

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, February 9, 2010

At

5:15 p.m.

In The

COMMISSION CHAMBERS
(2nd floor, Governmental Center)
400 Boardman Avenue

Traverse City Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon notice to Traverse City Light and Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Jessica Dezelski,
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

Traverse City Light and Power
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940

Posting Date: 02-05-10
3:00 p.m.

PLEDGE OF ALLEGIANCE

1. ROLL CALL

2. CONSENT CALENDAR

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

- A. Consideration of approving minutes of the Special Meeting of January 18, 2010.
- B. Consideration of approving minutes of the Study Session of January 21, 2010.
- C. Consideration of approving minutes of the Regular Meeting of January 26, 2010.
- D. Consideration of approving minutes of the Closed Session of January 26, 2010.

3. OLD BUSINESS

- A. Traverse Bay Economic Development Corporation presentation. (Tino Breithaupt)

4. NEW BUSINESS

- A. Consideration of Power Purchase Agreement. (Rice) (Possible closed session)
- B. Consideration of authorizing a Professional Services Agreement for Fiber Network IP Enhancement. (Rob Franzo)

5. REPORTS AND COMMUNICATIONS

- A. From Legal Counsel:

None as of February 5, 2010

- B. From Staff:

- (1) Update re: Block-LED grant (Cooper)
- (2) Verbal update re: wind turbine (Rollenhagen)
- (3) TCL&P Strategic Planning Session on February 11 at the Hagerty Center at 5:00 p.m.
- (4) Joint Study Session with the City Commission on February 22 in the Commission Chambers.
- (5) Public Forums scheduled for February 25 at 7:00 p.m. at the Opera House, February 27 at 2:00 p.m. at the Hagerty Center, and April 7 at 7:00 p.m. at the Hagerty Center.

- C. From Board:

None as of February 5, 2010

6. PUBLIC COMMENT

/jd

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Light and Power Board Special Meeting
Held at 5:00 p.m., L&P Service Center
Monday, January 18, 2010

LIGHT AND POWER BOARD MEMBERS -

Present: Mike Coco, John Welch, James Hoogesteger, John Snodgrass,
Ralph Soffredine, Jim Carruthers

Absent: Linda Johnson

EX OFFICIO MEMBER -

Absent: Ben Bifoss, City Manager

OTHERS: Ed Rice, Tim Arends, Jim Cooper, Glen Dine, Jessica Dezelski,
Karen Feahr, W. Peter Doren

The meeting was called to order at 5:15 p.m. by Vice Chairperson Coco.

Moved by Welch, seconded by Soffredine that the agenda be approved as presented.

CARRIED unanimously. (Johnson, Snodgrass absent)

Member Snodgrass arrived at 5:20 p.m.

1. Consideration of amending the approved motion to replace the TCL&P wind turbine generator. (Rice)

Moved by Welch, seconded by Soffredine, that the Board authorize the Executive Director to enter into a Service Agreement not to exceed \$60,000 for inspection and repair of the existing TCL&P wind turbine generator including removal, installation and transportation; subject to approval as to substance by the Executive Director, and approval as to form by counsel; and to authorize the Executive Director to administer amendments and change orders that are in the best interest of the department.

CARRIED unanimously. (Johnson absent)

2. Verbal update on the Mancelona biomass plant. (Rice)

Ed Rice provided an update on the Mancelona biomass plant and spoke to the Board in regards to an opportunity at the Mancelona biomass plant.

Moved by Welch, seconded by Hoogesteger to suspend discussions with the Mancelona biomass plant.

CARRIED unanimously. (Johnson absent)

Ed Rice made an announcement regarding upcoming meetings.

The Board discussed how they would prefer information be released.

Commissioner Carruthers spoke regarding an employment issue.

W. Peter Doren spoke regarding exemptions for municipal electric utilities under the Open Meetings Act and the Freedom of Information Act.

3. Public Comment

No one from the public commented.

The meeting was adjourned at 6:27 p.m.

/jd

Edward E. Rice, Secretary
LIGHT AND POWER BOARD

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Light and Power Board Study Session
Held at 5:00 p.m., L&P Service Center
Thursday, January 21, 2010

LIGHT AND POWER BOARD MEMBERS -

Present: Mike Coco, James Hoogesteger John Snodgrass, Ralph Soffredine,
Jim Carruthers

Absent: Linda Johnson, John Welch

EX OFFICIO MEMBER -

Present: Ben Bifoss, City Manager

OTHERS: Ed Rice, Tim Arends, Jim Cooper, Glen Dine, Jessica Dezelski,
Karen Feahr, Mark Rollenhagen

The meeting was called to order at 5:00 p.m. by Vice Chairperson Coco.

Member Snodgrass arrived at 5:25 p.m.

1. Presentation of Wood Fuel Availability.

Robert Froese, PhD, RPF, from Michigan Technological University, made a presentation on biomass fuel availability.

Gary Glawe of Glawe Corporations made a presentation on a fuel resource project being developed by the Glawe Corporations.

2. Public Comment

- Greg Reisig, Chairman of the Northern Michigan Environmental Action Council
- Ann Rogers, Traverse City, Ratepayer
- M'Lynn Hartwell, Business Ratepayer
- Morraine Voss, 727 Washington St, Ratepayer
- Sid Hammel, Ranch Rudolf, Non-Ratepayer
- Gerald White, Lake Leelanau, Non-Ratepayer
- Jeff Gibbs, 527 Woodland Dr, Ratepayer
- Gail Seemer, Non-Ratepayer
- Marianne Zukoski, Lake Leelanau, Non-Ratepayer
- Ann Zukoski, Non-Ratepayer

The meeting was adjourned at 7:03 p.m.

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, January 26, 2010

BOARD MEMBERS -

Present: Linda Johnson, John Welch, James Hoogesteger, John Snodgrass, Ralph Soffredine, Jim Carruthers

Absent: Mike Coco

EX OFFICIO MEMBER -

Absent: R. Ben Bifoss

OTHERS: Ed Rice, Tim Arends, Jessica Dezelski, Mark Rollenhagen, Doug Zufelt, W. Peter Doren

The meeting was called to order at 5:15 p.m. by Chairperson Johnson.

2. CONSENT CALENDAR

Moved by Welch, seconded by Soffredine, that the following items, as recommended on the Consent Calendar portion of the agenda, be approved:

- A. Consideration of approving minutes of the Study Session of January 4, 2010.
- B. Consideration of approving minutes of the Study Session of January 5, 2010.
- C. Consideration of approving minutes of the Regular Meeting of January 12, 2010.

CARRIED unanimously. (Snodgrass absent)

Member Snodgrass arrived at 5:17 p.m.

4. NEW BUSINESS

- A. Moved by Welch, seconded by Soffredine, that the Light & Power Board authorize the Executive Director to enter into a Dark Fiber Services Agreement with the City of Traverse City; subject to approval as to form by general counsel, and subject to approval by the City Commission.

CARRIED unanimously.

- B. Moved by Soffredine, seconded by Welch, to go into closed session immediately following Public Comment to consider the purchase of real property.

Roll Call:

Yes: Johnson, Coco, Welch, Hoogesteger, Snodgrass, Soffredine, Carruthers

No: None

CARRIED.

5. REPORTS AND COMMUNICATIONS

- B. (1) Mark Rollenhagen provided an update on the wind turbine repair and showed pictures and video of the process.
(2) Ed Rice provided an update on the signal employee joining the Light & Power Department.
(3) Ed Rice spoke re: upcoming TCL&P Strategic Planning session on February 11.
(4) Ed Rice spoke re: upcoming Joint Study Session with the City Commission on February 22.
(5) Ed Rice spoke re: upcoming public forums on February 25 and 27.
(6) Ed Rice provided an update regarding the Block Grant awarded to the City, County and Light & Power.
- C. (1) Member Welch spoke re: Community Investment Fund applications.

6. PUBLIC COMMENT

No one from the public commented.

The Board went into Closed Session at 6:09 p.m.

The Board came out of Closed Session at 6:30 p.m.

The meeting adjourned at 6:31 p.m.

