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Council File #12-1604 Case #APCC-2008-2703 Address: 5500-5544

**Sunset Blvd. Proposed
Target Project**

From: Andrew Schwartz
To: sharon.gin@lacity.org

Dear Sharon,

This letter is sent to you in response to the PLUM hearing at City Hall, Tuesday, November 6, 2012 for Target..
File #12-1604 Case #APCC-2008-2703

I am a member of the Hollywood Studio District Neighborhood Council (HSDNC) PLUM Committee and a member of the Hollywood Heritage Preservation Committee.

Over the years we met with Target representatives for many years in hopes of creating a model store for our community and the Target Corporation. Our main concerns of below grade parking, building height and exterior articulation were never Seriously considered by Target. **I are strongly opposed to the current design of this store.**

Over the years, the HSDNC, HSDNC PLUM and community members attended numerous meetings with representatives from Target and Council District 13. From the beginning to present, our concerns have been the same: building height, parking below grade and better articulation on the exterior of building. We were consistent in our communications regarding these concerns, concerns that are being implemented by almost every other development within the HSDNC boundaries. Even non-profits and affordable housing projects within the HSDNC areas are building below-grade parking! Roughly 2 miles away in West Hollywood the Target store has underground parking, why cant this Target project afford below grade parking?

I along with other members of the PLUM comm and the HSDNC never received any appropriate responses to several suggested alternatives. We offered this analysis to both Target and 13th District Council Member, Eric Garcetti and staff member Marcel Porras, with no appropriate response!

Parking above ground costs approximately \$20,000 per space. Parking below grade will cost approximately \$10,000 per space more, for the 1st subterranean level (because you do not hit water at that depth).

I do not know exactly how many parking spaces per level Target has planned to provide per above ground level. However, I do know that an average parking space is calculated at 400 sq. Ft per space (this includes 200 sq. Ft for the actual space and another 200 sq. Ft as a pro rata share for drive aisles, drive ways, etc).

I also know that the lot is approx. 160,000 sq. Ft. assuming that the useable area after set backs, etc is 136,000 sq. Ft, this would mean that Target will provide approximately 340 spaces per above ground level (136,000 sq. Ft divided by 400 sq.

Ft).

If Target would put only 1 level below grade, it would increase their construction costs by approximately \$3,400,000 (340 parking spaces x \$10,000 each).

Target's construction costs are estimated to be approx.: \$38,100,000, as follows: Say: 340 parking spaces per level times 2 above ground levels (at \$20,000 per space) = \$13,600,000 Say: 140,000 sq. Ft Store on the top level at \$175 I sq. Ft = \$24,500,000

Therefore, if Target were to make one of the 2 parking levels below grade, it would increase their construction costs by approx. 9%. This is an acceptable variance in construction cost overruns.

Additionally, the following observations:

9% is approx. 1 year of carry on the project, and a small price to pay for Target to get permission to get the project started right away – rather than suffer the delays of debating the issue.

At a 6% cost of money for Target, the annual cost of the \$3,400,000 would be \$204,000 per year; and this would have the effect of increasing their occupancy cost or "rent" by \$1.46 per sq. Ft per year of \$.12 Cents per sq. Ft per month – this is not a lot for any tenant.

This \$12 Cents per sq. Ft does not seem like a lot to preserve the view corridor for the neighborhood.

I and the organizations I represent are hopeful that you will see that our requests for the Target project are both reasonable and financially feasible. It is likely that this will be Target's highest producing store in the United States. Target understands the value of Hollywood, we hope that you will also recognize its value and insist that our concerns and reasonable input are implemented into this project before final approval.

Thank you,

Andrew Schwartz