

**AMENDED PLANNING UNIT REPORT
DEPARTMENT OF PLANNING AND DEVELOPMENT
Of April 11, 2006**

RE: I.D. # 02319: Zoning Map Amendment I.D. 3152 to Rezone 702 N Midvale Blvd. from PUD-GDP-SIP to Amended PUD-GDP-SIP

Note: This is an amended report; a Revised Analysis section begins on Page 6.

1. Requested Actions: Approval of a request to amend the previously approved PUD-GDP-SIP (Planned Unit Development, General Development Plan, Specific Implementation Plan) for Hilldale Shopping Center to allow demolition of three office buildings to allow construction of a 50,000 square-foot grocery store.
2. Applicable Regulations: Section 28.07 (6) of the Zoning Ordinance provides the requirements and framework for Planned Unit Developments; Section 28.12 (9) provides the process for zoning map amendments; Section 28.04 (22) provides the guidelines for building demolitions. The proposed grocery store is subject to the ordinance standards for large retail establishments contained in Section 33.02 (f).
3. Report Prepared By: Timothy M. Parks, Planner

GENERAL INFORMATION

1. Property owners: Hilldale Land Company, LLC, Hilldale Building Company, LLC and HD Annex, LLC

Applicant & Owner Representatives: Joseph Freed & Associates, c/o Dennis Harder; 220 N Smith Street, Suite 300; Palatine, Illinois.
2. Development Schedule: The applicant wishes to begin demolition once all necessary approvals have been granted.
3. Location: The entire Hilldale planned unit development consists of approximately 37 acres generally bounded by N. Segoe Road and Sawyer Terrace on the west, University Avenue on the north, N. Midvale Boulevard on the east and the prolongation of Heather Crest on the south, in Aldermanic District 11; Madison Metropolitan School District; Urban Design District 6.
4. Existing Conditions: The 528,664 square foot Hilldale Shopping Center site is comprised of eleven buildings including the former Humana office park and 349,450 square foot indoor shopping mall (Marshall Field's, Sentry, etc.), Ace Hardware and Hilldale Cinema. The site is currently in the midst of a redevelopment project primarily focused east of the main retail mall building that will ultimately include two parking structures containing 668 parking spaces, four retail buildings opposite the east wall of the mall totaling 71,190 square feet and 40 condominium units in four townhouse buildings located along N. Midvale Boulevard. The US Bank at the northeastern corner of the site is currently being demolished to make way for a new 7,900 square-foot restaurant and landscaping feature to be

constructed this year, while work at the southern end of the mall has begin to convert the former University Bookstore into a six-screen Sundance Cinema (via a minor alteration to the Phase I SIP).

5. Proposed Phase: This application proposes demolition of the Humana office park located in the project's northwestern corner to allow construction of a 50,000 square-foot grocery store.
6. Land Use and Zoning Surrounding Site:
North: Single-family residences, a multi-story condominium building, Border's Books, Walgreen's, McDonald's, Copp's Supermarket and multi-tenant retail, located in the Village of Shorewood Hills; State of Wisconsin office building, zoned C2 (General Commercial District) in the City of Madison;
South: M & I Bank, Anchor Bank and various multi-tenant retail/ office buildings, zoned C2;
West: Hill Farms State Office Building (Dept. of Transportation), zoned C2; Normandy Apartments, zoned R6 (General Residence District); Karen Arms Condominiums and Rennebohm Park, zoned R5 (General Residence District);
East: US Bank, zoned C1 (Limited Commercial District); multi-unit residence buildings, zoned R4 (General Residence District).
7. Adopted Land Use Plan: The Comprehensive Plan identifies Hilldale as a site for "Community Mixed-Use Development" and transit-oriented development.
8. Environmental Corridor Status: The property is not located within a mapped environmental corridor.
9. Public Utilities & Services: The property is served by a full range of urban services.

STANDARDS FOR REVIEW

This application is subject to the standards for demolitions, zoning map amendments and planned unit developments. The grocery store is also subject to the urban design standards for large retail establishments ("big box").

