

# SEARS HOLDINGS CORPORATION

James B. Terrell

Vice President Real Estate

Sears Holdings Management Corporation

3333 Beverly Rd. BC-104B

Hoffman Estates, IL 60179

September 21, 2010

Mr. Gregory D. Hunter, Deputy Director  
City of Oakland  
Community and Economic Development Agency  
250 Frank Ogawa, Plaza, Suite 5313  
Oakland, California 94612-2034

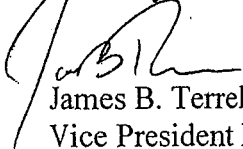
RE: LDDA Agreement and Letter dated June 2, 2010

Dear Mr. Hunter:

~~Thank you for your letter of June 2, 2010 in response to a request to extend the LDDA. Your~~  
letter requested a detailed description of the efforts to reposition our retail store on 19<sup>th</sup> and Telegraph. As you are probably aware, we have run dozens of financial scenarios using various assumptions for repositioning the store. We have had some renderings done on the potential look and feel of the store, but fundamentally, the numbers become challenged when the issue of parking is considered. To that end, we commissioned a site feasibility study to determine the ability to construct a 12-bay auto center and parking structure on the property governed by the LDDA. We estimated that we could build a structure with 240 spaces and an auto center of roughly 22,938 sq. ft. Because of the nature of the shape of the site, the economics of this scenario are unattractive.

If it is for this reason that we suggested an extension to the LDDA. Unless all the interested parties devise a project that addresses the LDDA land, our store and the necessary parking, spending more time and money on any proposed redevelopment would be wasted. We are suggesting that a 24 month extension would provide the time necessary for the Agency and ourselves to devise an approach and solution that makes economic and community sense and which could be realistically achieved so long as we moved quickly and collaboratively.

Sincerely



James B. Terrell

Vice President Real Estate

Cc: Jens Hilmer – City of Oakland ✓



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Revised 6/3/08

Re Budget Cost Sears parking lot – revised with Tire Store

Gentlemen:

I made a big mistake on the last budget. The plan view area was taken off in the wrong scale. Which explains why the cost per stall were so high. Actually there is really about 40,000 more square feet (if 6 elevated decks) than I had indicated before. So the attached budget has 240 stalls (not 207) and has 22,938 sf of tire store. Since the vertical elements were unchanged the cost per stall or per square foot goes down. Which is good news. The overall costs however go up. But that can be fine tuned by lopping off a floor or two if you so desire. I apologize for such a bone head move but I think we are on a better footing now.

Please find attached the budget cost estimate for the proposed parking structure / retail tire space. The cost of approximately thirteen million includes the construction cost and design costs only. The cost is at current prices to say the next 6 months. It would be prudent to add about ¾ % per month for an anticipated project start thereafter. Certain material costs are experiencing some real inflationary pressures – i.e. steel and fuel. We have included a 5% contingency on the budget. There are other soft or non construction costs that you should consider – i.e. permitting, utility connection fees, special (mandated) inspections, survey cost, soils engineering, and civil engineering. The cost could be and add of +/- 15%.

There are certain assumptions that we've used – normal spread footing, no hazmat costs, \$70/sf of frontage area as has been included for some sort of special skin (it could be more or less depending on style and requirements) Other assumptions are noted on the included breakdown.

Please find the revised sketches to accommodate a two story tire store. We are glad to be able to find 22,938sf of level area. The following changes were added to the budget – we added a circular spend ramp with cmu walls at the tire store area. (This is a very unique solution by IDP to maximize the level floor area.) We raised the floor to floor height at the second level to approximately 13' and we enhanced the "skin" for the first two levels to include some sort of window wall system in lieu of a decorative screen. (The skin or

exterior treatment is still an unknown and the \$70/sf for screen and the \$110/sf at window wall are still very approximate pending design input from the City etc. The stall count is 240 . .

Another item we were to explore was what would it cost to go up one more floor assuming it will work with zoning etc – but it would be approx \$2.1 to 2.3 million .

It should be noted that this irregular site is not the most economical parking structure. That is a low efficiency – sf/stall. Two elevators have been included for maximum efficiency but one could be eliminated. The total cost does include available shell space fro future retail development

Hopefully this budget is useful .to your development plans.