/jd

Edward E. Rice, Secretary
LIGHT AND POWER BOARD

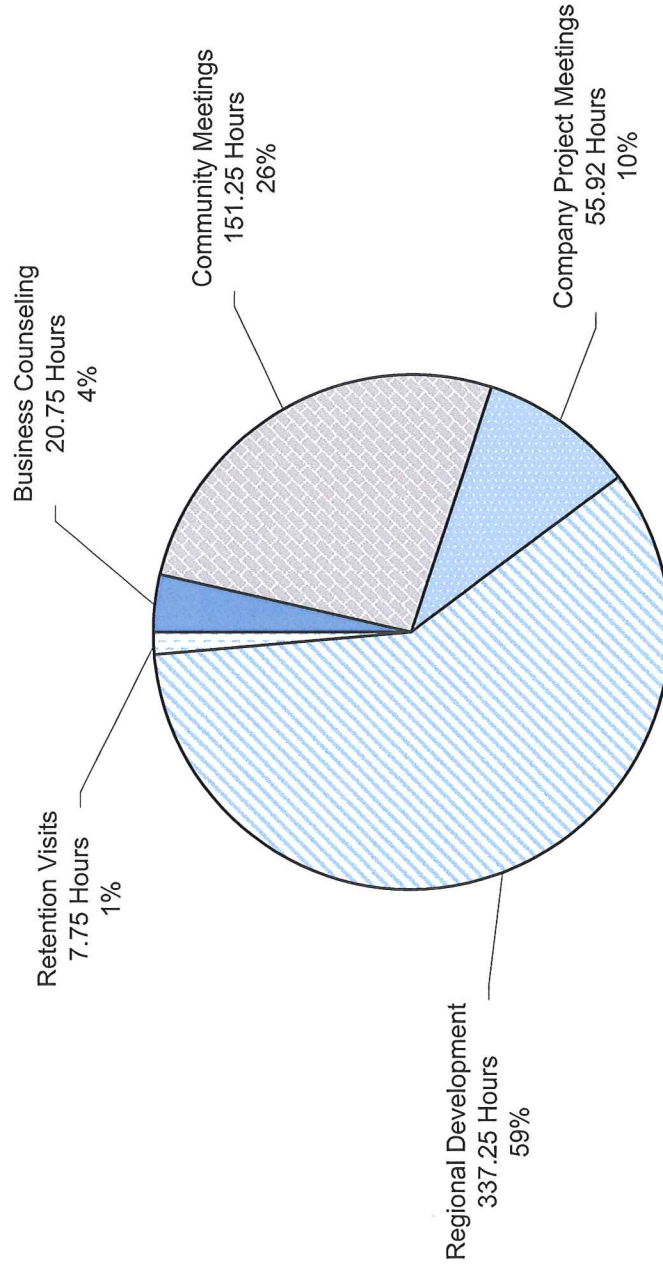


**TRAVERSE BAY ECONOMIC
DEVELOPMENT CORPORATION**

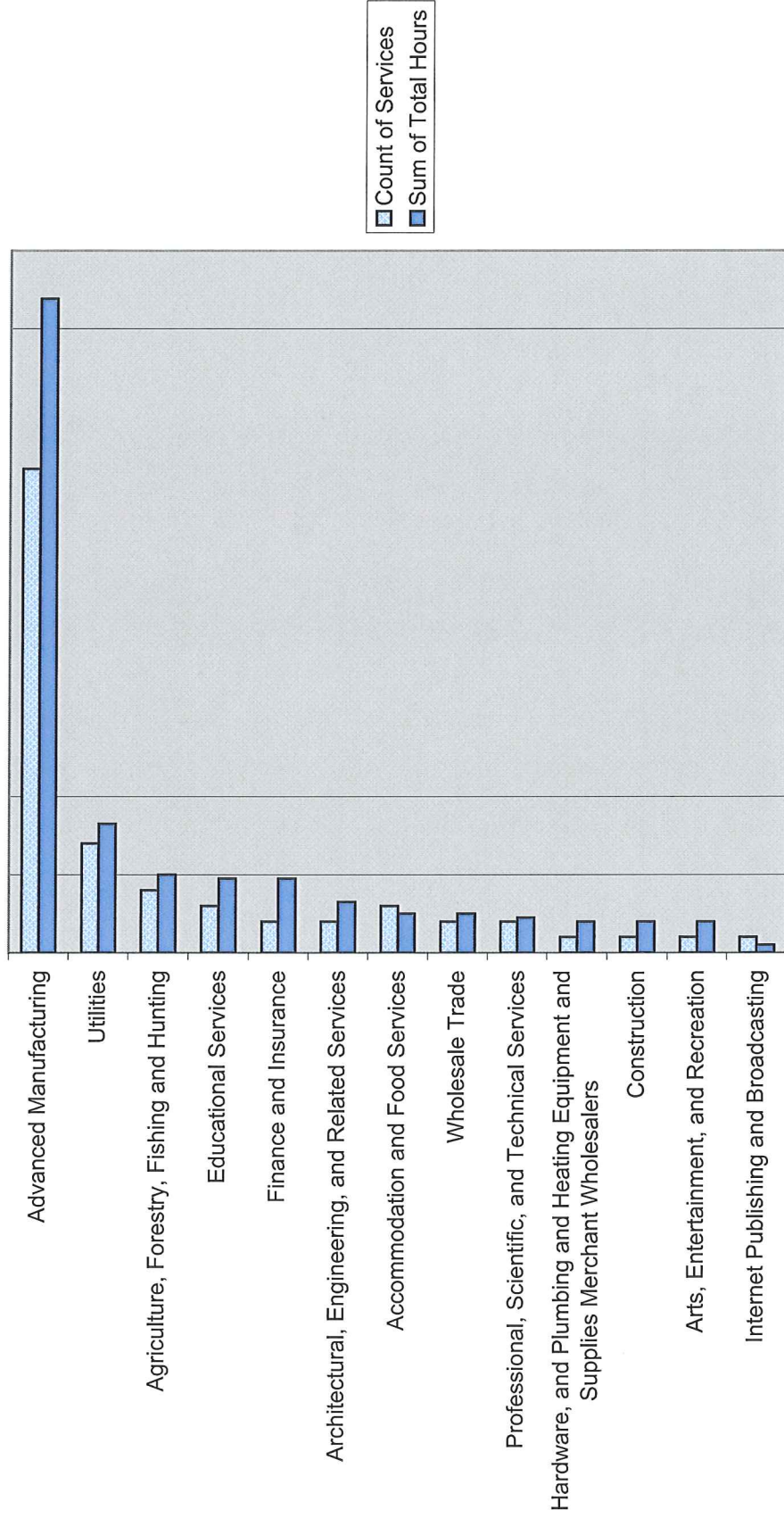
**Activity Report from
July 1, 2009 – December 31, 2009**

**Traverse City Light & Power
Board of Directors
February 9, 2010**

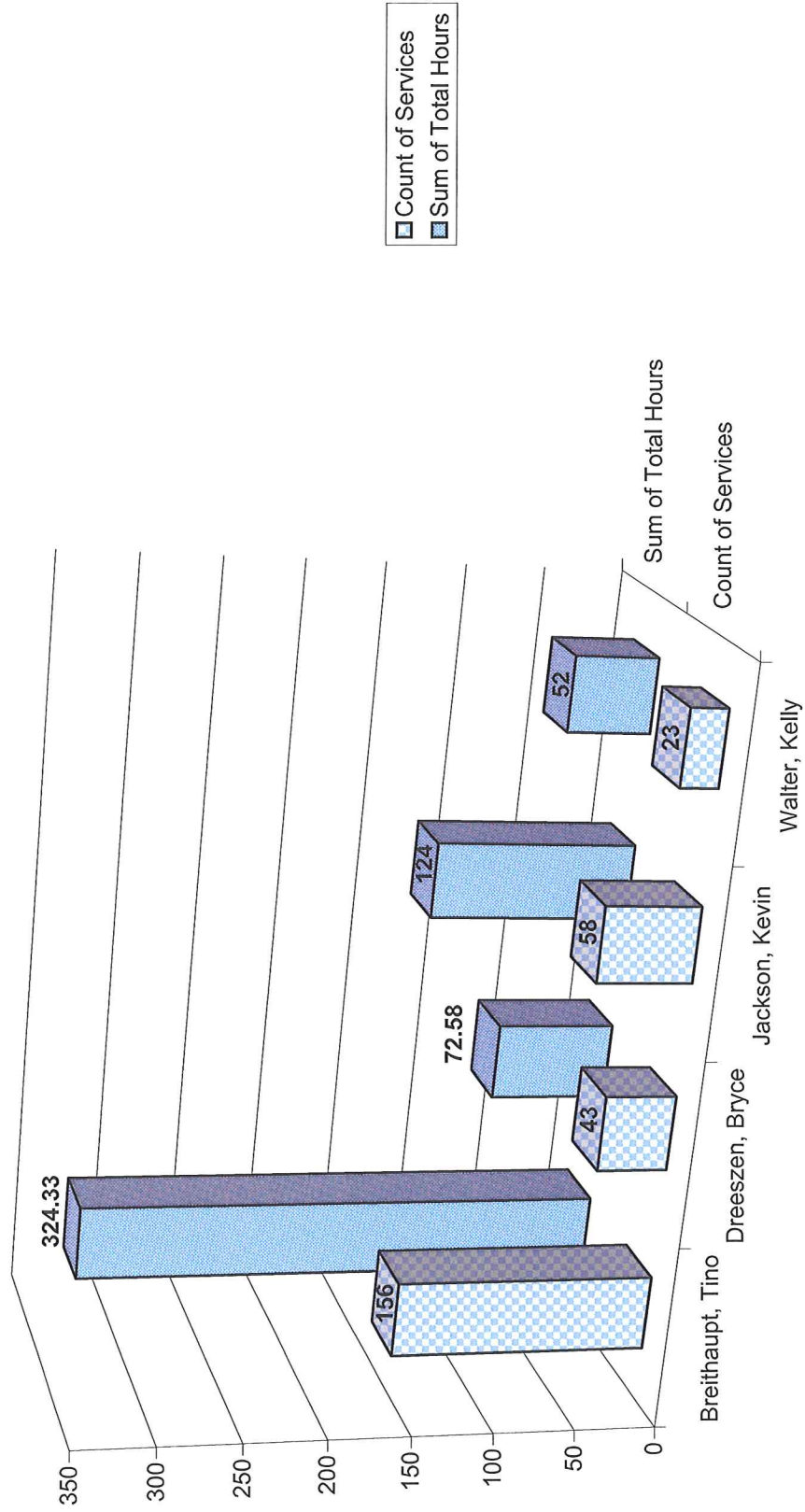
**Traverse Bay EDC
Activity by Meeting Type
City of Traverse City
July 1, 2009 - December 31, 2009**



