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May 2, 2006

VIA HAND DELIVERY and ELECTRONIC MAIL

The Honorable Mayor Dave Cieslewicz
and City Council Members
103, City-County Building
210 Martin Luther King Jr. Blvd.
Madison, WI 53703-3342

RE: Hilldale Whole Foods

Dear Mayor Cieslewicz and Council Members:

I represent Metcalfe Sentry Foods ("Sentry") regarding the approved PUD-GDP-SIP for the Hilldale Shopping Center that would allow for the demolition of the three Humana office buildings and the construction of a 50,000 sq. ft. Whole Foods Store ("Whole Foods"). Attached to this letter is the following:

- "Area Retail Parking Ratios" which shows that the proposed Whole Foods contains at least **27% more surface parking** than Sentry, as well as adjoining retail users.
- Frequently Asked Questions And Answers Regarding This Issue.
- Editorials from the **Wisconsin State Journal**, the **Capitol Times**, and **Channel 3 - TV**, which reflects the overwhelming community opposition to the Whole Foods Store as presently proposed. In addition, there are hundreds of petition signatures from immediate neighbors and property owners that are on file with the City Clerk which further reinforces the degree of neighborhood opposition.

Sentry requests that the Council reject this proposal on the basis that it violates numerous City Ordinances and policies, and that it provides for an unfair competitive advantage for Whole Foods. In the alternative, if the Council wishes to keep this proposal alive, that it refer this matter back to the Plan Commission so that it can consider a revised site plan that would reduce the parking ratio by at least 27%, or from 242 to 175 parking stalls, to direct the developer to require that their employees park in

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structured parking ramp and request that the developer submit a revised plan for the property previously proposed for the excessive surface parking.

Below is a summary of Sentry's arguments that supports the above request.

1. **This Proposal Violates Numerous City Ordinances and Policies.**

Supporters of this Amendment often argue that the developer has complied with the applicable ordinances, so even though this proposal is not what they would like to see, they have no choice but to approve it as is. This is absolutely not correct. Although the developer has apparently met the design standards of the Big Box Ordinance, there are a number of ordinances and policies that have been violated.

A. **Section 28.04(22) - Demolition Standards.**

In the Planning Unit's Staff Report of March 20, 2006, staff states that the three (3) Humana office buildings which largely includes underground parking, **"appear to be in a state of good repair. Staff has no information that indicates that the buildings are not structurally sound or capable of being rehabilitated or repaired."** In fact, it is often said – including by Alderperson Gruber – that these buildings are some of the most attractive 1960's vintage buildings in the City. The underlying standard for demolition is not whether one prefers the new building over the present one, but whether the current buildings are structurally sound or at least capable of being repaired. On this basis alone, the proposal before you does not pass muster.

B. **Section 28.07(6)(a) -Planned Unit Development District ("PUD").**

The above subsection is the Statement of Purpose for the PUD Ordinance. The intent of this Ordinance is to provide developers with **"... greater freedom, imagination and flexibility in the development of land"** It would be hard to imagine how anyone could argue with a straight face that this is a creative and imaginative proposal.

Further, this subsection requires **" ... diversification and variation in the bulk and relationship of uses, structures and spaces in developments conceived as comprehensive and cohesive unified plans and projects."**

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In light of the original Hilldale PUD approved by the Council, this proposal represents the anthesis of a unified plan.

When the Plan Commission considered this proposal for the second time on April 17, 2006, the developer proposed absolutely no change to the proposal that was overwhelmingly rejected by the Plan Commission on March 20, 2006. Instead, what the developer said was a “**compromise**,” he assured the Plan Commission that he would do better in the future to make sure that the next phase was in keeping with the intent of the PUD Ordinance. The Plan Commission did not buy that supposed “compromise” and neither should you.

C. Adopted Land Use Plan.

The Comprehensive Plan identifies Hilldale as a site for “community mixed-use development” and transit-oriented development. Staff recognizes that this proposal before you does not even come close to meeting the intent of the Comprehensive Plan. However, the argument has been made that this proposal must be considered in the context of the Hilldale Mall Development as a whole. This argument is also not persuasive. It is a basic principle of planning that when you consider an important part of an overall development in isolation, you are greatly limiting the opportunities you have to successfully plan for the entire development. To approve this proposal will make it much more difficult, if not impossible, to meet the goals of the Comprehensive plan as it relates to the Hilldale Mall.

D. Traffic Management Planning and Impact Studies.

The Plan Commission recognized that to require a detailed traffic analysis **after** a very high-traffic generating use is approved and not **before** makes no sense whatsoever. The City has gone down this route before with disastrous results. For the Plan Commission to recognize this basic tenet of transportation planning is certainly not a radical suggestion. In fact, it represents “Transportation Planning 101.”

