



June 26, 2007

Honorable Beverly Johnson
Mayor, City of Alameda
Alameda City Hall
2263 Santa Clara Avenue
Alameda CA 94501

RE: Target Store
Alameda Town Center

Dear Honorable Mayor Johnson:

We would like to thank the Council and the city staff for all of your efforts over the past three years as we have been working to locate a Target store in the Alameda Town Center.

With substantial regret, we would like to share with you recent developments in our plans to bring a Target store to the City of Alameda. We have been notified that the mall owner (Harsch Investments) no longer wishes to locate a Target store in its mall and has begun pursuing other leasing alternatives.

We are disappointed by this news given that we have made significant, good faith efforts to continue with our development agreement which was signed nearly three years ago.

However, it is important to stress that we are fully committed to opening a Target store in Alameda. We have begun the process of identifying a new site that would be just as beneficial to the community and to Target. It is our sincere intention to open a store in Alameda and become a good neighbor in the community.

Our commitment is further supported by the overwhelmingly positive responses that we received from our privately funded opinion poll which was recently completed. The general results of this poll demonstrated over 63% support for a Target store at the Alameda Town Center versus less than 31% opposed.

Thank you once again for all of your help over the past few years. If you have any questions regarding our plans for a store in Alameda, please contact me at (612) 761-1567.

I look forward to sharing more positive news with you in the future.

Sincerely,
Target Corporation

A handwritten signature in blue ink, appearing to read "Brian D. Treber".

Brian D. Treber
Senior Regional Real Estate Manager

C: Ms. Lena Tam, Vice-Mayor
Mr. Doug dehann, Councilmember
Ms. Marie Gilmore, Councilmember
Mr. Frank Matarrese, Councilmember
Ms. Debra Kurita, City Manager
Ms. Cathy Woodbury, Planning and Building Director
Mr. Douglas Garrison, City Planner