



December 15, 2008

Department of Planning & Community & Economic Development  
Madison Municipal Bldg., Suite LL 100  
215 Martin Luther King Jr. Blvd.  
P.O. Box 2985  
Madison, WI 53701

Re: Conditional Use and Demolition Permit Application  
South Westgate Mall Redevelopment  
160 Westgate Mall (NEC of Whitney Way & Odana Road), Madison, WI

Dear Planning Commission and Planning & Development Staff:

Hy-Vee, Inc. ("Hy-Vee") is submitting this letter of intent and Conditional Use application to obtain the necessary approvals for redevelopment of the south portion of the Westgate Mall at the corner of Whitney Way & Odana Road.

We have chosen this site as our second Madison and second Wisconsin location. We are truly excited to bring the Hy-Vee shopping experience to the west side of Madison along with the potential for 350 to 400 new jobs.

**Project Goals:**

- Redevelop and modernize a large portion of the mall, which could be a catalyst for redevelopment of the balance of the property
- Strengthen existing businesses through Hy-Vee's retail traffic generation
- Improve site landscaping
- Improve pedestrian connectivity to the site and create a centralized connection point to the mall from the neighborhood to the east
- Service the retail wants and needs of the neighborhood and surrounding areas

**Actions to Date:**

On October 16<sup>th</sup> we had an initial meeting with planning staff to review our proposed plans and had the opportunity to present our plans to the City's Development Assistance Team. On October 28<sup>th</sup> we were able to share our plans with District 20 Alder, Ms. Thuy Pham-Remmele and Assistant to the Mayor, Mr. Mario Mendoza. Alder Pham-Remmele asked that in addition to sharing our plans with the Midvale Heights Neighborhood Association as discussed below, that we try to coordinate a meeting with the Orchard Park Neighborhood Association and said meeting took place on November 16<sup>th</sup>. Hy-Vee will make an informational presentation to the Urban Design Commission on December 17<sup>th</sup>.

The evening of October 28<sup>th</sup> we presented our project at the regularly scheduled Midvale Heights Neighborhood Meeting. Most of the questions and comments came from members of the committee drafting the Midvale Heights Neighborhood Plan, which has a specific section devoted to the entire Westgate Mall property. The vision of the committee was for the entire 17.7 acre parcel to be redeveloped into a multi story new urbanism project with a mix of residential, office, retail, and structured parking. With that being said, representatives of J. Herzog & Sons (the property owner) voiced concerns that aside from the Hy-Vee redevelopment there are thirty (30) additional tenants in the mall, some of which have lease terms extending another twenty or more years. Many of those same tenants have approval rights over any modifications to the mall. Additionally, the mall is encumbered by a collateralized loan through the year 2031, which strictly limits modifications to the existing building and the revenue stream paying down the loan. It was also noted that the operating gas station at the northeast corner of Whitney Way and Odana Road is a longstanding neighborhood business that is not owned by J. Herzog & Sons. It was decided that further meetings with the property owner and the steering committee were necessary to discuss the committee's vision for the property relative to the long term contractual constraints.

Hy-Vee, Inc. – Employee-Owned  
5820 Westown Parkway, West Des Moines, Iowa 50266  
Phone: (515) 267-2800

The first such meeting took place on November 6<sup>th</sup> and led to the hiring of Schreiber / Anderson Associates, Inc. to master plan the balance of the center. Schreiber / Anderson completed the plan and they along with representatives from J. Herzog & Sons presented it to City Staff on December 3<sup>rd</sup>. An additional meeting to share the plan with the steering committee was held on December 10<sup>th</sup>.

**Project Name:** South Westgate Mall Redevelopment

**Address:** 160 Westgate Mall (NEC of Whitney Way & Odana Road), Madison, WI

**Alder Person:** Ms. Thuy Pham-Remmele – District 20

**Development Team:**

Developer:	Hy-Vee Real Estate Dept. Contact: Pete Hosch 5820 Westown Parkway West Des Moines, IA 50266 515-327-2147 <a href="mailto:phosch@hy-vee.com">phosch@hy-vee.com</a>	Architect:	Hy-Vee Engineering Dept. Contact: Dan Willrich 515-457-3804 <a href="mailto:dwillrich@hy-vee.com">dwillrich@hy-vee.com</a>
Site Planning / Landscape Architect:	Hy-Vee Engineering Dept. Contact: John Brehm, ASLA 515-267-2947 <a href="mailto:jbrehm@hy-vee.com">jbrehm@hy-vee.com</a>	Contractor:	Hy-Vee Weitz Construction 1947 Hull Avenue Des Moines, IA 50313 515-645-2300
Engineer:	Foth Infrastructure & Environment, LLC Contact: William Dunlop, PE 1402 Pankratz Street, Suite 300 Madison, WI 53704 608-242-5900 <a href="mailto:WDunlop@foth.com">WDunlop@foth.com</a>		

**Project Overview:**

Hy-Vee has reached an agreement to lease the demised premises shown on the attached site plan from J. Herzog & Sons, Inc. The aforementioned demised premises is has an area of approximately 7.7 acres. Hy-Vee will demolish the existing structures south of the TJ Maxx facility and construct an 80,476 square foot Hy-Vee Food Store, which includes an attached Hy-Vee Wine & Spirits facility. The redevelopment results in an approximate 20,000-square-foot increase in building area. The project will include resurfacing the parking lot, adding more parking lot islands, relighting of the parking lot, increased landscaping, improved pedestrian connectivity, and the relocation of the Segoe Road access drive providing a safer movement at the intersection of Segoe and Odana.