PREVIOUS APPROVALS

On February 1, 2005, the Common Council approved rezoning of the 37-acre Hilldale Shopping Center and Humana Office complex from C2 (General Commercial District) to PUD-GDP-SIP to allow the addition of two parking structures containing 668 parking spaces, four retail buildings opposite the east wall of the mall totaling 71,190 square feet and 40 condominium units in four townhouse buildings located along N. Midvale Boulevard.

On December 13, 2005, the Common Council approved an amendment to the previously approved Hilldale PUD specific implementation plan to allow demolition of the 8,972 square-foot US Bank office

and drive-thru located in the northeastern corner of the site and construction of a one-story, 7,367 square-foot restaurant with 525 square-foot outdoor eating area in approximately the same location near the southwest corner of N. Midvale Boulevard and University Avenue. A decorative landscaping feature for the same corner was also approved with this amendment.

PREVIOUS HEARING

The Plan Commission reviewed this matter on March 20, 2006 at which time the Commission recommended that the Common Council place this matter on file. Among the questions raised at that meeting included conformance with the Comprehensive Plan and the regulations for large retail establishments, the amount of surface parking for the proposed grocery store, the number of grocery stores in close proximity to the site and the need for a master plan for the rest of the site and nearby properties before any further development at Hilldale is considered. On April 4, 2006, the Common Council re-referred the matter back to the Plan Commission to reconsider this matter based on a compromise the developer feels will address some of the concerns expressed (see attached letter, dated April 11, 2006). A discussion of these concerns and the proposed compromise follows in a Revised Analysis section, which begins on Page 7.

PLAN REVIEW

The developer, Joseph Freed & Associates, is requesting approval of an amendment to the previously approved planned unit development to begin reshaping the northwestern corner of the larger 37-acre Hilldale Shopping Center. Redevelopment of the 1950's-era shopping center began in the summer of 2005 with the construction of the first twenty of forty approved residential units, one of two approved parking structures and the first two of four approved strip retail buildings to be built between the east wall of the mall and N. Midvale Boulevard. Construction of the remaining aspects of the redevelopment project approved in Phase I as well as the construction of 7,900 square-foot restaurant pad site to replace the recently demolished US Bank building will commence this spring. Additional improvements scheduled for completion this year also include the renovation of a 27,250 square-foot retail space located at the southern end of the mall to accommodate a six-screen Sundance Cinema. Mostly cosmetic improvements to the existing mall building, including the exterior of its eastern wall, and the creation of a pedestrian oriented retail street along the east side of the mall have also begun and will be ongoing through the completion of Phase I.

The amendment offered by the applicant focuses on the northwestern corner of the Hilldale site in an area now occupied by three vacant former Humana office buildings located adjacent to the southeast corner of University Avenue and N. Segoe Road. The amended planned unit development plan proposes demolition of the three Humana buildings, which total 97,430 square feet of office space, to be replaced with a new 50,000 square-foot Whole Foods grocery store on an amended general development plan and specific implementation plan for the site. The Whole Foods site is bounded by University Avenue, N. Segoe Road, Frey Street and Sawyer Terrace.

An earlier iteration of the amended Hilldale PUD-GDP-SIP called for a two-story brick building located midway along the site's University Avenue frontage east of Sawyer Terrace containing the two-screen Hilldale Theater and Peking Palace restaurant to be demolished to allow the future development of a

30,000 square-foot commercial building. However, following concerns expressed by neighborhood residents and the Urban Design Commission, the applicant has chosen to proceed without the 30,000 square-foot box until a more detailed general development plan for the site can be prepared to address neighborhood concerns about traffic and open space for the Hilldale development. Development of an eight-story, 90-unit condominium tower proposed for this phase of the project at the southwest corner of Sawyer Terrace and Frey Street has also been delayed pending the additional planning work for the rest of the 37-acre site. As a result, the Hilldale Theater-Peking Palace building will remain pending submittal of a subsequent application proposing its demolition.