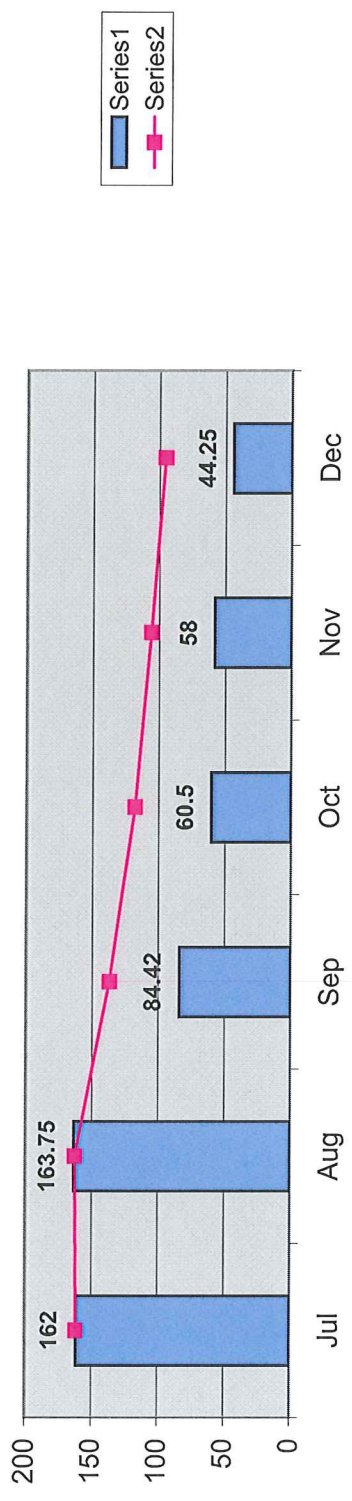
**Traverse Bay EDC
Activity by Business Sector
City of Traverse City
July 1, 2009 - December 31, 2009**



**Traverse Bay EDC
Activity by Staff
City of Traverse City
July 1, 2009 - December 31, 2009**



Traverse Bay EDC Activity by Month
City of Traverse City
July 1, 2009 - December 31, 2009



Traverse Bay EDC
Successful Projects - 2009
City of Traverse Bay

Company	Primary Staff Person	Start Date	Completion Date	County	City/Village/Township	Status	Status	Jobs Created	Jobs Retained	Private Investment	Public Investment	Retention Call Project	TBDEC Role
Professional Medical Clinic	GT County BRA	1/1/2008	12/15/2008	Grand Traverse	City of Traverse Bay	Project was approved for Brownfield Tax Credits by the State MEGA Board on 12-15-08, but was not counted as a successful project in 2009 due to issues with DEQ related to the Baseline Environmental Assessment. Construction on the project started, was delayed for several months and continues at the corner of Front & Division.	S	15	20	\$4,900,000	\$215,645	N	Provide appropriate assistance to GT County BRA as necessary.
BigOlives2 101 N. Park Street	GT County BRA	10/15/2008	2/17/2009	Grand Traverse	City of Traverse Bay	GT County had its work plan request approved by the MEGA Board on 2/17/09. Developer has moved crane to the site and has enough pre-commitments to begin construction. A change has been made in the make up in this development, which will now be 3 floors residential and 2 floors of office, commercial and retail development. Residential commitments are very solid.	S	40	0	\$16,000,000	\$1,900,000	N	Provide appropriate assistance to GT County BRA and DDA as necessary. Currently marketing and promoting available space on EDC Webpage on its featured sites in the region. EDC also identifying appropriate non-traditional financing programs for developer to consider.
Hagerly Insurance	Tino Breithaupt	12/1/2006	10/5/2009	Grand Traverse	City of Traverse Bay	City Commission voted 5-2 on 10/5/09 to award Old Town Parking Deck construction contract and issue bonds	S	226	360	\$20,964,000	\$9,750,000	N	Partnered with City, DDA, Grand Traverse County BRA, MEDC and Hagerly officials to secure Hagerly's proposed expansion activities in Old Town.
Old Town Parking Deck	Tino Breithaupt	4/1/2006	10/5/2009	Grand Traverse	City of Traverse Bay	City Commission voted 5-2 on 10/5/09 to award Old Town Parking Deck construction contract and issue bonds	S	0	0	\$0	\$10,000,000	N	Partnered with City, DDA, Grand Traverse County BRA and MEDC to make this a successful project.
Skilled Manufacturing	Tino Breithaupt	7/30/2009	12/15/2009	Grand Traverse	City of Traverse Bay	GT County-based company pursuing major aerospace contract. Competing site for this project is in Phoenix, Arizona. Prime contractor has locations in Arizona and California. City Commission approved property tax exemption requests on a 7-0 vote on 11-2-09. Company was approved by MEGA Board State officials for approval of a payroll tax credit for this proposed expansion project. Approval was for \$571,000 tax credit over 7 years. Expansion activity will begin before the end of the year.	S	73	34	\$8,659,250	\$1,319,996	Y	TBDEC was first contacted by company officials regarding an opportunity to secure a \$400 million, 10-year guaranteed contract with a prime contractor in the aerospace industry. Company officials would like to site this project in the City of Traverse Bay, but they are also wanting to reduce their cost of doing business in Michigan. TBDEC has been instrumental in meetings with MEDC and City of Traverse Bay officials and company representatives. TBDEC assisted with incentive package at the local and state level. Company successfully received MEGA Tax Credit for \$571,000 over 7 years and a Real Property Tax exemption over 12 years valued at \$135,000 and a Personal Property Tax exemption (100% exemption under PA 328) over 6 years valued at \$613,000.
<p>Totals for In-Progress Projects: 0 Jobs Created, 0 Jobs Retained, \$0 Private Investment, \$0 Public Investment</p> <p>Totals for Successful Projects: 354 Jobs Created, 598 Jobs Retained, \$59,420,250 Private Investment, \$23,085,641 Public Investment</p> <p>Totals for Lost Projects: 0 Jobs Created, 0 Jobs Retained, \$0 Private Investment, \$0 Public Investment</p>													