Very truly yours,

Jerry Overaa



sears

bid estimate-rom -

C. OVERAA &amp; CO

6/3/08-re control copy -revised

total area	143,300	SF
total stalls +/-	240	EA

**parking structure**

quantity unit

subtotals

PARKING STRUCTURESITE WORK

demo -see mass exc 1 ls

site work/grading-paving

clear / demo / min grading 1 ls

engineered fill/off haul spoils 0 cy

paving--see mass exc 1 ls

build ramp -see grading 310 cy

backfill site/ ramp/ perimeter site grading

site concrete- allow 325 lf

utilities: excl utility connection fees-/ street 1 ls

-sand/ oil separator--assume required 1 ls

drainage

off haul utility spoils 150 cy

landscaping/irrigation-very min 1 ls

stripe-interior and exterior- 1 ls

site amenities -see landscape 1 ls

site electrical 1 ls

Subtotal Site work

\$281,975

FOUNDATIONS-

conc. /footings 1,600 cy

excavation 2,080 cy

forming 1,600 cy

elevator pit/stair- 25 cy

form elevator fig 600 sf

excavation pit 60 cy

backfill-all footings/ 300 cy

off haul-all excavations-assume most go into ramp 1,600 cy

off haul say

dewater lf required-assume none 1 ls

Subtotal Foundations

\$472,686

SUBSTRUCTURE

## subtotals

slab on grade:	21,300 sf
-concrete-5"-assume	386 cy
add for thicken edge	40 cy
-form-edges	750 lf
-we	500 lf
-co	800 lf
cement/lime treat-winter start -no	0 sf
-fine grade	21,300 sf
-rock-6"-assume-verify with soils report	724 ton
-sand=2" none	0 ton
-Visqueen-none	0 sf
concrete place and finish-	21,300 sf

## Subtotal Substructure

\$146,236

## MASONRY

unit masonry-rooms/ramp	
8' 12" -all	11,500 sf
cmu elevator shafts (2) -see above	sf
add walls at circular seed ramps	7,500 sf
add fire wall cmu at north	12,000 sd

## Subtotal Masonry

\$889,500

## SUPERSTRUCTURE

rebar-all- @6.35 +1.5 fdn#/sf	122,000 sf
	957,700 #
pt @.75#/sf	91,500 #
add for hoisting	1 ls
contingency 5%	

## walls

shear walls	14,000 sf
conc. shear-form	28,000 sf
concrete at shear walls-24"	1,167 cy

## columns

	60 ea
concrete at columns @ .1.15cy/ea	75 cy
-form cols	60 ea
stub columns	14 ea

## decks

form deck-cols/walls edges	122,000 ls
add for circular speed ramp -2 levels	1 ls
add two to three feet floor height at 2 nd level	18,000 sf
concrete -low shrink?-.75ft thick	3,660 cy
add conc. for drainage /crickets	100 cy
add elevator/ stair raised entries / islands	400 sf
-finish/cure-	122,000 ls
-closure pour /seismic jets-none	0 lf
-rails/safety	1 ls
-curb/walk- all floors -	lf
blow off decks/support pours	1 ls
patch/sack	1 ls
scaffold-see other	1 ls

## subtotals

jig 1 ls  
 sandblast /-not architectural 1 ls  
 install embedded steel by others 1 ls

## Subtotal Superstructure

\$4,525,167

## STEEL

-misc. mtl-elevator shaft / bollards /misc -see skin 1 ls

stairs

stairs-steel 12 ls

ornamental -see skin

col angle covers-assume not required 0 ea

## Subtotal steel

\$357,000

SKIN-allow 21,000 sf  
 add enhanced skin at tire stroe area - ie curtain wall 5,000 sf  
 etc

plaster skim coat-assume none

sf

walls sf

tower sf

crash rails -see walls 0 sf

elevator windows-frames 0 ls

cable rail -sty sty ( not stairs) 3,240 lf

-pc skin -decorative 0 sf

crash rails' walls -cip/ cabel 2,400 lf

scaffolding-see other ls

Paint-interior/exterior- 1 ls

add paint at interior 1 ls

graffiti protection 1 ls

canopy at elevator roof -none 1 ls

## Subtotal Skin

\$2,422,100

## ROOFING/WATERPROOFING

elastomeric membr coating-over rooms only 1 ls

traffic coating over entire floor-alt none ls

arch sht metal at elevator tower/other 1 ls

roof at elevator towers - 2 ls

joint sealers 1 ls

caulking-allow for crack control-nic 1,000 lf

## Subtotal Roofing

\$77,800

## subtotals

## INTERIOR CONSTRUCTION

doors/ frames hdw -not many 1 ls  
ceramic tile at elevator 1 ls

Subtotal Interior Construction

\$7,360

## MISC /SPECIALTIES

bicycle racks 1 ls  
fire extinguishers-see fire protection 10 ls  
knox box 1 ls  
graphics/ signage- code only 1 ls  
site amenities -see other 1 ls  
parking collection system-allow minimum 1 ls