Existing Conditions

The three Humana buildings to be demolished are generally located in an area of the site bounded by University Avenue on the north, Sawyer Terrace on the east, Frey Street on the south and N. Segoe Road on the west. The westernmost of the three buildings is a three-story structure constructed in 1961 that features two-toned granite exterior walls and decorative metal supports for various overhangs. The remaining two buildings are three-story structures constructed of precast concrete panels, with a partially exposed underground parking area visible under the easternmost building. A total of 320 parking stalls serve the 97,430 square-foot office complex. The three building complex is organized around a landscaped plaza facing Frey Street that features a number of mature shade trees along its perimeter. Surface parking lots serving the complex are located south of the western building and between the eastern building and Sawyer Terrace. Additional parking for the complex is located in a well-landscaped lot across Frey Street at the southwest corner of Frey and Sawyer. At present, the complex is largely vacant and is being used by the applicant as a construction staging area for the redevelopment work occurring elsewhere on the site.

The northwestern corner of the Hilldale site is characterized by a significant slope that falls from the intersection of N. Segoe Road and Frey Street to the north and east. From west to east, the site drops approximately 50 feet along Frey Street between N. Segoe Road and the western wall of the mall, while a 20-foot grade change occurs from south to north along N. Segoe Road between Frey and University Avenue. The slope is steepest on the eastern half of the Humana complex, where the eastern two buildings are terraced with the grade. Due to the extensively developed nature of the site, vegetation in the northwestern quadrant is limited to a variety of landscaping materials that were planted around the Humana complex, theater/ restaurant building and auxiliary surface parking lot at Frey Street and Sawyer Terrace for aesthetic purposes.

Frey Street is a two-way public street between N. Segoe Road and Sawyer Terrace and continues into the Hilldale site as a private drive that ends at the western wall of the mall building. Sawyer Terrace parallels the western edge of the mall property, extending as a northbound one-way street from N. Segoe Road to Frey Street, where it continues as a two-way street that primarily serves as a service lane for the theater/ restaurant building and access to the parking facilities located adjacent to and beneath the eastern Humana building. Sawyer ends in a cul-de-sac approximately 50 feet south of University Avenue.

Proposed Whole Foods grocery store

The 50,000 square-foot Whole Foods grocery store will be constructed on the western half of the former Humana office complex, extending the length of the property's frontage along N. Segoe Road from Frey Street to University Avenue. The building will be built to within ten feet of the Segoe and University property lines but will be set back approximately 30 feet along Frey Street. Parking for the grocery store will be provided in a 240-space surface parking lot that will occupy the remainder of the former Humana complex. Access to the parking lot will be provided by a right in/ right out driveway from University Avenue and by a full driveway from Frey Street. Though the two driveways are located opposite one another, the parking lot has been designed to prevent through travel across the lot through the inclusion of a raised pedestrian walkway that extends the length of parking lot from west to east. Twenty-four bicycle-parking stalls are shown adjacent to the two store entrances located along the eastern wall of the building, where a plaza with decorative stamped pavement will extend most of the façade. An outdoor seating area is located off the northeastern corner of the building overlooking University Avenue.

Sawyer Terrace will be vacated north of Frey Street. As noted earlier in the report, the street serves primarily as vehicular access for the underground parking beneath the eastern Humana building, which will be demolished. An easement for numerous underground utilities extending north to University Avenue will be retained.

The building will be constructed primarily of patterned precast concrete wall panels with a variety of relief elements incorporated to reduce the mass of the building particularly along University Avenue and N. Segoe Road. The east elevation facing the parking lot will include a 30-foot tall glass and aluminum curtain wall that will extend between two two-story tall "entrance tower" features comprised of ground level storefront glass walls and entry doors framed by timber and masonry, with second-story level glass walls that will include backlit signs identifying the tenant. The southern of the two entrance features will provide primary store access, while the northern entrance adjacent to University Avenue and the outdoor seating area will provide access to the store's café component. The entrance tower feature will wrap around the University Avenue façade and will be mimicked at the northwestern corner of the building at N. Segoe Road, though no vision glass will be used at the street level there. The mass of the remainder of the north wall will be broken through the incorporation of three canopy-covered wood-clad wall projections with translucent window panels and the use of trellises that will eventually be vine covered. The southern and western walls along Frey and Segoe, respectively, will feature less ornamentation, consisting primarily of horizontal reveals and different wall patterns to break up those facades. Of note is the building's use of vision glass on all four sides, including along the upper portions of the south and west walls, to provide natural lighting for the store. The developer also proposes a green roof system to span approximately half of the roof to aid in the treatment of rooftop runoff and reduce the amount of impervious surface that will result from the proposed grocery store. Specific details regarding the composition of the green roof haven't been provided, though staff will work with the developer prior to recording of the amended PUD-GDP-SIP to define the components of the green roof system.

