discuss what the loss of retail means to the community and to the safety of the Underground, and share its vision for the future. If indeed JBG Smith is considering the closing of the Underground, we hope to work in partnership to identify other amenities that could be delivered in its absence and reaffirm what has always been a collaborative and mutually beneficial partnership.

CC:

Arlington County Board Members

Representative Don Beyer
State Senator Adam Ebbin
Virginia Delegate Adele McClure
Andy Van Horn,
Crystal Gateway, Crystal Park, Waterford House