



TO: Elizabeth Pauli, City Manager
FROM: Gwen Schuler, Media and Communications Director
 Jeff Lueders, Cable Communications & Franchise Services Manager *J.L.*
COPY: City Council and City Clerk
SUBJECT: Resolution approving consent to change in control of the Franchise Agreement (Ord. 28359 – May 17, 2016) holder with Wave Astound Broadband, LLC – November 7, 2017
 City Council Agenda
DATE: October 24, 2017

SUMMARY:

Request for a resolution relating to telecommunications; approving consent to change in control of the Franchise Agreement holder Astound Broadband, LLC. Astound Broadband, LLC, a Washington limited liability company (the “Franchisee”) was previously granted a telecommunications franchise (Ord. 28359 – May 17, 2016) by the City, and Franchisee is a wholly-owned indirect subsidiary of Wave Holdco, LLC, a Delaware limited liability company (“Wave Parent”), and on May 18, 2017, Radiate Holdco, LLC, a Delaware limited liability company controlled by Radiate Holdings, LP (“Radiate Parent”), Wave Parent and WaveDivision Holdings, LLC, a Delaware limited liability company controlled by Wave Parent, entered into a definitive agreement to acquire Wave Parent from its current majority owners (the “Transaction”), and, as a result of the Transaction, Radiate Parent will acquire ownership of Wave Parent and control of the Franchisee, and according to the Tacoma Municipal Code any Franchise granted to Franchisee by the City requires that the Franchisee receive the consent of the City for any indirect change of control, including such indirect change of control that will occur as a result of this Transaction.

STRATEGIC POLICY PRIORITY:

- Encourage and foster a diverse, productive, and sustainable economy
- Encourage and promote a high-performing, open, and engaged government
- Strengthen and support a safe, clean, and attractive community

By allowing telecommunications providers to utilize our right-of-way, we continue to foster competition in the market place, increase choices for our residents, and allow for the growth of technology in our city.

BACKGROUND:

The City granted a Telecommunications Franchise to Wave Astound Broadband, LLC (Ord. 28359 – May 17, 2016), after staff had completed a thorough negotiation process and reached a tentative agreement and recommended adoption by City Council.

ISSUE:

This is a proposed change in control of the ten-year Telecommunications Franchise Agreement (Ord. 28359 – May 17, 2016). According to Title 16B of the Tacoma Municipal Code a Telecommunications Provider must receive the consent of the City for any indirect change of control, including such indirect change of control that will occur as a result of this Transaction.



ALTERNATIVES:

Without this agreement, Wave Astound Broadband, LLC will not have access to the public right-of-way to construct, operate, maintain, remove, replace, and repair fiber-optic communications facilities.

RECOMMENDATION:

Staff recommends approval of this resolution allowing a change in control in the Telecommunications Franchise Agreement between the City of Tacoma and Wave Astound Broadband, LLC.

FISCAL IMPACT:

There is no fiscal impact