The proposed grocery store has been designed to accommodate the significant grade of the site. Between 30 and 35 feet of building will be exposed above grade along the north and east facades, while the structure will recede into the grade at the southwest corner of the site, whereas about 15 feet of the building will be visible from the corner of N. Segoe Road and Frey Street. Loading and trash facilities will

be located along the south wall of the store below the grade of Frey Street and recessed from the front, eastern façade, with an extension of the proposed green roof above to preclude view of the area from the high-rise Weston Place condominiums to the south.

The grade of the remainder of the site will be negotiated primarily through use of retaining walls, including a terraced landscape wall along the length of the eastern end of the parking lot that will wrap around the Frey Street and University Avenue frontages. While the retaining wall will continue along Frey to the parking lot driveway, the wall along University Avenue will transition into an embankment extending back to the University Avenue driveway. A sidewalk leading through the center of the Whole Foods parking lot from the store entrances will connect to a stairway leading from the parking lot through the terrace walls down to the intersection of Frey Street and Sawyer Terrace in an effort to better link the grocery store to the mall core to the southeast of the site.

A landscaping plan submitted for this project suggests that a substantial amount of materials will be planted to soften the presentation of the Whole Foods site. Canopy trees are proposed at intervals of ten spaces throughout the 240-space parking lot, with other canopy trees to be planted between 30 feet and 50 feet on center around the perimeter. The perimeters of the parking lot and landscaped islands will be further augmented through the planting of various shrubs and perennials, with an undulating line of the same shrub/perennial mix to be planted along the length of the University Avenue frontage and the base of the building along N. Segoe Road. A mix of crabapple and spruce trees will be planted to enhance the screening of the recessed delivery area and trash enclosure on the south wall along Frey Street. The proposed wall terraces will be planted with growth intended to overtop the walls to reduce their presence. Five of the landscaped parking lot islands will double as bioretention planting areas, with two of the spaces adjacent to four of those islands to utilize porous pavers, which will also be used in place of standard asphalt surfacing for the 17 easternmost parking spaces in the Whole Foods parking lot.

Subsequent to the March 20, 2006 consideration of this matter at the Plan Commission, the applicant had discussions with alders for the two districts closest to Hilldale as well as members of the neighborhood association about a compromise solution they felt could make the proposed Whole Foods project more acceptable. The solution proposed calls for the theater/ restaurant site immediately east of the proposed grocery store to be demolished and replaced with a minimum of a two-story building with adjacent structured parking under a future application. The proposed demolition and PUD amendment would follow the approval of a master plan for the remainder of the Hilldale site that included a comprehensive study of transportation impacts future projects would have on the surrounding area as well the relationship of the various aspects of the Hilldale project would have with one another and the surrounding area.

REVISED ANALYSIS

As noted previously, the developer and applicant purchased the former Humana office complex shortly after purchase of the shopping center proper with the intentions of expanding the redeveloping shopping center. However, the office complex was shown as remaining during the review and approval of the planned unit development designation for the shopping center approved in January 2005, hence the need to amend both the general development plan and specific implementation plan.

The proposal calls for the demolition of the three office buildings, the oldest (the westernmost of the three) dating back to 1961. A windshield survey of the buildings by staff found the buildings to generally be in a state of good repair. The condition of the buildings and underground parking appears to be commensurate with their age. Staff has no information that would indicate that the buildings are not structurally sound or capable of being rehabilitated or repaired. However, the applicant indicated that attempts to lease the vacant office complex over a 12-month period following their purchase of that portion of the site were unsuccessful, leading them to believe that site would be better used as a retail site. In considering the historic value of the westernmost building, staff gave consideration to the unique period architecture and materials used but could not determine that the building was of such significant architectural character to merit preserving, though a concern about the loss of that example of late 1950's architecture was noted on March 20, 2006.

