

EXECUTIVE OFFICES



Safeway

May 7, 1999

The Honorable William Jefferson Clinton
President of the United States
The White House
Washington, D.C.

Dear Mr. President:

Thank you for your invitation to your May 11, meeting on your administration's New Market Initiative. I am disappointed that I will not be able to attend. I will be presiding at our company's annual shareholders meeting that same day in Los Angeles.

We commend your efforts to promote capital development in underserved communities. Safeway has a strong record of investing in these markets. It was my privilege to meet you at a White House gathering in March of 1997 about local business development in Washington, D.C. You remarked during your East Room presentation that Safeway was planning to open a 55,000 square foot supermarket in Southeast Washington, D.C. the following day. We appreciated the recognition. I am pleased to report, the store has been well-received in the community, and a tremendous success as a business investment. Developing the site was a good example how business, along with government agencies and community groups, can work together to bring essential services to otherwise underserved parts of a city. As you may know, we operate 16 stores in the District of Columbia, four times that of our nearest competitor.

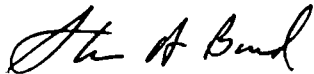
Over the last five years Safeway has invested more than \$165 million building new stores and remodeling outdated facilities in urban/underserved neighborhoods throughout our operating divisions in the U.S. For example, our newly acquired Dominick's division in Chicago opened a new supermarket on West Roosevelt Road this past March. It was the first new supermarket in this section of Chicago in nearly 40 years. This was the third inner city supermarket Dominick's opened in the last three years.

In addition, we have opened state-of-the-art supermarkets in two Baltimore inner city locations in the last two years. In 1998 we opened a new store in an underserved section of Pasadena. We have done similar projects in San Francisco, Los Angeles (including Inglewood and Compton), Oakland, San Jose, Phoenix and Seattle. In the process, we have greatly expanded the

grocery shopping options and made thousands of employment opportunities available to residents in these neighborhoods.

Our thanks again for the invitation, Mr. President. I am sorry I cannot attend, however, I do look forward to learning more about your New Market Initiative.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steven A. Burd".

Steven A. Burd
Chairman, President and Chief Executive Officer

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SAFeway INC.

5918 STONERIDGE MALL ROAD
PLEASANTON, CA 94588-3229

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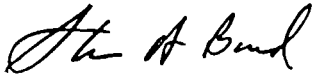
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Steven A. Burd
Chairman, President and Chief Executive Officer



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June 10, 1999

Mr. Gene Sperling
Assistant to the President for Economic Policy
And Director, National Economic Council
The White House
Washington, D.C.

Dear Mr. Sperling:

Thank you for your letter regarding the President's planned visit in early July to a number of "New Markets" throughout the U.S.

We appreciate your giving us an opportunity to highlight some of Safeway's projects in underserved areas. As I mentioned in my May 7 letter to the President, we have invested a great deal (\$165 million over the last 5 years) in urban/underserved neighborhoods throughout our operating area. We have attached a list of three large, Safeway retail projects that may be appropriate for a Presidential visit – a Safeway store in Southeast Washington, D.C., a Dominick's store in the Cabrini-Green neighborhood of Chicago, and a Vons supermarket in an underserved African-American neighborhood in Northwest Pasadena. All three stores have been good business investments, and each fit our initial criteria for considering a project in underserved/urban neighborhoods:

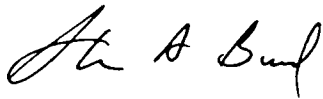
- **Community Support:** Our most successful projects have come with clear, front-end support from the community surrounding our store. In Washington, D.C., for example, we have worked closely with Advisory Neighborhood Commissions and other community groups to obtain their input and support for projects as they were developed. In Chicago, our Dominick's operation worked with city government on job readiness programs so residents from the surrounding community could staff our stores.
- **Security:** In each case, we secured the support of law enforcement for regular patrols and visits to our store. In fact, the local police opened a sub-station in the shopping center our new store on Alabama and Naylor Road in Washington, D.C. We have made similar arrangements at other Safeway stores.

- **Lighting:** Each project went forward only after we were assured we could adequately light the parking lot to ensure the safety of our customers and employees.

Regarding future projects, we continue to view urban/underserved markets as good business opportunities, and expect them to be part of our ongoing strategy. However, it is not likely we will have a project that would be ready for a Presidential announcement in July.

Our thanks again for considering Safeway for possible highlighting during the President's July trip, Mr. Sperling. We commend the Administration for its efforts to strengthen business investment in these markets. If you or your staff wish to discuss this further, you can call me at (925) 467-3866 or our Vice President of Public Affairs, Brian Dowling at (925) 467-3787.

