



May 15, 2019

Western States Trucking Association
334 North Euclid Avenue
Upland, CA 91786

Dear

Thanks to our maritime business partners, the Port of Oakland has reported record cargo volume for two consecutive years. Our 5-year strategic plan calls for continued volume growth into the next decade. We are reaching out today to assure you that we remain fully committed to that objective.

The Port, its tenants and stakeholders have invested heavily to develop an outstanding growth platform in the past five years. The highlights include:

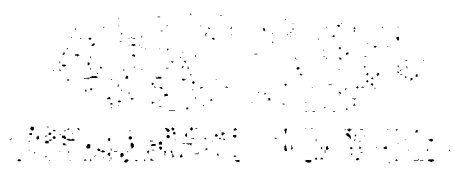
- a new \$100 million rail yard;
- a \$60 million expansion at our second-largest marine terminal;
- nearly \$50 million to heighten or purchase new cranes at the largest terminal;
- more than \$500 million to improve Port traffic flow and separate rails from roads;
- the \$90 million Lineage Cool Port Oakland; and
- the \$52 million first phase of our Seaport Logistics Complex at the former Oakland Army Base.

Through these investments, operational changes and collaboration with our maritime stakeholders, we have transformed the Port of Oakland. As a result, we are attracting more cargo than ever before, with volumes up nearly 5 percent again this year.

Now we are looking at a new opportunity on 50 acres at the eastern edge of the Port. By now, you are certainly aware of it. The Board of Port Commissioners this week voted to approve an Exclusive Negotiation Term Sheet with the Oakland Athletics. It addresses the A's plan to develop Howard Terminal into a ballpark mixed-use development, which would include a 35,000-seat baseball stadium, public open space, and commercial and residential development. This project provides the opportunity to enhance our commercial real estate portfolio.

The Board's approval of the Term Sheet does not commit the Port to the proposed development project. No binding agreements would be considered by the Board for approval until after an Environmental Impact Report is approved, the A's secure other necessary approvals, and negotiations with the Port are successful.

We know that our business partners, customers and tenants have questions about the proposed development project, including possible traffic congestion, loss of waterfront industrial land for



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maritime uses and constraints placed on the Port's ability to expand the Inner Harbor Turning Basin.

We want to assure you that we understand the issues. In response, here is what has already been incorporated into the proposed project:

- revisions intended to preserve the Port's ability to enlarge the Inner Harbor Turning Basin;
- a buffer zone area between any proposed residential uses and the adjacent seaport activities;
- a requirement for the submittal of a comprehensive transportation and circulation plan to the Port; and
- we have retained our future right to independently review and consider any such project once further information and study is obtained of potential environmental impacts generated by such a project.

But that is not all we have done. We have adopted language in the term sheet to ensure that we keep the health of Oakland's maritime business uppermost in our discussions. Here is how that language reads: *"The parties shall negotiate measures, designs and operational standards to ensure that the project doesn't impact or interfere with the Port's use or operations outside of the project. The Port will consult seaport and maritime stakeholders regarding such measures."*

In partnership with you, we have achieved great things at the Port of Oakland in the past five years. The plan now is to build on our momentum. That we intend to do.

In the meantime, we want to reassure you of our commitment to the maritime industry and to the growth of maritime business at the Port of Oakland. We foresee big things from our growth platform. A new development on 50 acres at the eastern edge of the Port would not be detrimental to growth.

Your input is a critical component in our success and we are hopeful that you will continue to remain engaged in this effort with us and that you will help us to ensure that whatever development project is ultimately proposed for Howard Terminal incorporates input from our maritime stakeholders.

Please feel free to reach out to us at any time to discuss this or any other matters, and thank you again for your commitment to the Port of Oakland.

Sincerely,



Cestra Butner
President
Board of Port Commissioners



J. Christopher Lytle
Executive Director