

May 14, 2011

City of Madison  
Department of Planning & Community & Economic Development  
Attention: Brad Murphy, Director  
215 Martin Luther King Jr. Boulevard, Room LL 100  
Madison, WI 53703

CC: Michael Waidelich, Principal Planner  
Paul R. Soglin, Mayor

Subject: Proposed Copps Grocery Store at 6002 Cottage Grove Road  
Property tax parcel no. 071011101012

Dear Mr. Murphy:

I am a resident of the Richmond Hill neighborhood and am writing you to express my concern over a proposed Copps grocery store to be located at 6002 Cottage Grove Road. The proposed development calls for a significant change to the sites zoning which, if approved, will result in a land use inconsistent with the Sprecher Neighborhood Development Plan (the "Sprecher Plan") which was adopted in 1999 and most recently amended and adopted by the Common Council in March 2005. In addition, the long-term viability of the development is questionable. The proposed tenant has a very weak junk bond credit rating and is currently for sale by its private equity owners who are also struggling with their own history of failed investments.

As you know, the Sprecher Plan was developed through a cooperative planning effort which included the participation of City officials, neighborhood property owners and residents, and other affected organizations and individuals. I feel the Sprecher Plan demonstrates the City's goals of creating a neighborhood that will be well maintained, safe, attractive, affordable and diverse. I am also appreciative of the efforts of the City to encourage convenient access to basic services and shopping, and to encourage a strong sense of community. Confidence in the Sprecher Plan is one reason I made a significant and ongoing financial commitment to my home and neighborhood. I have lived in the eastside of Madison for nearly forty years, having grown up in the Rolling Meadows neighborhood, and would like think I have demonstrated more than a passing interest in making Madison a great place to live.

I feel strongly feel the proposed Copps grocery store is inconsistent with the Sprecher Plan. One of the inconsistencies is that the proposed store would lie outside the designated commercial areas. The

Sprecher Plan addressed the shopping needs of our neighborhood by designating three commercial use areas. The larger of the commercial areas is located at the intersection of Milwaukee Street and Sprecher Road. This designated area was proposed for such uses as a community shopping and service center. A very small commercial services area located at south central portion of the neighborhood has already been developed in accordance with the intended use of the Sprecher Plan. The third commercial area is located adjacent to the western edge of the proposed Copsps. This area is unique (to my knowledge, it is the only one of its kind on the far eastside) in that it is to serve as a small neighborhood town center that would focus on convenience and specialty shopping and community activities. The vision was for this area to become a major focal point for community activities throughout the far eastside and the centerpiece of my neighborhood. In contrast, Dan Farrell, a representative of Copsps, has stated his firm's objective is "we don't want to just have people stopping for milk and bread; we want this to be your large one-stop shop"<sup>1</sup>.

I feel a large grocery store would threaten the development of the town center at the very time enough critical mass is being achieved to support its development. The Sprecher Plan identified this risk by stating **"It would be difficult for large businesses, or uses requiring extensive parking, for example, to be compatible with the compact, pedestrian-oriented town center development concept."**<sup>2</sup> With more than 60,000 square feet of space and 450 parking stalls, the proposed Copsps, which would be adjacent to the town center, would seem to be a serious compatibility concern.

The Sprecher Plan emphasized the importance of the town center concept by commenting **"... it is important to maintain focus on the long-term development concept and not undercut it by permitting scattered commercial development at alternative locations not recommended in the neighborhood plan."**<sup>3</sup> Clearly, the proposed site of the Copsps store is not recommended for large, intensive commercial use as it is designated for institutional uses, such as an activity center.

It is difficult for me to comment on other aspects of the developer's proposal due to lack of details. I would expect any proposal to be consistent with the City's development guide and land use goals, objectives and policies which, among other things, calls for visually attractive buildings that are conducive to pedestrian, bicycle, transit and motor vehicle activity and to discourage large, stand-alone big box buildings surrounded by a sea of surface parking stalls<sup>4</sup>. I am concerned about the environmental impact of development and would suggest full compliance with the LEED Green Building Rating as well as mitigating disruptive sounds and lighting through thoughtful building methods and restrictions on operating hours. I believe these concerns are also shared by the City and documented by the Mayor's Energy Task Force in its report "Building A Green Capital City".

Lastly, the past couple of years have been challenging for many retailers. Roundy's Supermarkets, the parent company that owns Copsps, is owned by Willis Stein & Partners, a private equity firm that buys and

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<sup>1</sup> "Neighbors vow to fight Copsps grocery store in Grandview Commons", The DailyPage, April 14, 2010.

<sup>2</sup> Sprecher Neighborhood Development Plan, City of Madison Department of Planning and Development, page 16.

<sup>3</sup> Sprecher Neighborhood Development Plan, City of Madison Department of Planning and Development, page 16.

<sup>4</sup> City of Madison Comprehensive Plan, Volume II-Recommendation, Objectives 64-65, pages 2-54 and 2-55.

sells companies for profit. Unfortunately for Willis & Stien, many of its largest investments have filed for bankruptcy protection. Roundy's is also struggling and losing market share to its competitors<sup>5</sup>. In January 2010, Roundy's announced layoffs of employees in Milwaukee citing difficult economic conditions.<sup>6</sup> Willis Stein & Partners has also reportedly taken out over \$345 million of Roundy's "excess cash", largely by increasing Roundy's debt load through additional financings. The financings have not stopped as Roundy's was expected to borrow another \$150 million for a dividend to Willis Stein & Partners<sup>7</sup>. Moody's Investors Services assigned a Caa-1 rating to the new debt while Standard & Poor's assigned a CCC+ rating. Each of these ratings is considered extremely speculative and only slightly above the rating a company would receive that is in default. Willis Stein & Partners does not wish to be a long term owner of Roundy's as demonstrated by their attempts to sell the company.<sup>8</sup> Stability of ownership is a legitimate concern and raises questions as to Roundy's intent and ability to successfully operate the store. Our neighborhood does not wish to see this store becoming another failed enterprise and blight on the neighborhood. How many alternative uses are there for a big-box retail store without complimentary land use neighbors?

Please understand I am not opposed to commercial development but want our neighborhood to be given a chance to succeed consistent with our agreed upon vision. The Sprecher Plan represents a thoughtful community based approach to development. Altering it on an ad-hoc basis would be poor policy for the City and disrespectful to the past efforts of its citizens.

Regards,

David Sebald  
6006 Fredericksburg Lane  
Madison, WI 53718

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<sup>5</sup> Roundy's for sale again, report says", Milwaukee Journal Sentinel, March 22, 2011.

<sup>6</sup> "Roundy's has layoffs at headquarters", The Business Journal of Milwaukee, January 19, 2010.

<sup>7</sup> "Roundy's to borrow \$150 million for dividend to private-equity owner, Milwaukee Journal Sentinel, March 26, 2010.

<sup>8</sup> "Grocery chain's dominance attracts suitors", Milwaukee Journal Sentinel, March 25, 2007.