**Traverse Bay EDC
Project Activity 2010
City of Traverse City**

Public Descriptor	Primary Staff Person	Start Date	Completion Date	County	City/Village/Township	Status	Status Code	In Progress Success		Jobs Retained	Private Investment	Public Investment	Retention Call Project	TBEDC Role	
								Jobs Created	Lost						
Suite Hotel - GT Commons	Tino Breithaupt	7/3/2006	TBD	Grand Traverse	City of Traverse City	This project has been on hold for several months due to the developer's inability to obtain complete financing for the project.	IP	115	0	0	\$24,700,000.00	TBD	No	Partnering on project with GT County BRA, MEDC and City staff as appropriate. Installation of a traffic light at 11th Street is big issue for the developer relative to their Hotel Project.	
Wind Technology Proposed Development	Tino Breithaupt	2/13/2007	TBD	Grand Traverse	City of Traverse City	Alternative Energy Project--Company officials are still attempting to purchase a technology license from a German-based firm to develop wind turbines in Traverse City for the Midwest-U.S. Market. Currently researching strategic alignment with several Michigan universities in an effort to submit a proposal to the Michigan Center of Energy Excellence program, as well as to the Federal Government...to support this initiative.	IP	20	0	0	\$10,000,000.00	TBD	Yes	Met with Sen. Stabenow for April 17 to discuss the hurdle of purchasing the technology license from German-based company. Attempting to change Center of Energy Excellence Legislation to allow company to qualify for grant funding from the State of Michigan for this project.	
Snowden Properties	Tino Breithaupt	4/1/2007	TBD	Grand Traverse	City of Traverse City	Received State MEGA tax credit approval on 12/15/08, but developer has still yet to break ground on the project. No major movement has occurred on this development over the past two years, yet it still remains a possibility.	IP	175	0	0	\$33,000,000.00	\$7,200,000.00		Developer working with Developer/Mentor Program and TBEDC staff on other initiatives relative to proposed project	
Manufacturing Expansion	Tino Breithaupt	5/12/2009	TBD	Grand Traverse	City of Traverse City	Retention visit with company identified opportunities to work with company on alternative energy incentives to secure new development opportunity for the company's Traverse City operations.	IP	40	TBD	TBD	\$2,000,000.00	TBD	Yes	Potential packaging of Rural MEGA with MEDC and local commitment from City of Traverse City.	
Aerospace Project	Tino Breithaupt	7/30/2009	TBD	Grand Traverse	City of Traverse City	GT County-based company pursuing major aerospace contract. Competing site for this project is in Phoenix, Arizona. Prime contractor has locations in Arizona and California. City Commission approved property tax exemption requests on a 7-0 vote on 11-2-09. Company is scheduled for 12-15-09 MEGA Board Meeting in Lansing with State officials for approval of a payroll tax credit for this proposed expansion project.	IP	73	34	0	\$8,559,250.00	TBD	Y	TBEDC was first contacted by company officials regarding an opportunity to secure a \$300 million, 10-year guaranteed contract with a prime contractor in the aerospace industry. Company officials would like to site this project in the City of Traverse City, but they are also seeking to reduce their cost of doing business in Michigan. TBEDC has convened several meetings with MEDC and City of Traverse City officials and company representatives.	
Residential Development	Tino Breithaupt	9/16/2009	TBD	Grand Traverse	City of Traverse City	This proposed residential development on Hall Street is still in the proposed planning stages, while developers are still attempting to complete its financing package.	IP	0	0	0	TBD	\$0.00	N	TBEDC has been involved in meetings with Mansfield & Associate representatives, as well as with the investor behind this proposed development. The Chamber's Developer/Mentor Panel has reviewed this proposed project and has provided a letter to the developer providing details on how this development meets the New Designs For Growth Guidebook Principals for Smart Growth.	
Manufacturing Expansion	Tino Breithaupt	11/24/2009	TBD	Grand Traverse	City of Traverse City	Company considering expansion project in Traverse City or Indiana. Discussions regarding potential tax incentives and funding programs for their expansion are being discussed with company and State officials.	IP	43	160	0	\$5,000,000.00	TBD	N	Packaging project with MEDC officials.	
Totals for In-Progress Projects								466	194	0	\$83,259,250.00	\$7,200,000.00			
Totals for Successful Projects								0	0	0	\$0.00	\$0.00			
Totals for Lost Projects								0	0	0	\$0.00	\$0.00			



**TRAVERSE BAY
ECONOMIC DEVELOPMENT
CORPORATION**

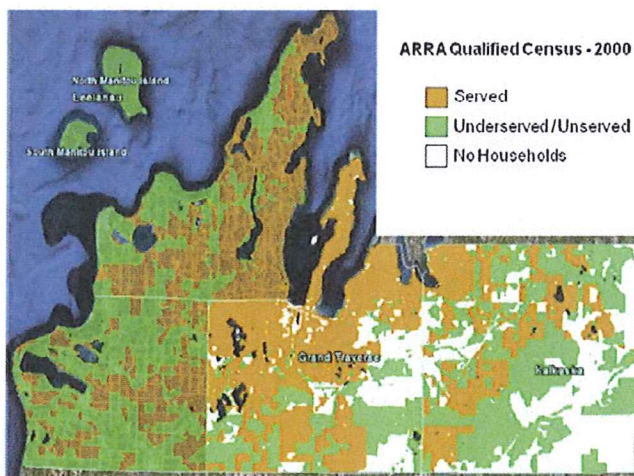
Traverse Bay EDC Regional Broadband Initiative Update—January 27, 2010

This document provides an update on activities and approach the Traverse Bay Economic Development Corporation is pursuing regarding high-speed internet availability across the four-county region, (Benzie, Grand Traverse, Leelanau and Kalkaska Counties). The objective and goal of this initiative is to develop and execute a broadband investment strategy at a regional level that clarifies the financial investment, infrastructure necessities, and economic benefit of high-speed internet availability across urban and rural sectors of the region.

The approach, which is segmented into three phases, is now ready to proceed onto Phase II. The Traverse Bay EDC plans to continue its engagement with Wireless 20/20, an independent consulting firm to assist in the development of the Regional Broadband Investment Strategy. Wireless 20/20 has completed studies in three of the four counties, and contributed to an American Recovery and Re-investment Act (ARRA) Round 1 application for Benzie County.

Phase 1

The purpose of Traverse Bay EDC's Phase 1 process was to conduct an inventory of broadband-related assets and high-speed internet availability in each individual county. This entailed identifying served, underserved, and un-served areas, along with physical assets, census tracts, existing providers servicing the county, stringent zoning, etc.



The study also presented financial investment models of wireless broadband network frequencies offered by wireless broadband providers currently providing, or targeting to provide, services within the county.

Each county funded their respective studies. Leelanau and Kalkaska counties contracted directly with Wireless 20/20 to conduct their respective studies. Grand Traverse County appointed the Traverse Bay EDC to perform their study in which they contracted with Wireless 20/20.

Benzie County contracted with Cherry Capital Connections, a wireless internet service provider,

to develop and submit an ARRA Round 1 application. As part of this activity, Cherry Capital Connections contracted with Aspen Wireless Networks who subcontracted with Wireless 20/20 to conduct an assessment of the service area and development of a wireless network investment model for the Benzie County application.

The Benzie County application may still be under consideration for award in the first round. The Benzie County Board of Commission did pass a resolution outlining their investment for an ARRA Round 1 application, which suggests that the County's Round 1 application/information be used/leveraged into a broader regional submission for an ARRA Round 2 application (ie, the Traverse Bay EDC's plans for Phase 2 activities).

All work for each of the other three counties has been completed with the results of each county study reported back to county stakeholders and the Traverse Bay EDC. The Traverse Bay EDC has reports on file for Grand Traverse, Leelanau, and Kalkaska counties.

Phase 2

The second phase of the initiative builds upon the previous work provided by each of the four counties. It utilizes their contribution as key data in the development of a Regional Broadband Investment Strategy. The Traverse Bay EDC will continue an engagement with Wireless 20/20 in the development of a strategy that will focus on the following three elements:

A Regional Broadband Investment Model

Each of the individual four-county WiROI™ models will be aggregated into a regional model that outlines a ten-year projection of revenue, capital expenditures, and operating expenses for a viable hybrid (fiber and wireless) network model.

Broadband Availability Business Case

Leveraging several sources (Phase 1 information, Economic Forecast, Grand Vision, service provider plans, community leaders, etc.) a business case that presents measurable economic benefits for broadband coverage at a township, county, and/or regional level will be created. It will outline practical actions that identified broadband providers within the private sector, and local units of government within the public sector, can cooperatively employ to achieve the economic benefit. Overall, this is a core component of the Regional Broadband Investment Strategy with an emphasis on:

- Economic Impact with 100% Broadband availability (Business / Residential)
- Capital Investment (Middle Mile / Last Mile)
- Township Zoning Impediments / Barriers

Regional Broadband Service Provider RFI/RFP (Middle Mile / Last Mile)

A Request for Information / Request for Proposal will be developed and delivered to identified Broadband Providers currently servicing and/or targeting service within the four county region. Through this process, service providers will be invited to participate and be included in the business case development through their specific contribution that supports broadband implementation in the four-county region.