This submittal represents the first step toward redevelopment of this site. The conceptual master plan for the entire 17.7 acres developed by Schreiber / Anderson is included with our submittal. Their plan represents a realistic goal given the numerous constraints at hand. It allows for the long standing tenants to maintain their presence while creating additional space for a mix of uses, enhanced connectivity, and pedestrian friendly open space.

Hy-Vee plans to receive Urban Design Commission and Planning Commission approval for a conditional use permit by early 2009, building permit approval by mid-spring, and start construction shortly thereafter. Project construction is anticipated to take approximately 12 months, resulting in an early-summer 2010 grand opening of the store.

**Building Improvements:**

The portion of the mall being redeveloped by Hy-Vee is comprised of several mid to large scale retail tenant spaces. Included in the submittal are proposed building elevations showing significant improvements in both design and materials compared to what is currently in place. These plans incorporate the architectural interest the City of Madison looks for in new development. The Whitney Way or front façade has dramatic changes in building projection and multiple expanses of glass which will provide significant day-lighting into the new facility. Additional points of interest on the front façade are the cantilevered canopy features and numerous changes in building height. The most-pronounced height changes are

utilized to draw customers into the primary entrance. Color and texture will be varied by using a mix of building materials including brick, glass, and EIFS.

In an effort to address city staff concerns about the Odana Road façade we made extensive changes to the inner workings of our store and modified the footprint to accommodate a functioning entrance for that elevation. The entrance will be utilized primarily for the Hy-Vee Wine & Spirits store, but will also act as an additional access point for pharmacy customers. This should work in conjunction with our corporate efforts to design the Wine & Spirits space as a separate shopping experience for the customer. We also feel that this entrance provides for greater pedestrian connectivity to the site. We utilized the same architectural theme on the Odana Road elevation that is present on Whitney Way. The service area on the east side of the Odana elevation will be screened from view with a fence.

The brick, glass, and EIFS present on the front elevation will wrap around to the north elevation approximately 40 feet. The remainder of the north and all of the east elevations will be painted precast panels. A mezzanine level comprising over 5,000 sq. ft. including offices and a club room / cooking school is present on the north elevation.

**Site Improvements:**

The site will undergo significant improvements to layout, pedestrian access, lighting, and landscaping. The plan includes a landscaped pedestrian parkway connecting the City sidewalks on Whitney Way to the front of the store. The existing entrance into Westgate Mall will be relocated and a large landscaped plaza area will be constructed at the northwest corner of the Hy-Vee building. A café style outside dining area will overlook the plaza area and be separated by an elevated planter wall. The space behind this common area and between Hy-Vee and TJ Maxx to the north will be separated by an ornamental fence and the space will be utilized for seasonal and garden center sales. A centralized pedestrian connection to the mall from the neighborhood to the east will be created by adding an additional pedestrian access point between Hy-Vee and the outside sales area to a new sidewalk running along the park boundary to the east and connecting to Segoe Road. Two additional pedestrian access points will be added on both sides of the Odana Road entrance connecting to the sidewalk running adjacent to the building.

Landscaping throughout the site will utilize a variety of plant species, many of which are native to the area and therefore remain appealing through seasonal change. The landscape buffering that exists on the site will be enhanced to aid in the visual screening from the adjacent properties. New parking lot islands will be oversized to allow trees and plants to thrive. The alcoves on the northeast and southeast corners of the building will incorporate plantings to add visual screening of the building.

**Operation and Site Detail:**

- The Westgate Mall property post Hy-Vee redevelopment will have 842 parking stalls (3.315 / 1000 SF)
- The Hy-Vee facility has two service dock doors and a vendor delivery door on the east elevation.
- The Hy-Vee Food Store will be a 24-hour facility. The Hy-Vee Wine & Spirits store will have operational hours in accordance with state and local laws.
- Two trash compactors are located along the south elevation and are screened from view by a fence
- Professional snow removal will be arranged for the entire site by the Mall Manager and maintained in accordance with City standards.

**Building Uses and Area:**

The redevelopment would consist of a 75,542 square-foot Hy-Vee food store, a 4,934 square-foot attached Hy-Vee Wine & Spirits facility.

1. Hy-Vee Food Store: 75,542 sq. ft. (detail as follows)
  - a. Pharmacy: 825 sq. ft.
  - b. Bank: 520 sq. ft.
  - c. Floral: 581 sq. ft.
  - d. Caribou Coffee: 481 sq. ft.
  - e. Casual Dining: 2,692 sq. ft.
  - f. Mezzanine: 6,534 sq. ft.
    - i. Club Room: 1,883 sq. ft.
    - ii. Offices: 1,912 sq. ft.
  - g. Back Room: 5,943 sq. ft.
  - h. Digital Photo: 151 sq. ft.

- i. Bakery: 1,173 sq. ft.
- j. Health Market: 1,142 sq. ft.
- k. Grocery / Dairy / Produce / General Merchandise: 50,003 sq. ft.
- l. Kitchen / Chinese / Italian / Deli: 2,547 sq. ft.
- m. Service Meats: 861 sq. ft.

2. Hy-Vee Wine & Spirits: 4,934 sq. ft.

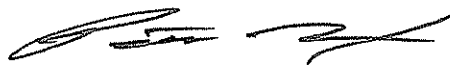
Employment Estimate: Hy-Vee would expect to employ between 350 and 400 people and the leased space would account for additional employment beyond that.

Construction Schedule: Pending conditional use and building permit approval we anticipate a May 2009 construction start with a May 2010 grand opening.

Hy-Vee truly appreciates your review of our project and please don't hesitate to call should any questions arise.

Sincerely,

HY-VEE, INC.



Pete Hosch  
Assistant Vice President, Real Estate

Enclosures