

✓ Cable firm granted extension on deal

By STEVE SHENDER
Sentinel staff writer

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SANTA CRUZ — The city of Santa Cruz and Santa Cruz County have given United Cable Television of Denver an extra 90 days to complete the purchase of Santa Cruz Cable TV from a three-company partnership headed by Denver-based Tele-Communications Inc.

Pat Busch, a top aide to County Administrative Officer George Newell, said Friday that United had been granted the additional time under the terms of an agreement calling for United to become the exclusive cable franchisee for the city and county, provided the company can acquire the existing city-county cable system.

United is reportedly close to closing a deal to buy the system, which currently has about 38,000 subscribers and is estimated to be worth some \$78 million.

Tele-Communications Inc. and its partners acquired the Santa Cruz system when its previous owner, Group W Cable, was sold. Meanwhile, the city and county granted the cable franchise — which had been held by Group W — to a group of local investors known as Greater Santa Cruz Cable TV Associates.

But an ongoing legal battle over the city's and county's right to give

anyone a franchise rendered the award virtually worthless to the local investor group. Moreover, the group soon became embroiled in a legal tangle of its own, when it was sued by its former executive vice president, Mark Van Loucks, of Englewood, Colo.

A year after being awarded the cable franchise, GSC demanded that to be released from its obligations.

Van Loucks then re-entered the picture, negotiating for United to buy out GSC, and for United to become the city-county franchisee, provided Van Loucks could succeed in persuading TCI and its partners to sell the Santa Cruz system to United.

All of the outstanding lawsuits in the complex cable saga are to be settled upon completion of the sale, and United is to reimburse the city and county several hundred thousand dollars in outstanding legal expenses.

TCI, which is the country's largest cable operator, is a major minority stockholder in United Cable Television. TCI is also a majority stockholder in United Artists, and will acquire a controlling interest in United Cable when a merger between that company and United Artists is completed.