1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Legislation Details (With Text)

File #:	2012-0375	**Version:** 1		
Type:	Ordinance		**Status:**	Passed
File created:	9/10/2012		**In control:**	Committee of the Whole
On agenda:	10/8/2012		**Final action:**	10/8/2012
Enactment date:	10/12/2012		**Enactment #:**	17430

Title: AN ORDINANCE approving the change of control of cable television Franchise 5602, contained in Ordinance 13637, and extending the franchise for five additional months.

Sponsors: Larry Gossett, Kathy Lambert

Indexes: Cable TV, Franchises

Code sections:

Attachments: 1. Ordinance 17430 .pdf, 2. A. Amendment No. 3 to Franchise Agreement No. 5602, 3. 2012-0375 transmittal letter.doc, 4. 2012-0375 fiscal note.xls, 5. 2012-0375 hearing notice.doc, 6. 2012-0375 Staff Report WAVE Cable TV.doc, 7. A. Amendment No. 3 to Franchise Agreement No. 5602, 8. 2012-0375 Affidavit of Publication-Seattle Times.pdf, 9. A. Amendment No. 3 to Franchise Agreement No. 5602

Date	Ver.	Action By	Action	Result
10/8/2012	1	Metropolitan King County Council	Hearing Held	
10/8/2012	1	Metropolitan King County Council	Passed	Pass
10/8/2012	1	Committee of the Whole	Recommended Do Pass Consent	Pass
9/10/2012	1	Metropolitan King County Council	Introduced and Referred	

Clerk 09/06/2012

AN ORDINANCE approving the change of control of cable television Franchise 5602, contained in Ordinance 13637, and extending the franchise for five additional months.

STATEMENT OF FACTS:

1. WAVEDIVISION I, LLC, a Washington limited liability company d/b/a/ Wave Broadband ("franchisee"), provides cable services in unincorporated King County pursuant to Ordinance 13637 ("the franchise agreement").

2. Franchisee is a wholly-owned subsidiary of WaveDivision Holdings, LLC, ("Wave Parent"), a Delaware limited liability company, which currently is majority-owned by three affiliates of

Sandler Capital Management ("Sandler Capital"). Franchisee has proposed a change in the ultimate control of franchisee as part of an agreement involving the acquisition of Wave Parent from Sandler Capital and its other current owners by OH WDH Holdco, LLC, a Delaware limited liability company ("Oak Hill"), whose owners include affiliates of Oak Hill Capital Partners, a private equity firm based in San Francisco, California; an affiliate of GI Partners, a private equity firm based in Menlo Park, California; and an investment company controlled by Steve Weed, the CEO of Wave Parent.

3. The change in ownership of Wave Parent results in a transfer or change of control of franchisee under Section 4 of the franchise agreement and K.C.C. 6.27A.010.CC, and therefore requires county consent.

4. Franchisee, Wave Parent and Oak Hill have requested King County's consent to the change of control in accordance with Section 4 of the franchise agreement. On or about June 8, 2012, Wave Parent and Oak Hill filed a Federal Communications Commission ("FCC") Form 394 with King County requesting such consent.

5. The office of cable communications has retained a qualified accounting consultant experienced in the cable communications industry to conduct a thorough review and investigation into the legal, technical and financial qualifications of Oak Hill to control franchisee, and franchisee's related ability to continue to adhere to the requirements and conditions of the franchise. This review and investigation included an evaluation of the entities that own Oak Hill -- Oak Hill Capital Partners III L.P.; Oak Hill Capital Management Partners III L.P.; WaveDivision Capital, LLC.; and GI Wave Holdings LLC. The consultant concluded that the change of control would not affect franchisee's ability to adhere to the requirements and conditions of the franchise.

6. The FCC Form 394 states that franchisee will continue to comply with the franchise

agreement; all applicable federal, state and local law; and meet or exceed all operations requirements of the franchise agreement.

7. Based on the information in FCC Form 394, the review and investigation conducted by the office of cable communications and its consultant, the additional responses provided by Wave Parent and Oak Hill, all comments and staff reports received and made a part of the record for this ordinance, consent to the proposed change of control as detailed in the FCC Form 394 is granted subject to the condition in section 1 of this ordinance.

8. Because the proposed change of control follows closely on the transfer of franchise 5602 to franchisee, as approved by the county in January 2012 pursuant to Ordinance 17251, it is in the best interests of the county, subject to conditions, to extend the franchise agreement to September 11, 2013, to allow the parties time to negotiate new terms for a renewal of the franchise agreement.

9. The county has published its intent to consider the requested change in control and extend the term of Franchise 5602 in a local newspaper with broad distribution.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. A. The council hereby consents to the change of control of franchisee as described above, subject to receipt by the county of written confirmation from franchisee and Oak Hill that such consent by the council shall not waive or release any rights of the county under the franchise agreement or applicable law, including those arising before the effective date of the change of control, nor in any way relieve franchisee of its obligation to adhere to the requirements of the franchise agreement and applicable law.

B. The written confirmation required by subsection A. of this section shall be filed with the clerk of the council, and a copy shall be filed with the office of cable communications. Filing shall occur at least thirty days before the effective date of the change of control. Failure to do so shall render the consent provided by this ordinance null and void.

SECTION 2. The executive is authorized to sign an amendment to the franchise agreement that extends the term until September 11, 2013, in substantially the same form as Attachment A to this ordinance.

Publish official paper 2 consecutive days, last pub 5 days prior to hearing

Newspaper: Seattle Times, Publish Monday-Tuesday, October 10/1-2

Public Hearing: 10/8/12

Post in 3 places in courthouse: 15 days prior to public hearing - Post 9/21/12