



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

October 2, 2012

### Ordinance

**Proposed No.** 2012-0375.1

**Sponsors** Gossett

1 AN ORDINANCE approving the change of control of  
2 cable television Franchise 5602, contained in Ordinance  
3 13637, and extending the franchise for five additional  
4 months.

5 **STATEMENT OF FACTS:**

- 6 1. WAVEDIVISION I, LLC, a Washington limited liability company  
7 d/b/a/ Wave Broadband ("franchisee"), provides cable services in  
8 unincorporated King County pursuant to Ordinance 13637 ("the franchise  
9 agreement").
- 10 2. Franchisee is a wholly-owned subsidiary of WaveDivision Holdings,  
11 LLC, ("Wave Parent"), a Delaware limited liability company, which  
12 currently is majority-owned by three affiliates of Sandler Capital  
13 Management ("Sandler Capital"). Franchisee has proposed a change in  
14 the ultimate control of franchisee as part of an agreement involving the  
15 acquisition of Wave Parent from Sandler Capital and its other current  
16 owners by OH WDH Holdco, LLC, a Delaware limited liability company  
17 ("Oak Hill"), whose owners include affiliates of Oak Hill Capital Partners,  
18 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.

40           6. The FCC Form 394 states that franchisee will continue to comply with  
41           the franchise agreement; all applicable federal, state and local law; and  
42           meet or exceed all operations requirements of the franchise agreement.

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

50           8. Because the proposed change of control follows closely on the transfer  
51           of franchise 5602 to franchisee, as approved by the county in January  
52           2012 pursuant to Ordinance 17251, it is in the best interests of the county,  
53           subject to conditions, to extend the franchise agreement to September 11,  
54           2013, to allow the parties time to negotiate new terms for a renewal of the  
55           franchise agreement.

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

59           BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

60           SECTION 1. A. The council hereby consents to the change of control of  
61           franchisee as described above, subject to receipt by the county of written confirmation  
62           from franchisee and Oak Hill that such consent by the council shall not waive or release

63 any rights of the county under the franchise agreement or applicable law, including those  
64 arising before the effective date of the change of control, nor in any way relieve  
65 franchisee of its obligation to adhere to the requirements of the franchise agreement and  
66 applicable law.

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

72 SECTION 2. The executive is authorized to sign an amendment to the franchise

73 agreement that extends the term until September 11, 2013, in substantially the same form  
74 as Attachment A to this ordinance.

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KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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Larry Gossett, Chair

ATTEST:

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Anne Noris, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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Dow Constantine, County Executive

**Attachments:** A. Amendment No. 3 to Franchise Agreement No. 5602