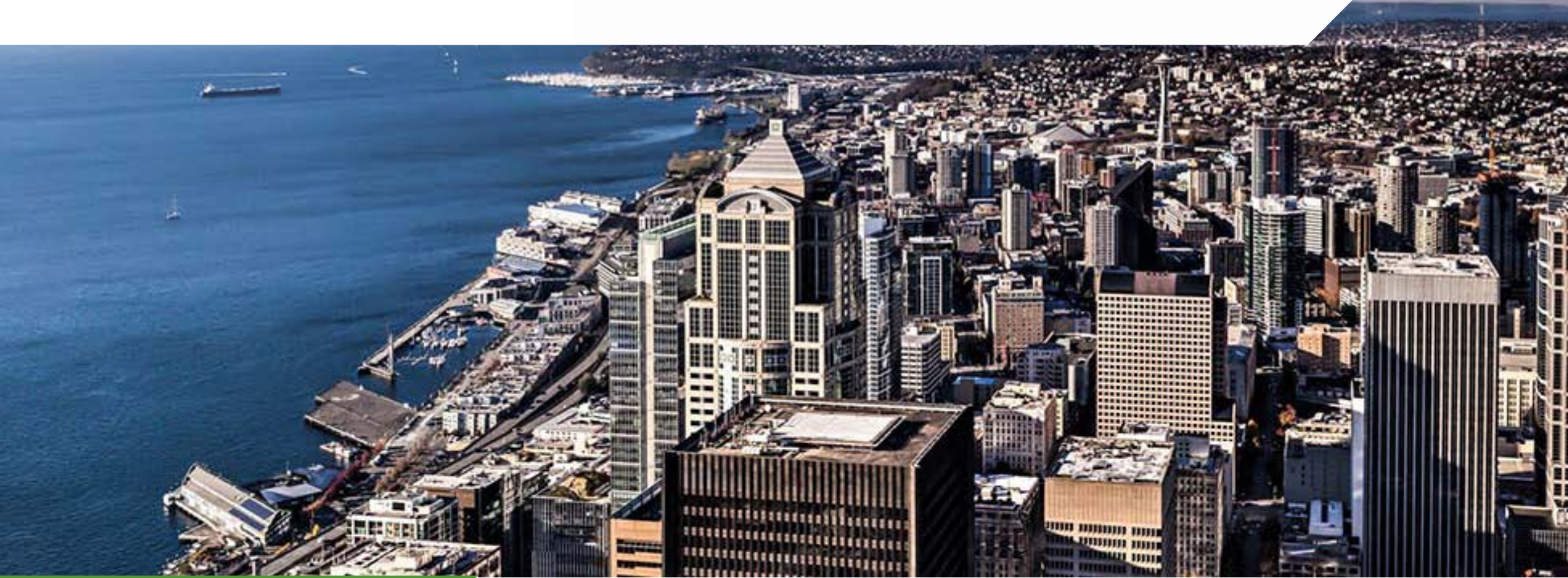


# WAVE BROADBAND CABLE FRANCHISE TRANSFER

September 6, 2017



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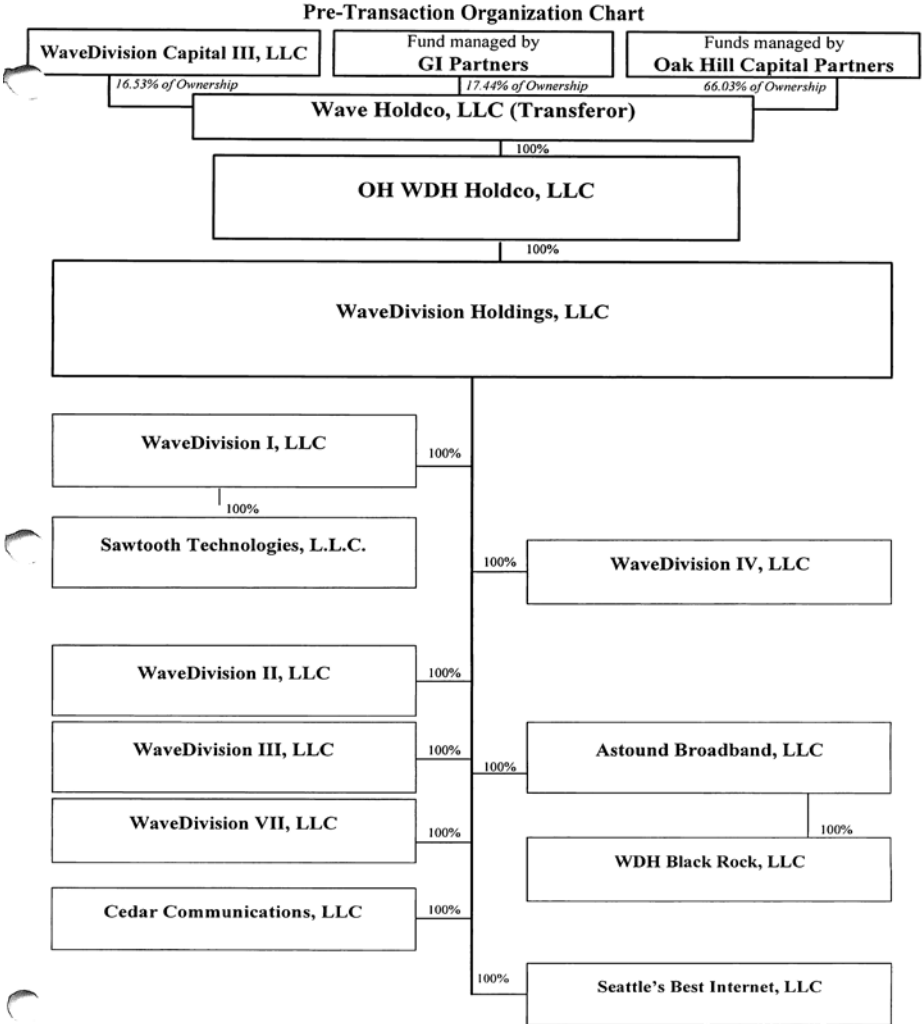


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# KEY FACTS

- Wave is being acquired by TPG Capital
  - Requested a franchise transfer to Radiate Holdings L.P., which is majority owned and operated by TPG Capital
  - Radiate owns other cable systems: RCN and Grande Communications
  - After sale will become the nation's sixth largest cable operator
  - Deal is expected to close in 2017
- Wave brand will continue in Seattle
- Seattle IT provided report and recommendation to Council
- Recommendation: Approve, subject to acceptance of certain conditions
- Legislation and Consent Agreement to be introduced September 18, 2017

# DESCRIPTION ON TRANSACTION



# LEGAL FRAMEWORK

- Federal Law – mostly procedural
  - 47 U.S. Code § 537
  - 47 CFR 76.502
    - 120 days to act on transfer; otherwise Transfer automatically approved
    - Time starts with delivery to municipality of complete Form 394
- SMC 21.60.110
  - Transfer requires City approval
  - Application must be sent to Office of Cable Communications in Seattle IT
  - Legal, Financial, Technical review and Report to Council with recommendation
  - Approval provided by Ordinance
  - Transferee pays costs incurred by City to conduct review
- Wave Franchise Section 14 (current)

# EXAMPLES OF PROPOSED CONDITIONS (Consent Agreement)

- Performance Guarantee
- Full payment of outstanding franchise fee and tax obligations
- Technical inspection plan
- Technological currency
- Enforcement
- Reimbursement of City expenses

Note: City's consent null and void and City shall be deemed to deny its consent if Consent Agreement not faithfully executed.

# NEXT STEPS

- September 18 – Transfer Legislation introduced
- September 21- Special Committee Meeting to consider Transfer request (possible vote)
- September 25 - Full Council Vote

# THANK YOU

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