A regional broadband investment committee having at least one (no more than three) representatives from each of the four counties and the Traverse Bay EDC will be established for Phase 2 and facilitated by Wireless 20/20.

Phase 3

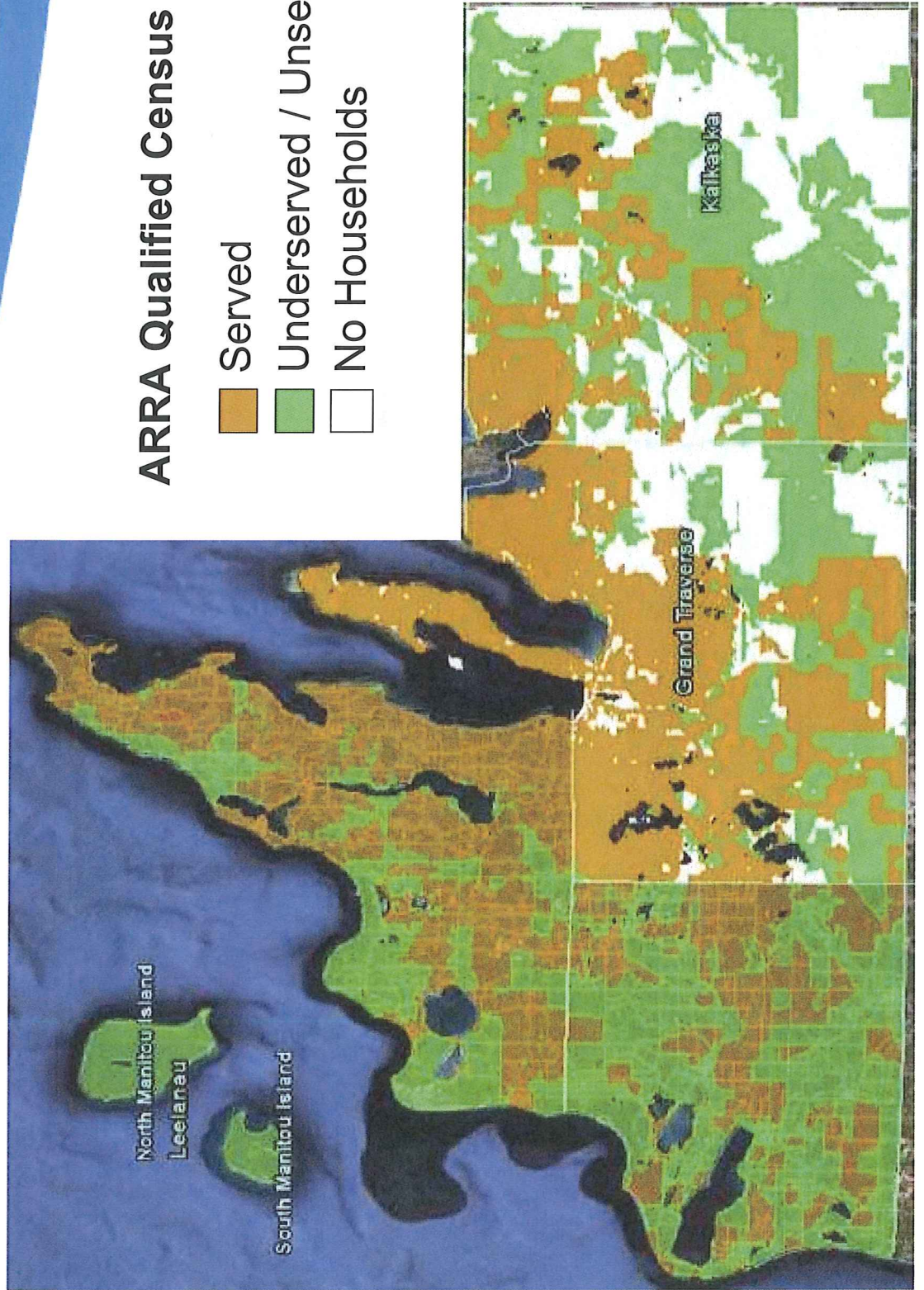
The introduction of the American Recovery and Re-investment Act at the Federal level has driven regional action based upon the opportunity to apply for Federal grant funds targeted for Broadband expansion in rural underserved and un-served areas. The Notice of Funding Availability (NOFA) for round 2 has been published. The USDA Broadband Initiative Program has been structured for rural last-mile and supporting middle-mile applications. The BIP loan/grant submission timeline is from February 16th 2010 through March 15th 2010. Awards are targeted to be announced by September 30th, 2010.

As part of the Traverse Bay EDC initiative to expand broadband availability in the region, a specific emphasis of Phase 3 is to contribute and endorse a specific or set of broadband providers within the private sector in their application for ARRA Federal funding. Activities conducted and deliverables provided within Phase 2 will aid in their application. The goal is to ensure the broadband needs of the four counties are incorporated and the process is conducted in a coordinated effort with the applying service provider(s). This method will also allow regional constituents the ability to vet and validate their endorsement. The Traverse Bay EDC has no plans to directly submit an application for ARRA Federal funding. The setup and operation of a Broadband network falls outside the Traverse Bay EDC's charter for economic development services within the region. Due to the timing of the published NOFA for ARRA Round 2, activities in support of a service provider(s) application will begin in combination with the appropriate efforts conducted within Phase 2.

Other funding sources will be explored and considered for use as they become applicable. These may include, but are not limited to, Recovery Zone Bonds, Technical Assistance Grants, Community Development Block Grants, etc.

Phase 3 will also develop and employ a communication plan with local units of government that presents the Regional Broadband Investment strategy and the specific components of the Broadband Availability Business Case that have an impact in their local area. The goal is to educate townships and county officials on the possible social and economic prosperity in conjunction with current zoning that may be an impediment and/or barrier.

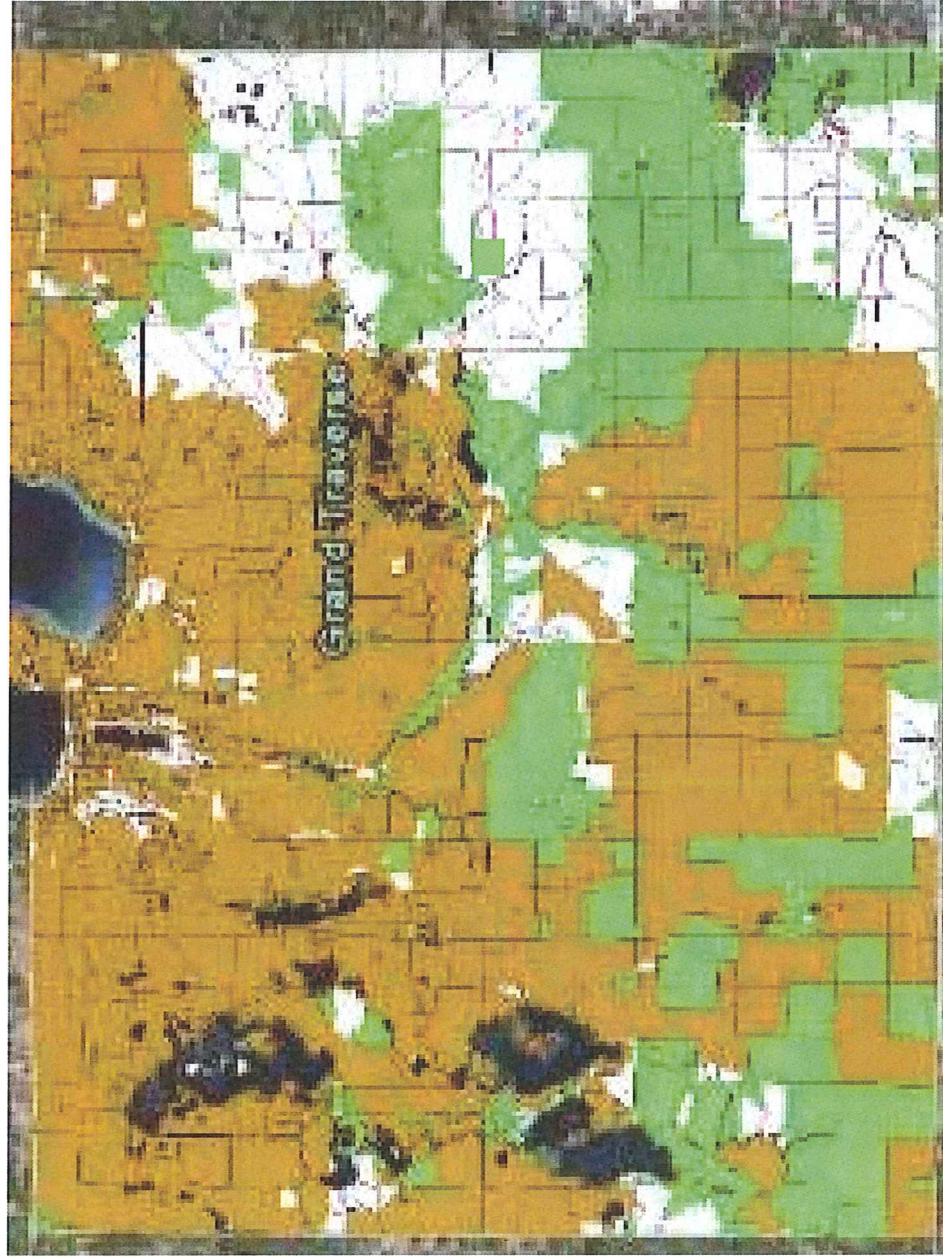
Regional Broadband Initiative Traverse Bay 4 County Region



