



November 30, 2018

PRIVILEGED & CONFIDENTIAL

Via E-Mail and U.S. Mail
ericd@sutrotower.com

Eric Dausman
Vice President & Chief Operating Officer
Sutro Tower, Inc.
1 La Avanzada Street
San Francisco, CA 94131-1124

Re: **City of San Francisco Department of Building Inspection ("DBI")**
Application Number 2017.09.22.9393 (the "Application")

Dear Eric:

This letter is to provide a formal update as to the status of the Application and its approval process. Despite good faith efforts on behalf of yourself, Sutro Tower's engineer of record and our firm, we remain frustrated with the slow pace of the approval process.

As you are aware, the above referenced Application was filed with DBI on September 22, 2017, to initiate the approval process for the reconfiguring of broadcast antennas on Sutro Tower to accommodate the federally mandated frequency band modification requirement (the "Repacking"), including the replacement of the mast atop Leg B of the tower, as well as structural strengthening and related modifications required by such reconfiguration (collectively, the "Project"). This Application was filed after a meeting on September 12, 2017, with DBI structural engineer, Richard Tam.

Such meeting was prompted due to DBI's lack of response to multiple inquiries over many months as to the peer review process required by DBI for such Project which would impact the scope and timing of the plans to be submitted as part of the Application. DBI's lack of response was, at least partially, due to the change in DBI's peer review requirements related to the failure of DBI's processes in evaluating the structural integrity of the infamous Millennium Tower. In addition, due to agreements made with local neighborhood associations, any such peer review must be coordinated with the neighborhood liaisons.

Discretionary review before the City of San Francisco's Planning Commission is required under Sutro Tower's Conditional Use Authorization. As such, processing of the Application

through the City of San Francisco Planning Department (the "Planning Department") is also a necessity.

As a reminder, the plans that were filed with the Application were preliminary since the Repacking auction had not yet been completed at the time. As such, despite having reserved our place in the queue for review by the Planning Department by filing the Application, we were unable to proceed without more detailed plans.

On April 13, 2018, the Federal Communications Commission ("FCC") released a public notice announcing the results of the Repacking auction and outlining which stations would be moving along with their new channel assignments. This allowed us to proceed with updating our Repacking plans.

While still not completely finalized due to continued necessary studies to support such plans, including for seismic and wind load purposes, we were able to update them sufficiently to share both updated preliminary plans, as well as photo simulations with the Planning Department. With this in hand, we confirmed the form of environmental review to be undertaken by the Planning Department and filed an Environmental Evaluation Application with the Planning Department on July 13, 2018. Such application for the preparation of an addendum ("Addendum") to the 2008 Final Environmental Impact Report for the Sutro Tower Digital Television Project ("FEIR") was accepted by the Planning Department on July 24, 2018.

However, on August 9, 2018, the Planning Department notified us that, despite Sutro Tower not yet reaching age eligibility requirements for historic preservation, the Planning Department may still view the tower as a potential historic resource given that Sutro Tower is perceived by some as a City icon which may warrant additional historic resources review. Currently, we have convinced the Planning Department that the visual impacts of the Repacking are sufficiently minimal so that historic preservation requirements should not apply to the Project.

Nevertheless, we have agreed to presently proceed with an historic resource evaluation ("HRE") separately in anticipation of future projects. While we do not anticipate this HRE to impact the Project any further, there is a risk that the issue may arise again in the process of preparing and approving the Addendum.

We received concurrence of the Planning Department on September 4, 2018, to directly retain Environmental Science Associates ("ESA"), the environmental consulting firm which prepared the FEIR, to prepare both the HRE and the Addendum instead of having a new consultant provided from the City's pool. Unfortunately, however, both principals familiar with Sutro Tower left shortly thereafter on month-long vacations so scopes of work for both the Addendum and the HRE were not submitted to the Planning Department until November 20, 2018, where they currently await approval.

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The above referenced scope of work for the Addendum included a timeline of only four months to completion and approval of the Addendum by the Planning Department. Such timing is tight, but workable for a Project approval hearing to occur in May of 2019, and would allow us to begin construction in June.

However, given the slow pace at which the Application has wound its way through the approval process to this point, we do not have confidence that the Planning Department will be able to comply with ESA's proposed timing. We know you have been actively evaluating alternatives and advancing contingency plans in the event Project approval is not timely obtained. Your actions are prudent and we encourage you to continue all such efforts.

Very truly yours,

A handwritten signature in cursive script, reading "Kristen Thall Peters".

Kristen Thall Peters

KTP

cc: Walter W. Hansell
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