Subtotal Misc

\$85,704

## CONVEYING

elevator- hydraulic 2 ls  
1 ls

Subtotal Conveying

\$180,000

## PLUMBING

plumbing-drainage 122,000 ls

Subtotal Plumbing

\$134,200

## FIRE PROTECTION

Fire sprinklers- 102,000 ls

Subtotal Fire protection

\$229,500

## MECHANICAL

none-min at elevators 1 ls

Subtotal mechanical

\$5,000

## ELECTRICAL

general electrical 122,000 ls  
octv security/ fire / etc-see electrical 1 ls

Subtotal Electrical

\$335,500

## JOBSITE MANAGEMENT-

preconstruction  
personnel-supervision  
personnel-foreman  
team leader  
personnel-pm  
personnel-engineer  
pa  
close out cad/misc-special requirements

job overhead/facilities-  
phone /fax/ computer-see other

Subtotal Jobsite Management

\$613,250

## SITE REQUIREMENTS

## subtotals

insurance-builders risk -assume by owner	1	ls
cleanup/ sweep	1	ls
add for concrete recycle	1	ls
swppp plan / maintian	1	ls
survey/layout not boundary survey	1	ls
traffic control-allow		

labor rate escalation escalation -after 7/1/08-  
assume start 10/06-add

Subtotal Site Requirements

\$192,465

## DESIGN

IPD	ls
other- civil	ls
printing	ls

Subtotal Design

\$542,995

## FEES-contingency/insurance/bonds

bond- .0055%-assume none	1.000	ls
special liability insurance-1.30		
fee = 5.5%	1.000	ls
Contractors Contingency 5%		

\$1,625,797

TOTAL

\$13,124,235

COST RANGE \$12.7M to \$13.6M

cost of retail-included above ( 22,930sf) \$2.7 to \$3.2m

cost per stall

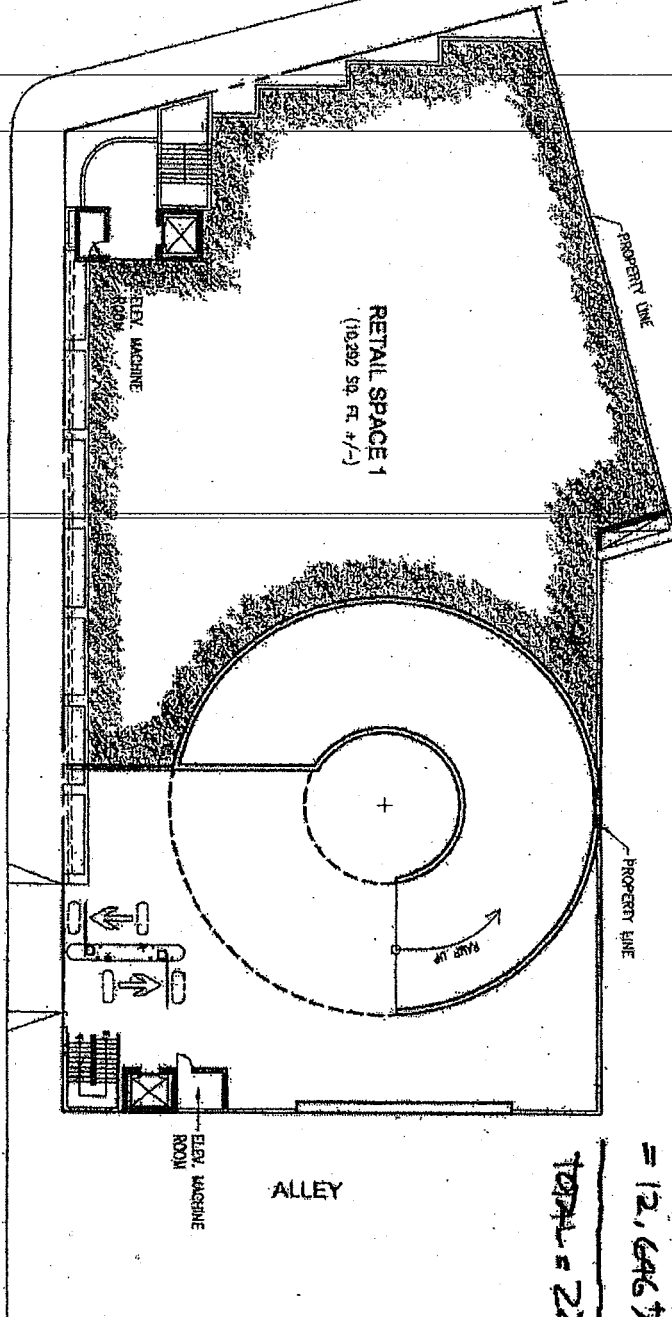
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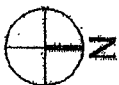
CONCEPTUAL PLAN - GROUND LEVEL

20TH (DELGER) STREET

TELEGRAPH AVENUE



DETAIL:  
LEVEL 5  
= 10,292 S.F.  
LEVEL 2  
= 12,646 1/2 S.F.  
TOTAL = 22,938 1/2



CONCEPTUAL PLAN - SECOND LEVEL

20TH (DEIGER) STREET

TELEGRAPH AVENUE

RETAIL SPACE 2  
(12650 SQ. FT. +/-)

PROPERTY LINE

PROPERTY LINE

ELEV. MACHINE  
ROOM

ALLEY