Served – Under Served/Unserved Grand Traverse County

ARRA Qualified Census - 2000

Total of 2346 Census Blocks



WiROL: Investment Model Inputs

GT County	Geographical Scope	GT ARRA
47	Suburban Coverage Area - (km ²)	6
371	Rural Coverage Area - (km ²)	312
2 Years	Build out of Network (70% Complete)	1 Year
Market Share		
33,744	Households – Suburban + Rural	8,229
2,757	Businesses – Suburban + Rural	649
36,501	Market Population	8,878
~20%	Market Share Penetration	~30%
6,793	Total Subscribers (@ 10 Years)	2,579
426	Subscribers in 1 st Year	324
Average Revenue Per User / Month		
\$45.15	Year 1	\$45.03
\$42.06	Year 10	\$41.99

Service Level Agreements			
	Base/Month	Down	Up
Residential	\$25	1.5 Mbps	0.5 Mbps
Business	\$60	2.0 Mbps	1.0 Mbps
Tiered pricing based upon Bandwidth & Latency and Service Level			

WiROI: Investment Analysis

		10-Year						
Wireless Network	Model	CapEx (\$M)	OpEx (\$M)	CE/S (\$)	E + G (\$M)	E + L (\$M)	E + G CF (\$M)	E + L CF (\$M)
700 MHz Band 4G	County	2.590	12.1910	381	0.2 + 1.0	0 + 1.6	9.2520	7.839
	ARRA	1.558	4.7800	604	0.2 + 0.8	0 + 1.0	3.5700	2.343
ISM-UNII Band Wi-Fi	County	2.946	16.1910	433	1.4 + 2.9	2.4 + 2.9	5.4990	3.156
	ARRA	2.090	7.3380	836	0.6 + 1.8	1.2 + 2.0	2.4380	0.961
2.5 GHz Band 4G	County	3.737	13.6790	550	0.6 + 2.8	0.6 + 2.7	9.9080	9.782
	ARRA	2.728	6.2670	1,058	0.4 + 2.0	0.5 + 2.7	3.1850	0.848
3.65 GHz Band 4G	County	7.500	17.9300	1,104	0.8 (E) + 3.5 (G)	3.5 (L)	4.695	
	ARRA	4.882	8.7000	1,893	0.9 + 4.0	3.6 + 4.8	1.5900	-0.034

- Sustainable
- Moderate
- High Risk

Investment analysis reflects a wireless network implementation within Grand Traverse County only

Broadband Provider Summary

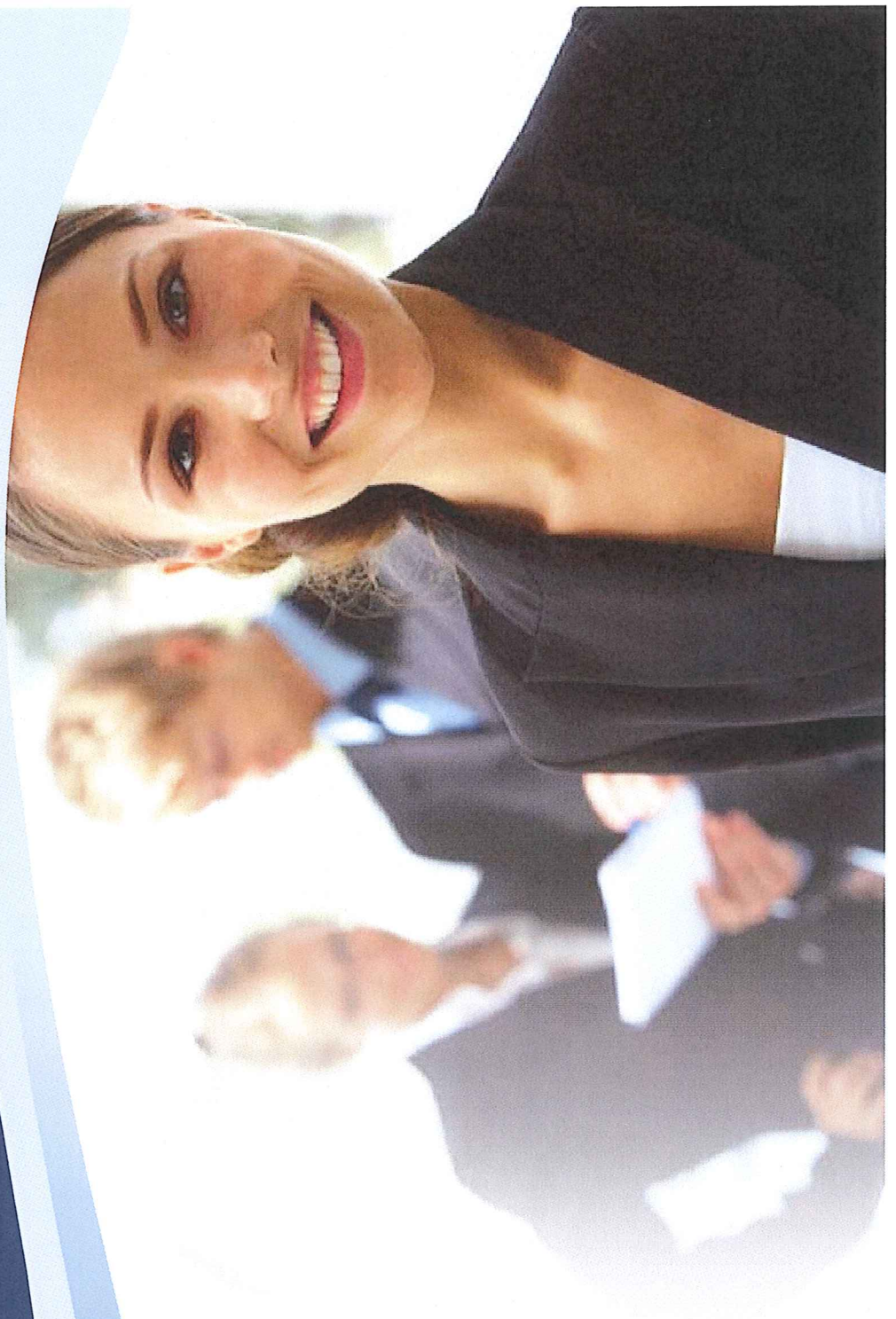
Provider	Region Coverage P = Providing Service T = Targeted				ARRA		
	GT	B	L	K	Round 1	Award	
• ATT	P	P	P	P	No	-	
• AVCI	T	T	T	T	Yes	TBD	\$30M Loan/Grant Last-mile
• Charter Communication	P	P	P	P	No	-	
• Cherry Capital Connection	P	T	P	P	Benzie	TBD	\$1M Loan (PPP) Last-mile
• COLI	P	-	P	P	No	-	
• Northern Michigan Broadband Coop	T	T	T	T	Yes GT & Kal	TBD	Total of \$26.214M Grant via 32 Middle-Mile Submissions
• SpeedNet	P	P	P	-	No	-	
• SprintPCS/Clearwire	P	P	P	P	No	-	
• Verizon	P	P	P	P	No	-	

GT = Grand Traverse
 B = Benzie
 L = Leelanau
 K = Kalkaska

What Lies Ahead

- **Phase II: Regional Strategy**
 - Aggregate each *County Investment Analysis* into a *Regional Investment Analysis*
 - Business Case Development
 - Economic impact with 100% broadband availability (Business / Residential)
 - Capital Investment (Middle Mile / Last Mile)
 - Township Zoning (Broadband Infrastructure Impediments/Barriers)
- Regional Broadband Service Provider RFI/RFP (Middle Mile / Last Mile)
- Finalize Funding Source(s)
 - ARRA (BTOP, BIP, Technical Assistance Grant), Recovery Zone Bonds,
- **Phase III: ARRA Round II**
 - NOFA Published: Feb 16th – March 15th. Awards announced Sept 30th.
 - Service Provider(s) are applicants – *Endorsed by the Region!*

Creating an Entrepreneurial Spirit in our Region



Economic Gardening

An innovative, entrepreneur-centered growth strategy that focuses on helping companies and entrepreneurial ventures in our own region flourish beyond survivability.