The significantly different character of the second phase of the Hilldale redevelopment compared to the first phase was noted by a number of speakers and Commission members on March 20. Where the first phase was almost unanimously viewed as a desirable compact urban infill of the 1950-1960s-era suburban shopping center through the conversion of long-existing surface parking lots into four additional retail buildings and street-side townhouses with structured parking that largely created an urban environment along N. Midvale Boulevard, the second phase could be considered a continuation of the former development form for the site. Neighbors, City staff, area alders and the Urban Design Commission expressed concerns about the number of parking spaces and the utilization of the site throughout the process since the project was first proposed. As noted on March 20, the 240 parking spaces proposed to serve the Whole Foods represents an approximately 30% increase in parking above what would otherwise be required under the Zoning Ordinance for a 50,000 square-foot building (167 spaces based on one space per 300 square feet of floor area).

The Planning Unit stated in its earlier report on this project that the Whole Foods site could at least be partially considered separate from the remainder of Hilldale Shopping Center when considering the amount of surface parking provided for the new grocery store. Significant topographical constraints present in the northwestern corner of the 37-acre PUD somewhat limit the ability for the Whole Foods to relate well to the remainder of the center and share parking. While it is anticipated that patrons of other parts of the Hilldale center will use the centralized parking facilities provided primarily along the N. Midvale Boulevard side of the property to access most of the center's facilities, it is unlikely given the nature of the grocery store use and the distance between the Whole Foods building and shopping mall that there will be significant non-vehicular circulation between the two areas of the center despite a sincere effort to provide pedestrian connections between the two. In this context, the number of parking spaces to serve the Whole Foods, while possibly a bit excessive in staff's opinion may be justified.

Staff also encourages the Commission and Common Council to consider the long-term view of the overall Hilldale center redevelopment when deliberating on the particular site design elements of the Whole Foods proposal. In the near term, portions of the 240-space parking lot adjacent to University Avenue will be visible along that high-traffic thoroughfare, though screening, landscaping and site topography help to mitigate that visibility. As the remainder of the shopping center continues to redevelop, staff believes that the prominence of this parking field will be decreased as additional development occurs. The proposed multi-story building now proposed to replace the theater/ restaurant building east of Whole Foods in the future, if well designed, should have a significant effect on the

visibility of the Whole Foods parking lot. The building will provide the Hilldale site with a building presence along University Avenue that, with the exception of the now demolished US Bank at the northeastern corner of the site, the site has lacked. The Planning Unit believes that the site of this "bookend" building can support a structure of considerable scale and mass that takes advantage of the University Avenue frontage as well as long views to the east and north and encourages the developer to consider a well-designed mixed-use building of two stories or more at this location as they prepare their plans for future phases of redevelopment.

Future redevelopment of the Hilldale site will also likely feature more vertical than horizontal development elsewhere on the property due in large part to the significant grade change along the western edge of the site adjacent to Sawyer Terrace. The area between the west side of the mall building and Sawyer Terrace is currently occupied with surface parking. The developer has had discussions with staff and others in the past year concerning the potential development of structures along the western edge of the property adjacent to Sawyer Terrace. Such structures would likely feature parking levels located below additional residential units and street-level open space. These structures represent the applicant's best opportunity for additional development and will replace most of the surface parking in place along the western edge of the site. Any such development would further diminish the presence of surface parking present on the site. Prior to the developer's redevelopment efforts, the Hilldale shopping center was surrounded exclusively by surface parking fields.

