

COUNTY ENGINEER'S REPORT
FRANCHISE – CABLE SYSTEM FACILITIES
WAVEDIVISION I, LLC

File # 21-105800 RWE

Pursuant to 47 U.S.C. §521 et seq., Chapter 36.55.010 Revised Code of Washington (RCW), Section 9.20 Snohomish County Charter, and Title 13 of the Snohomish County Code (SCC), WaveDivision I, LLC, has applied to Snohomish County (the "County") for a franchise to construct, maintain, operate, replace and repair its cable system facilities in County public rights-of-way, and for no other purpose or use whatsoever. Chapter 36.55 RCW and Snohomish County Charter Section 9.20 authorize the County to grant nonexclusive franchises for use of County public rights-of-way. Snohomish County's franchise procedure is contained in chapter 13.80 SCC. The County Engineer has examined the application and submits the following report to council in accordance with SCC 13.80.040.

FINDINGS

1. Applicant

WaveDivision I, LLC, is a Washington limited liability company that incorporated in 2002 (UBI 602 246 443). It operates cable systems as defined in the Federal Cable Act (47 U.S.C. §521 et seq.). It is a wholly owned subsidiary of WaveDivision Holdings, LLC, a Delaware limited liability company registered in the State of Washington. WaveDivision Holdings, LLC, has three subsidiaries operating in Snohomish County with separate franchise agreements: Astound Broadband, LLC, Cedar Communications, LLC, and this applicant, WaveDivision I, LLC ("Wave").

WaveDivision Holdings, LLC, is owned by Radiate Holdings, L.P., a Delaware limited partnership that serves as the parent entity for several broadband providers. Radiate Holdings, L.P. is a subsidiary of Stonepeak Associates IV, LLC, a Delaware limited liability company which is indirectly owned and controlled by a series of affiliated investment vehicles that are ultimately managed and controlled by Stonepeak Infrastructure Partners, a global private equity firm.

Wave provides cable television service to approximately 2,000 residential and commercial customers in Snohomish County. It has been operating in the county since 2003 beginning with the acquisition of Northland Cable (formerly Valley Cable TV) serving the Stanwood area. In 2011, Wave acquired additional cable systems from Broadstripe/Millennium Digital Media (formerly Summit Communications and Roesiger Cablevision) and expanded its service to the Echo Lake, Three Lakes, and Lake Roesiger areas. The Snohomish County Council granted the most recent cable franchise agreement to Wave by Ordinance No. 12-080 on November 6, 2012, recorded under Auditor's File No. 201302260174, and expired on January 13, 2020.

2. Description of County Roads Included in the Proposed Franchise

The proposed franchise includes all public rights-of-way located within the boundaries of unincorporated Snohomish County, as shown in Exhibit A.

3. Description of Facilities

Wave operates three cable systems in Snohomish County which are registered with the FCC as follows:

<u>FCC ID</u>	<u>Community Name</u>	<u>Start of Service</u>	<u>PSID</u>	<u>Principal Headend</u>
WA0468	Snohomish (NW)	01/01/1988	000699	W Cross Island Rd, Camano Island
WA0560	Lake Roesiger	08/01/1994	016661	Echo Lake Rd, Snohomish
WA0593	Snohomish	07/01/1996	016661	Echo Lake Rd, Snohomish

The cable network is a hybrid fiber and coax distribution system. The system enables Wave to provide cable television, phone, and internet services. Wave has registered with the FCC a satellite dish for reception of cable network programming. The registration is TVRO Earth Station License, E-3-013, which expires on April 29, 2026.

4. Insurance

Wave has agreed to obtain and maintain insurance for the term of the franchise in accordance with SCC 13.10.100 and Section 9 of the franchise. The Risk Management Division has reviewed and approved the insurance requirements in the proposed franchise. The franchise will not take effect until Wave provides evidence of insurance acceptable to the Risk Management Division, as provided in franchise Section 2.12.

5. Term of Franchise

The term of the proposed cable franchise is for a period of ten (10) years, beginning on the effective date as defined in Section 2.11 of the franchise. The County and Wave will discuss a possible extension of the proposed franchise upon commencement of the franchise renewal period described in the Cable Act, as more fully described in franchise Section 2.11.