	Stage of a Company			
	I	II	III	IV
Entrepreneur Start-Up				
Established				
Emerging Growth				
Retool/Diversify/Crisis				
Mature				



Start – Grow – Relocate



➤ Start your business

Aid and accelerate the process of getting a business started.



➤ Grow your business

Assist in growing a business to the next level.



➤ Relocate your business

Aid in the relocation or expansion of a business into Northwestern Michigan.

Michigan Small Business Development & Technology Center

Growth Group

- ❖ Options for funding growth
- ❖ New markets & New products
- ❖ Management Team Development
- ❖ Building Sales Channels
- ❖ Enhancing Profits Margins

TechTeam

- ❖ New Product commercialization
- ❖ Patents & intellectual property control
- ❖ Market segmentation & sales strategies
- ❖ Angel/Venture Funding preparation

Manufacturing Assistance Team

- ❖ Financial stability & cost containment
- ❖ Diversifying into new markets & customers
- ❖ Pursuing governmental contracts
- ❖ Leveraging existing skills & equipment

Peer-To-Peer Learning

SITUATION

Looking to expand peer network.



Charles Judson
Attorney

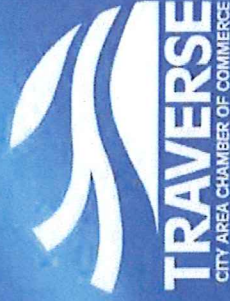
Smith Haughey Rice & Roegge

SOLUTION

My Chamber!

“The CEO Roundtable enables me to bounce things off peers for a fresh perspective. This opportunity has allowed me to interact with other business owners and exchange ideas which enhance our businesses.”

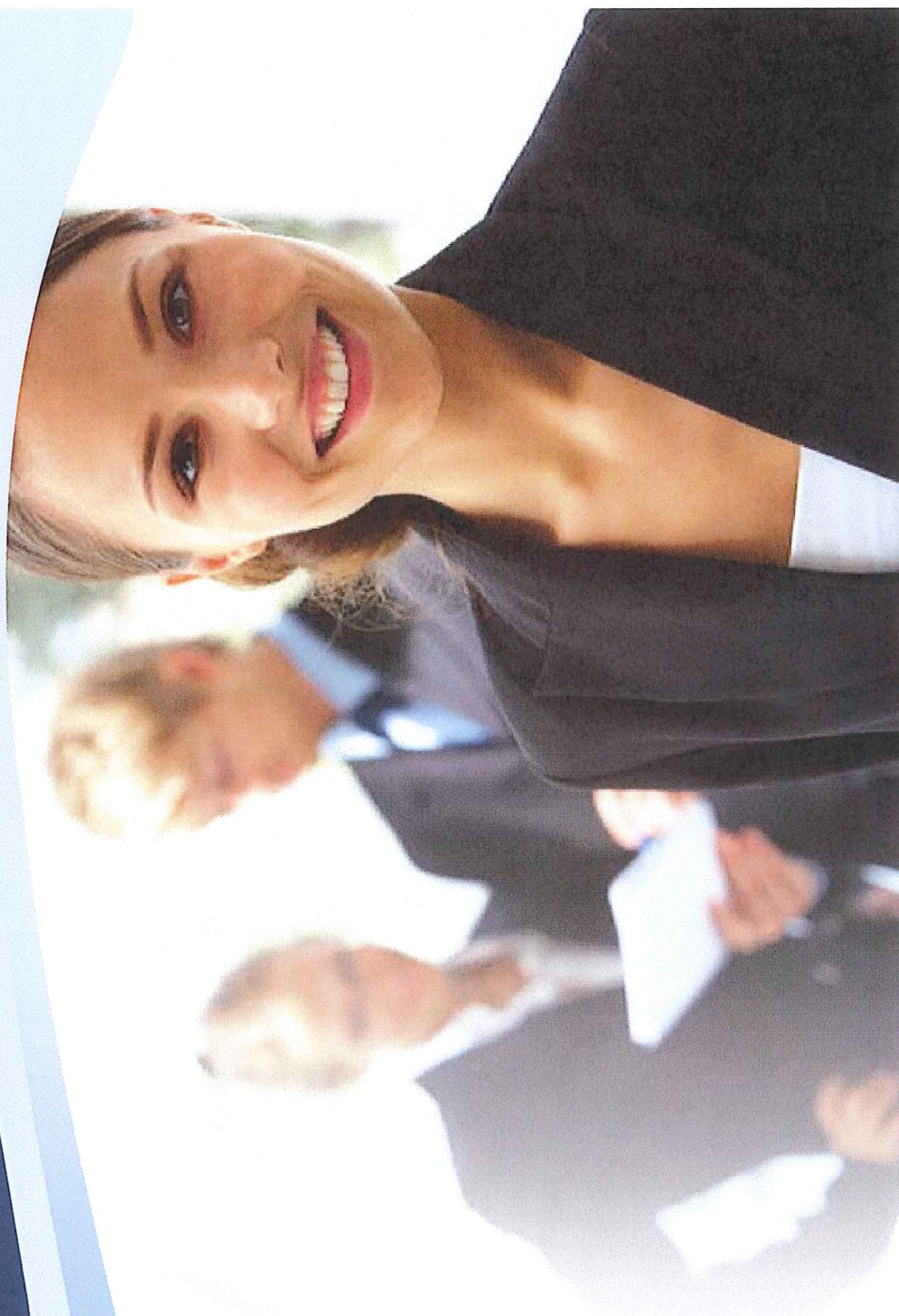
Join the Chamber today!
www.tcchamber.org



Growing Business. Building Community.

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Traverse Bay EDC's Entrepreneurial Spirit



Wealth


Jobs

Prosperity





**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Edward E. Rice, Executive Director 
Date: February 5, 2010
Subject: Closed Session – Power Purchase Agreement

Pursuant to the Open Meetings Act, I request a closed hearing of the Light & Power Board to consider a Power Purchase Agreement.

A Roll Call vote is required with four affirmative votes.

The following recommended motion would be appropriate to do so:

**MOVED BY _____, SECONDED BY _____,
THAT THE TRAVERSE CITY LIGHT & POWER BOARD GO INTO CLOSED
SESSION IMMEDIATELY AFTER PUBLIC COMMENT TO CONSIDER A POWER
PURCHASE AGREEMENT.**



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Ed Rice, Executive Director
Date: February 4, 2010
Subject: Fiber System IP Enhancements for Broadband Wireless

In recent weeks you have probably heard a lot regarding the lack of broadband wireless services in the Traverse City area and its negative impact on economic development opportunities for the area. This issue was a topic of discussion at the Traverse City Tomorrow forum last week.

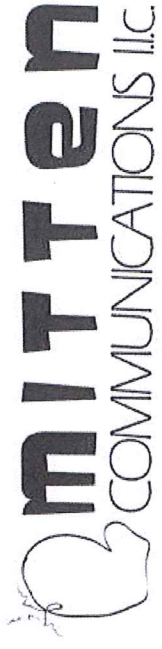
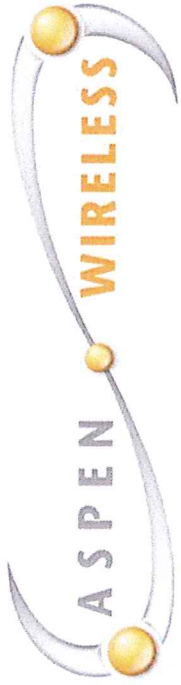
Traverse City Light & Power was approached by Aspen Wireless and Mitten Communication who are proposing that Light & Power install IP enhancements to its existing fiber network to provide wireless communications to the community. Their proposed professional services agreement would include system engineering and project planning for application development in conjunction with the Traverse Bay Regional Broadband Initiative for TCL&P's submission for federal stimulus funding under available broadband stimulus programs. Applications for this final round of federal funding are due by March 15th which gives this a sense of urgency for interested communities.