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Steven A. Burd
Chairman, President and Chief Executive Officer

Safeway -- 2835 Alabama Avenue, S.E., Washington, D.C. (Good Hope Marketplace) In March 1997 Safeway opened a state-of-the art, 55,000 square foot supermarket in a Southeast Washington, D.C. neighborhood that had not seen a new grocery store in more than 20 years. We invested \$13 million in the project. Safeway entered into an agreement with the Anacostia Economic Development Corporation (AEDC), which allowed them to purchase the shopping center from Safeway after the supermarket opened. The AEDC was assisted in the transaction with a grant and loan from the U.S. Department of Housing and Urban Development. The project also marked the first use of the District's Development Zone Tax Abatement program -- an incentive that partially exempts new stores from real estate levies for five years if they choose to open in certain areas. In addition to Safeway's full service supermarket, the Good Hope shopping center includes a Radio Shack, two banks, several clothing stores and a dry cleaner.

Dominick's (A Division of Safeway) -- 424 West Division Street, Chicago The neighborhood surrounding this store, which opened in September 1998, includes Cabrini-Green, which was one of the City's most densely populated housing developments. The Chicago Housing Authority is tearing down most of the Cabrini high rise buildings replacing them with scattered site, mixed income low rises. The rest of the area is slowly changing, as single-family homes, townhomes, and a new library have moved into the neighborhood as part of Mayor Daley's Near North Redevelopment Plan. Dominick's also worked with the Mayor's Office of Workforce Development to set up a comprehensive, on-site job center. Qualified applicants were sent to Harold Washington College for training. 123 applicants completed the training -- Dominick's hired all of the program graduates.

Vons (A Division of Safeway) 655 North Fair Oaks Boulevard, Northwest Pasadena - The store was the result of an overall commitment Vons made to build several stores in underserved inner city neighborhoods following the 1994 civil unrest in Los Angeles. The store opened in June 1998 and included a full service, bakery, deli and pharmacy. We invested \$8.7 million in the facility. This part of Pasadena was a redevelopment zone, and had been without a full-service grocery store in nearly 15 years. Safeway joined forces with African American community leader and developer Danny Bakewell to bring a modern, full-service grocery store to the area. In 1994 Vons and Mr. Bakewell also teamed up to open a supermarket in an underserved section of Compton, California.



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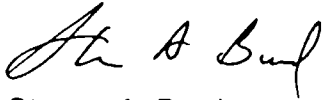
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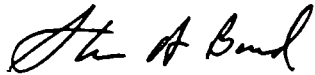
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Steven A. Burd
Chairman, President and Chief Executive Officer



151 Farmington Avenue
Hartford, CT 06156

Richard L. Huber
Chairman, President and CEO
Aetna Inc.
TEL: (860) 273-7851
FAX: (860) 273-6872

May 17, 1999

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

Thank you very much for inviting me to join you last Tuesday for the New Markets Initiative. I am excited about our initial steps and look forward to partnering with you on this important program.

To the extent possible, I respectfully suggest that your team consider Hartford, Connecticut, as a destination for a New Markets visit. As a Hartford resident, I believe that it is a perfect candidate for our initiative.

Again, thank you. Please feel free to call on me anytime.

Sincerely,

Dick

PS - I mentioned to my wife that you & she have the same taste in ties!

DELIVERY

☒ RUSH☐ REGULAR

SAFEWAY INC.

☐ PUBLIC AFFAIRS☐ INVESTOR RELATIONS☐ COMMUNICATIONS

5918 Stoneridge Mall Road, Pleasanton, CA 94588-3229

FAX COVER SHEET 925-467-3323

DATE

TIME

NO. OF PAGES INCLUDING COVER SHEET

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1:50

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TO: NAME Jay Dunn

COMPANY White House

DIVISION/DEPT. _____

FAX # _____

FROM: ☐ Melissa Plaisance (925-467-3136) ☐ Tom Conway (925-467-3273)

☐ Debra Lambert (925-467-3267) ☐ Jonathan Mayes (925-467-3070)

☐ Pat Petinaud (925-467-3266) ☐ Marlene Foxworthy (925-467-3723)

☐ Karen Darnell (925-467-2066) ☐ Gina Perine (925-467-3684)

☐ Steve Wagner (925-467-3773) ☒ Brian Dowling (925-467-3787)

MESSAGE:

Jay -

See attached.

Brian

EXECUTIVE OFFICES



July 2, 1999

Mr. Jay Dunn
Office of Business Liaison
The White House
Washington, D.C.

Dear Jay:

Thank you again for the information about the President's trip next week. Mr. Burd is looking forward to joining the presidential tour and participating in the roundtable discussion in Phoenix on July 7.

As we discussed, we opened a new 55,000 square foot store this past March in an underserved section of South Phoenix that might be a good opportunity for a presidential site visit. If that doesn't work, Mr. Burd could highlight this and other Safeway projects during the meeting with the President. The store is located at 6202 16th Street. We invested nearly \$7 million in the facility. It replaces a much smaller, outmoded (26,000 square feet) store that we operated nearby. Our old store site had no room for expansion, and contained no specialty departments. The new store has a full service bakery, deli and floral department and full service pharmacy, and is located on a 24-acre parcel of land that we master-planned as a shopping center. The center is still under development and will include a range of essential services and shops when it is complete.

Our thanks again, Jay, for giving us an opportunity to participate in this important initiative.

Sincerely,

A handwritten signature in cursive script, appearing to read 'B. Dowling'.

Brian G. Dowling
Vice President, Public Affairs