6. Provisions of Franchise

Under the proposed franchise, Wave will:

- Obtain all permits, licenses, or other forms of approval necessary to construct, operate, maintain or repair the Cable System prior to the commencement of any work, as more fully described in proposed franchise Section 3.
- Make quarterly payments to the County in an amount equal to five percent (5%) of the gross revenue derived from the provision of cable services within the franchise area, as more fully described in proposed franchise Section 7.
- Not assign any franchise rights or obligations without prior written consent of the County, as more fully described in proposed franchise Section 8.

- Indemnify, defend, and hold harmless any County Party from any and all claims, demands, liability, suits, and judgments, including costs of defense thereof, for bodily injury to persons, death, or property damage arising out of its use of Public rights-of-way pursuant to the franchise, as more fully described in proposed franchise Section 10.
- Provide a Franchise Bond in the amount of twenty-five thousand dollars (\$25,000) to ensure the faithful performance of its responsibilities under this Franchise and applicable law, as more fully described in proposed franchise Section 12.
- Make available two (2) high definition educational and governmental digital access channels and two (2) standard definition digital access channels upon written notice and within certain timeframes, as more fully described in proposed franchise Section 14.
- Compensate the county for its expenses incurred in processing the franchise, as more fully described in proposed franchise Section 18.
- Comply with Title VI Assurances and Non-Discrimination requirements, as more fully described in proposed franchise Section 19.

COUNTY ENGINEER’S RECOMMENDATION

Based on the foregoing findings and pursuant to SCC 13.80.040, the County Engineer recommends the County Council grant a right-of-way cable franchise to WaveDivision I, LLC with a term of ten (10) years, under the terms and conditions of County Charter, County Code and the proposed ordinance granting a franchise.

SNOHOMISH COUNTY PUBLIC WORKS

Douglas W. McCormick, P.E. Date
Deputy Director/County Engineer

Prepared by:

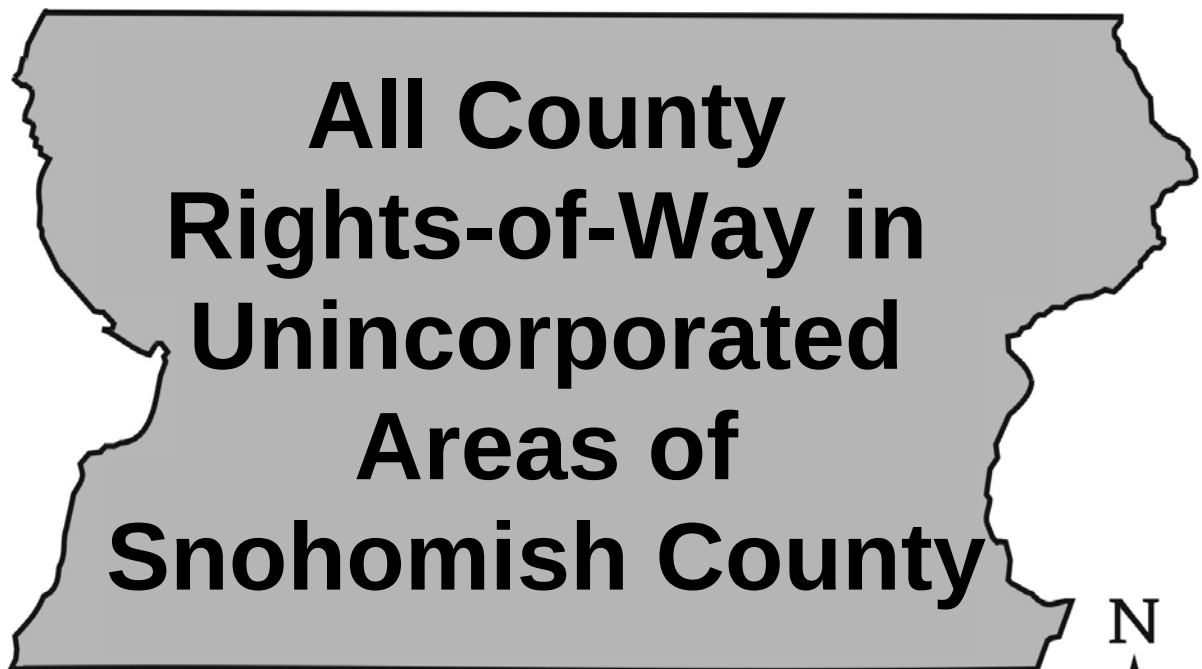
Mary Madole Date
Senior Planner – Special Projects

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Exhibit A

**WaveDivision I, LLC
Proposed Franchise Area**

Skagit County



King County