E. Grocery Stores In City Neighborhoods.

The Council approved the above report in May 2004. On page 28 of that report, a general goal identified is as follows:

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Support Madison-owned grocery stores to the extent possible.

On page 29 of that report, it is suggested that grocery stores be a part of mixed-use development and that they should make greater use of underground or at least shared parking solutions rather than having large surface lots. If the proposal before you were to be judged solely on the basis of this policy, it would get a failing grade.

2. **Sentry Is Not Asking For A Competitive Advantage.**

It simply wants to be a part of a creative development that applies the same rules to all businesses.

Probably the single-most important piece of paper submitted by Sentry is the attached "Area Retail Parking Ratios." In his presentation, Tim Metcalfe will detail the significance of this chart. However, the numbers tell a story which I think is quite persuasive.

The former Hilldale Center as a whole had a parking ratio of 5.1:1. What this means is that the businesses at the former Hilldale Center had the use of 5.1 parking spaces for every 1,000 sq. ft. of retail use. To the developer's credit, the new Hilldale Mall will have a parking ratio of 3.3:1, much of which will be structured and shared parking.

Sentry embraced the principles of new urbanism as proposed by the developer in Phase I of the Hilldale Mall plan so that it accepted a reduced parking ratio of 3.4:1. However, the Whole Foods development will have a parking ratio of 4.8:1 – a dramatic parking increase as compared to Sentry. In addition, the Whole Foods surface parking will be totally dedicated to their use as compared to the Sentry parking which will be shared with Fleming's Restaurant. Essentially, the Whole Foods surface parking lot is going back to what was the parking configuration in the former Hilldale Mall while the other businesses at Hilldale, including Sentry, had bought into having a reduced and creative parking configuration.

It is also quite revealing to look at the parking ratios that exist now for other grocery stores in the immediate area. For instance, Copps Shorewood has a parking ratio of 3.3:1, while Copps Middleton Hills has a parking ratio of 3.4:1. Ironically, the office buildings that are being proposed to be demolished, namely the Humana buildings, have a parking ratio of 3.3:1.

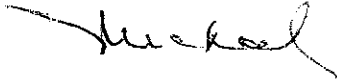
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In light of these undisputable numbers, it would be extremely reasonable for the Council to direct the developer to reduce his parking ratio to 3.5:1 which translates into reducing the Whole Foods dedicated parking by 27%, or a reduction from 242 to 175 parking stalls.

I appreciate your careful consideration to this matter.

Sincerely,

DEWITT ROSS & STEVENS *s.c.*



Michael R. Christopher

MRC:mtc

Enclosures

cc: Brad Murphy (*w/enclosures*)
Tim Parks (*w/enclosures*)
Jeanne Hoffman (*w/enclosures*)

Area Retail Parking Ratios	Stalls	Square footage	Parking stalls per 1,000 sq. ft.
Old Hilldale Mall	1,782	349,000	5.1
New Hilldale Mall	1,926	584,000	3.3
Metcalfe's Sentry*	236	69,300	3.4
Whole Foods (proposed)**	242	50,000	4.8
Copps Shorewood	167	51,000	3.3
Copps Middleton Hills	152	45,000	3.4

* Includes shared parking with Fleming's Restaurant (7,300 square feet)

** Employees park in ramp



Metcalfes Sentry Foods Q&A for City Council Members

Q: Why is Metcalfe Sentry Foods objecting to the current Whole Foods plan?

A: We have decided to publicly oppose the attempt to build a 50,000 square foot “Big Box” store next to the Hilldale Mall not because we fear competition, but because we believe the design of the building, the massive amount of parking being requested and the resulting increase in traffic in the surrounding residential area all run counter to the best interests of the community.

Q: Doesn't the site already hold several large buildings?

A: There are currently three office buildings with underground parking on the site; the buildings total 97,340 square feet while there are 236 parking stalls. Under Joseph Freed's plan for Whole Foods, the existing structures would be demolished and replaced with the single-story Whole Foods store and 242 surface parking stalls. So, the plan would not only result in less efficient land use, it would add a large surface lot and the associated issues with traffic patterns and pedestrian access.

Q: Urban redevelopment projects are complex and costly. Is it fair to ask that the Whole Foods plan achieve the same land use efficiency that is in place now?

A: In addition to being less efficient than the current design, the proposal violates the city's stated commitment to supporting and promoting “new urbanism” developments—developments that reject sprawl by using land in a more efficient, creative and attractive manner. Hilldale Mall has just undergone an extensive renovation that is a model of new urbanism the city is promoting. The retailers in the recently remodeled mall have accepted significant changes that achieve the new urban vision. The Joseph Freed plan would not hold Whole Foods to the same standards. In addition, the design of the store itself is not consistent with the architectural principles of new urbanism.