In April 2005, the Common Council adopted requirements in the Urban Design Commission ordinance (Section 33.02) for large retail establishments, otherwise known as "big boxes." The purpose of the ordinance amendment was to provide standards for retail developments of 40,000 square feet or more of gross floor area either as one building or in multiple buildings on a single zoning lot, which "promotes the efficient use of land and preserves and enhances the urban fabric through a more urban site and building design." The standards include specifications for the treatment of exterior walls and facades, roofs, entrance locations, parking lots, outdoor storage and loading areas, pedestrian circulation and central features. While the proposed PUD-GDP-SIP amendment deals specifically with the former Humana office complex and proposed Whole Foods store, the entire zoning lot is allowed to be used for purposes of applying some of the site specific requirements is the 37-acre Hilldale center planned unit development. Nonetheless, the Urban Design Commission and Planning Unit have analyzed the proposed Whole Foods store and have found the project to be in conformance with the large retail establishment ordinance:

- Building elevations contain the required horizontal and vertical relief elements and color, texture and roofline variations;
- Building entrances are sited facing east, with one entrance near the northeast corner and an outdoor patio area adjacent to University Avenue, which is the most traveled right of way bordering the store;
- Delivery and service components are located so as to have the least impact on surrounding properties and the public right of way, in this case, Frey Street;
- The building and parking lot have been sited and landscaped in accordance with the ordinance requirements and community features are provided, including a small pocket park located at the southeastern corner of the Whole Foods.
- Building fronts on the street on three sides.

A concern that the store did not have an entrance facing University Avenue was broached at the March 20 meeting. City staff and the Urban Design Commission made a determination that the covered sidewalk treatment leading to an eastern-facing entrance proposed adjacent to University Avenue represents a good design solution that add to the design of the store overall. If the Commission and Common Council were to require the entrance nearest University Avenue to be turned 90-degrees or 45-degrees to face that street, staff is confident that the developer could accommodate that requirement, but staff does not believe that this change would improve the architecture or functionality of the store.

There was also a discussion about the number of grocery stores present in the immediate area of Hilldale. Presently, Metcalfe Sentry Foods is located on the northern end of the Hilldale mall building, while a Copp's grocery is located just to the north side of University Avenue in the Village of Shorewood Hills. An existing 30,000 square-foot Whole Foods store is also located a half-mile east of the proposed location at the corner of University Avenue and Hill Street. Given the proximity of the same company in the relative vicinity of Hilldale, the Planning Unit felt that it was unnecessary to comment on the number of grocery stores in the area and also feels that such an issue is one best addressed by the private market.

Lastly, staff believes that overall the Hilldale Shopping Center redevelopment continues to reflect the spirit of the "community mixed-use" and transit-oriented development designations recommended for the site in the Comprehensive Plan. There was considerable discussion at the last meeting about the Whole Foods store's compliance with the recommendations for community mixed-use centers as identified in the Comprehensive Plan. As staff indicated at the meeting, the Whole Foods proposal, and all proposals for that matter, should be considered in light of the larger Hilldale shopping center and the surrounding area. The initial phase of the redevelopment project, which introduced 40 residential units, structured parking and additional retail buildings into the previously exclusive commercial center, has begun the transformation of Hilldale into a mixed-use center. The earlier GDP approval of approximately 700 residential units as part of the ongoing redevelopment signals a further transitioning of the area into a mixed-use center. It should be noted that not all of the buildings included in the Phase I SIP are multi-story. The two restaurant pad sites and four new retail buildings are all single-story buildings. When viewed in the context of the area that surrounds Hilldale, the mixed-use nature of the center is further enhanced. The surrounding area features a mix of low, medium and high-density housing, retail, office and institutional uses that the Hilldale provides a focal point for as recommended in the Comprehensive Plan. While neither the Whole Foods store nor the entire Hilldale project embodies all of the design characteristics the Comprehensive Plan recommends generally for community mixed-use centers, staff suggests that it is unlikely absolutely every single building will include all of those characteristics. This is especially true for recommended mixed-use areas located on the site of older suburban shopping centers like Hilldale that often include existing obstacles to meeting all design elements for every project in the redevelopment area. It is likely that future elements of the Hilldale redevelopment, including the proposed building east of Whole Foods now being promoted by the developer, will more effectively comply with these design recommendations.