Q: How does the parking for the Metcalfe Sentry store compare with parking proposed for Whole Foods?

A: The Whole Foods surface lot would significantly exceed the size and parking ratio agreed to by the locally owned and family operated Sentry store. Specifically, the permit would guarantee the national chain a 4 8:1 parking ratio compared with Sentry's 3 4:1 ratio.

Q: So, it would appear that Whole Foods would be getting an unfair advantage over the Metcalfe Sentry store. As a community, shouldn't we be fair to locally-owned businesses?

A: According to the Mayor's Healthy City economic development plan, “Locally-owned businesses grew this city. Moving into a new economic era, it is vital to note that locally-owned companies remain some of our most valuable assets—not only providing employment, but reinvesting in Madison's infrastructure and living amenities.” We're a fourth-generation family business that has created hundreds of jobs and continues a long legacy of business reinvestment and community support. At the same time, according to the 2004 report, *Grocery Stores in City Neighborhoods*, officials agreed that, as a general goal, the city should “support Madison-owned grocery stores to the extent possible.”

Q: Aren't you just raising objections to the Whole Foods plan because you're worried about the competition?

A: Our business is all about competition, and we have successfully competed with Whole Foods just down the street as well as other grocers such as Copps Food. The issue here is with the proposed design. In other markets, Whole Foods has shown itself to be extremely innovative. For example, one of its stores in Portland, Ore., totals 50,000 square feet on two levels and includes underground parking. But the chain's operations in other states don't change the fact that the design for this particular store hasn't passed muster with the city Plan Commission. In fact, the Plan Commission has turned the plan down twice because of the building design and land-use issues. We believe that a City Council decision that ignores the Plan Commission precedent sends a confusing signal to the business community about what the rules of the game really are.

Q: Is it unusual for the City Council to ignore a Plan Commission vote?

A: Absolutely. The Plan Commission is part of the city of Madison's long tradition of formally relying on citizen input and expertise in the planning and permitting process. Over the years—with very few exceptions—the City Council has accepted the advice and counsel of experts serving on the commission. The abandonment of an orderly and informed collaborative permitting process through unilateral action by the City Council will undermine the ability of the commission to do its work. It also will raise questions in the public's mind about our elected officials' commitment to sound urban planning.

Q: What do the neighbors have to say about the issue?

A: We've obtained hundreds of signatures from neighbors who oppose this project. Over the past week, we've gone door to door and many of the people who live in the area have told us they're concerned about hasty action by the City Council that will affect their neighborhood for years to come. Specifically, many of them don't like the design of the parking lot, which will be difficult to navigate on foot. Some of them have also asked us why the City Council would provide an advantage to a national retail chain over a locally owned business that has served the neighborhood for decades.

Sentry Metcalfe

WISCONSIN STATE JOURNAL

Date of Coverage: 04/30/06
Editorial

Hilldale needs a compromise

Moving Madison's Whole Foods grocery to new and larger quarters at Hilldale Shopping Center is an excellent idea

But making the move by trampling over important concerns raised by the city Plan Commission is a bad idea.

For that reason, the City Council on Tuesday should vote against a request to override the Plan Commission's objections to the new Whole Foods store. The issue should go back to the Plan Commission for further negotiation concerning the store's parking lot.

At stake for Madison is not only the city's cozy, environmentally-friendly "new urbanism" plan for the Hilldale area but also the integrity of the city's negotiating process with businesses a process that gives the city clout to protect its interests.

Whole Foods wants to build a 50,000- square-foot store at Segoe Road and University Avenue, just west of the enclosed Hilldale mall.

The plan is controversial because it gives the store a 240-spot surface parking lot. The lot's size doesn't fit with the rest of Hilldale's redevelopment, which keeps surface parking to a minimum by making use of parking ramps. Furthermore, the surface lot would replace underground parking to be removed along with three office buildings now on the site, producing an undesirable trade-off in use of space.

The size of the parking lot is the chief reason the Plan Commission has overwhelmingly rejected the Whole Foods plan, not once but twice.

Whole Foods has reduced surface parking at some other stores in its national chain by employing underground and above-ground ramps, prompting Plan Commission member Brian Ohm to ask: "Why can't they do the same for Madison?"

After failing to persuade the Plan Commission, Whole Foods is now attempting to go over the commission's head by taking the case straight to the City Council.

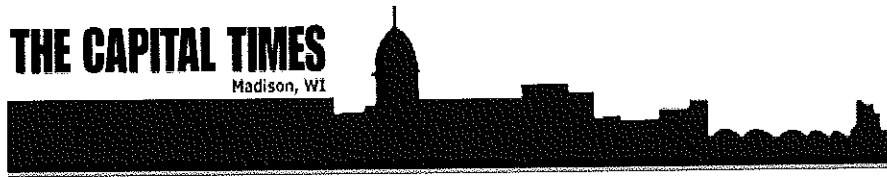
The council should meet this maneuver with a cold shoulder

The Plan Commission is not always as accommodating to businesses as it should be. Nonetheless, at its best, the commission can encourage developers to see beyond the routine of doing what's been done before and to think instead of designs tailored to better suit local situations.

If the commission is to retain a valuable role in reviewing development plans, it should only be overruled by the City Council on rare, compelling occasions. The Whole Foods case is not one of those occasions.

Council members ought to urge Whole Foods and the Plan Commission to go back to work to find a compromise that suits the store's needs but also fits the plan for Hilldale.

Sentry



Date of Coverage: 04/26/06

Editorial

By: Editorial Board

Editorial: Whole Foods not a victim

Here's a question for Madison officials to ponder: Why is there an independent Plan Commission charged with putting the long-term best interests of the city first if the mayor and at least some City Council members are going to second-guess the commissioners every time a big-bucks project comes along?

The Madison Plan Commission has been steadfast in its opposition to the development of a suburban-style Whole Foods grocery store behind Hilldale Theatre on the west side.

Whole Foods, a Texas-based supermarket chain that has had more than its share of problems nationally and locally since entering the Madison market 10 years ago, wants to demolish three buildings and construct a 50,000-square-foot store with 240 parking stalls at the corner of Segoe Road and University Avenue.

The plan is distinctly at odds with the vision that has been promoted for the renewal of the Hilldale Shopping Center area. The goal has been a mixed-use, pedestrian-oriented "lifestyle center" with parking in multilevel ramps hidden behind condominiums or commercial buildings. Indeed, the Whole Foods project would replace underground parking with an above-ground "ocean of asphalt."

"It seems like we're going backward here," argued commission member Judy Bowser, who suggested that accepting the Whole Foods proposal would be similar to the mistaken move several years ago of approving a suburban-style Target development on Junction Road rather than holding out for the more pedestrian-friendly "new urbanism" approach favored by planners.

Bowser and the commission majority, which has voted twice to block the Whole Foods development, are right.

But the pressure from Whole Foods and the Chicago-based developer who wants to build the grocery store project continues. After the commission rejected an initial proposal, Mayor Dave Cieslewicz and members of the council pushed for reconsideration of the scheme. But when the developer returned with essentially the same plan, the commission again rejected it.

Now there is a push for the council to vote at its May 2 meeting to override the Plan Commission. Council member Lauren Cnare has gone so far as to suggest that "we should stop picking on Whole Foods."

The problem with Cnare's statement is that no one is picking on Whole Foods. Rather, the Plan Commission is simply trying to get Whole Foods to advance a proposal that fits into the Hilldale redevelopment plan. Since other Whole Foods stores around the country have been developed along new urbanism lines, with underground parking and other amenities suggested for the Madison site, that is not a radical demand.

Perhaps if the Hilldale area desperately needed another grocery, it would make sense for the council to overrule the Plan Commission. But this is not the case; indeed, the Hilldale area is home to a pair of full-service grocery stores that have recently been expanded and improved and that especially in the case of the Hilldale Sentry have been solid contributors to the community.

Additionally, there's a nearby organic market, Magic Mill, and a not-too-far-away neighborhood co-op on Regent Street, both of which have held their own against Whole Foods in the current competition. But they could take a hit if the national chain is allowed to write the rules for its expansion.

The council should let the commission's decision stand at this point.

If Whole Foods wants to come back with a better plan, the corporation and its developer have every right to do so. And if their plan fits into the long-term vision for development in the Hilldale area, then it should be approved. But neither the Plan Commission nor the council should bend over backward to accept a plan that lets Whole Foods operate by its own set of rules.

Published: April 25, 2006



Date of Coverage: 04/27/06

Editorial

By: Neil Heinen, Editorial Director

PLAN COMMISSION'S RIGHT ON WHOLE FOODS

We'll admit up front there's something about the discussion of the proposed Whole Foods grocery store development at Hilldale that we don't understand. Some folks who would typically support the city Plan Commission, which has voted overwhelmingly to oppose the plan, say they'll vote against the recommendation. Some who would typically oppose a big box with too much surface parking apparently support both in this case. It's curious. Be that as it may, it seems pretty clear to us: the Plan Commission's right. This plan is at odds with the "New Urban," goals of infill development and out of synch with the "New Urban," style of the rest of the Hilldale Development. City Council member Brenda Konkel sums it up nicely, "its just plain dumb, terrible land use." We agree. What's going on here? We've been to Whole Foods markets in other cities with two stories and parking ramps. They can do it. And they should be required to do it. We're missing an opportunity at good urban development.