CONCLUSION

The Planning Unit has expressed some concerns about the proposed Whole Foods store during a half-dozen meetings with the developer since the project was first debuted in May 2005. Early on, staff

indicated that the ideal design solution for the site would incorporate multi-story buildings, a mix of uses and structured parking. Since the project was initially proposed, several changes have been made to address staff and neighborhood concerns and to substantiate the design approach chosen by the developer. The 240-space parking lot is well landscaped in a fashion that should mitigate its significant size, though it seems like a lost opportunity for a high-value and high-visibility site such as the former Humana office complex. In addition, while the Whole Foods store will be a one-story building, staff feels that it is attractively designed. Staff would have preferred that a design approach similar to the approach used on the N. Midvale Boulevard side of the Hilldale site be employed on this part of the site that might have employed multi-story, mixed-use buildings and some element of structured parking. However, despite concerns about the design and utilization of the Whole Foods site, staff concurs with the developer that the proposed development will serve as a catalyst for the ongoing redevelopment of the shopping center. The presence of another high quality retailer will only serve to enhance the vitality of the entire center and allow the developer to effectively market the remaining space within the center and development site.

RECOMMENDATION

The Planning Unit recommends that the Plan Commission forward Zoning Map Amendment 3152, rezoning 702 N. Midvale Boulevard from PUD-GDP-SIP to Amended PUD-GDP-SIP to the Common Council with a recommendation of **approval of the Whole Foods project only**, subject to input at the public hearing and the following conditions:

1. Comments from reviewing agencies.
2. That the developer receive approval from the Common Council on the vacation of Sawyer Terrace north of Frey Street prior to recording the Amended PUD-GDP-SIP.
3. That the approval of the Amended PUD-GDP-SIP for the proposed Whole Foods is conditioned upon future development of a minimum of a two-story building on the site of the existing theater/restaurant building to the east of the proposed grocery store. Said new building shall be constructed with a structured parking component and may include a limited amount of surface parking near the entrance to the building. In no case shall there be any vehicle parking or loading for the new building adjacent to and visible from University Avenue, and all such areas elsewhere on the building site shall be adequately screened from that public way. Construction of this future building and any other buildings not already approved on a recorded SIP shall be conditioned upon the prior approval of an updated general development plan for the entire property to govern development activities for the remainder of the Hilldale planned unit development including the site of the existing theater/restaurant building, said plan addressing at a minimum future traffic concerns and improvements, the provision of adequate open space for residential uses at the Hilldale site, the scale and massing of buildings on this site and the interrelation of uses on the remainder of the site.

JOSEPH FREED AND ASSOCIATES LLC

April 11, 2006

Mr. Bradley J. Murphy
Department of Planning & Development
City of Madison
215 Martin Luther King, Jr. Drive
Madison, WI 53710

Attention: Timothy Parks

RE: Revisions to Hilldale PUD:GDP/SIP - SIP #2

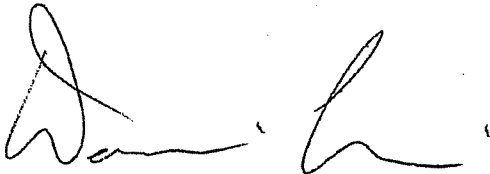
Dear Mr. Murphy:

We are submitting this letter to outline a proposal to condition the approval for the Hilldale Center PUD: GDP/SIP as follow:

That the approval of the Amended PUD-GDP-SIP for the proposed Whole Foods is conditioned upon future development of a minimum of a two-story building on the site of the existing theater/ restaurant building to the east of the proposed grocery store. This new building will be constructed with a structured parking component and may include a limited amount of surface parking near the entrance to the building. In no case shall there be any vehicle parking or loading for the new building adjacent to University Avenue. Construction of this future building shall be conditioned upon the prior approval of a general development plan for the Hilldale Redevelopment. This general development plan will address at a minimum future traffic concerns and improvements, the provision of adequate open space for residential uses at the Hilldale site and the interrelation of uses on the remainder of the site.

If there are questions concerning these materials, please contact me.

JOSEPH FREED AND ASSOCIATES LLC



Domenic Lanni
Development Manager