Mr. Jim Selby and Mr. Robert Franzo will make a presentation regarding this opportunity for TCL&P at Tuesday's nights meeting. They have proposed implementation of broadband wireless in 3 phases for our entire community. Phase I will include application for the federal stimulus grant funds and the development of a comprehensive business plan to support proceeding with successive phases of the project. After several meetings with them in the past 1½ weeks I believe that this is an opportunity that merits your consideration. Based on the information I have learned, I fully support proceeding with Phase I implementation and recommend approval by the Board.

If after the presentation, discussion, and public comment the Board agrees with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT AND POWER BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH ASPEN WIRELESS TECHNOLOGIES IN AN AMOUNT NOT TO EXCEED \$40,000 FOR PHASE I IP ENHANCEMENT SERVICES TO INCLUDE DEVELOPMENT OF AN APPLICATION FOR FEDERAL FUNDING AND DEVELOPMENT OF A COMPREHENSIVE BUSINESS PLAN FOR FUTURE CONSIDERATION BY THE BOARD, SUBJECT TO APPROVAL AS TO FORM BY COUNSEL.



Traverse City Light & Power Fiber Network IP Enhancement Board Proposal

Rob Franzo, Business

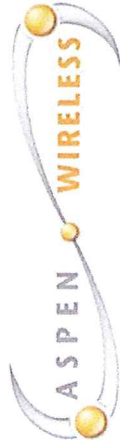
Jim Selby, Engineering

Motivation for Project

- End Goal:
 - Extract value from the under utilized Fiber asset
 - Only 1% of capability being used
 - Accelerate ROI for previous Fiber Plant investment
 - Invest and collaborate with Chamber, DDA and BATA to build economic base
 - Strengthens economic base for job and wealth creation
 - TBEDC Regional Broadband Investment Strategy
 - Tie broadband access to tourism – Pure Michigan®
 - Strengthen TC L&P brand:
 - Leadership with a successfully executed project
 - Affinity with transit visitors and locals
 - ARRA Broadband Stimulus Round 2 Funding Application

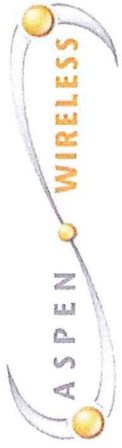
Proposal Framework

- Three Phase Project for Fiber Network IP Enhancement:
 - 1st Phase (completed by March 15, 2010):
 - Assessment of Current Business and Technical Operations
 - Planning and Optimization of Business and Technical Operations
 - Federal Funding Proposal Development and Submission
 - 2nd Phase (completed by June 28, 2010):
 - Initiation of 2nd Phase dependent upon 1st Phase Business Case
 - TCL&P Core Network IP Enhancement to Leverage Current Assets
 - Grand View Parkway and Traverse City DDA Zone Wi-Fi
 - [Cherry Festival](#) Service Launch with Location Based Advertising
 - 2nd Phase + (IP extension of entire network)
 - TCL&P Complete Network IP Enhancement and Services
 - Time-frame of Project Depends Upon Funding Source



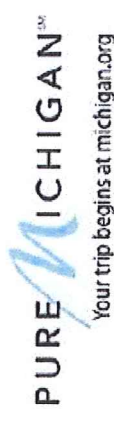
Phase 1 Outline

- Completed by March 15, 2010
 - Date for submission of Federal Funding Application
 - ARRA USDA BIP or NTIA BTOB 5:00 p.m. March 15, 2010
- Current Assessment , Planning and Optimization:
 - Business – Agreements, Pricing, Operational Costs, ROI/TCO
 - Technical – Physical Plant: Capacity, Capability, Constraints
- Federal Funding Proposal
 - Project Management, Regional Coordination, Planning, Narratives, Engineering, Vendor Selection, Assembly, Submission

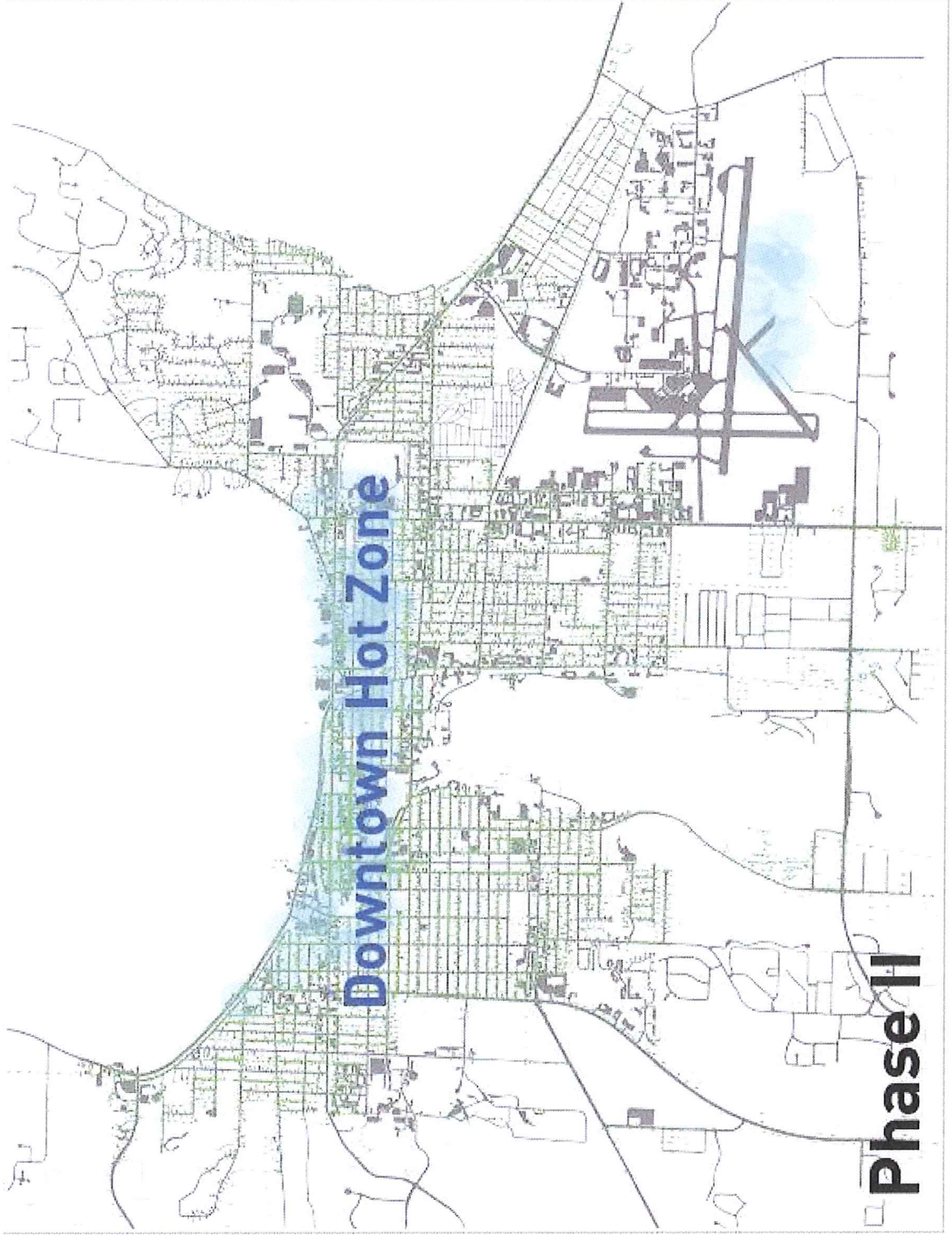


Phase 2 Outline

- Completed by June 28, 2010
 - Investment used as match/in-kind for ARRA proposal
 - [Cherry Festival Service Launch](#)
- TCL&P Core Network IP Enhancement
 - Location Based Advertising
 - Complimentary to TCL&P Residential Customers
 - Branded [Pure Michigan®](#) / [TCL&P Wi-Fi Hot Zone](#)
- Coverage Area 2 Sq. Miles:
 - Grandview Parkway & Traverse City DDA Zone Wi-Fi
 - ROM for PH2 Project ~ \$350,000 Total Build
 - Includes Core Network Infrastructure (~\$125K)



Phase 2 Enhanced Network

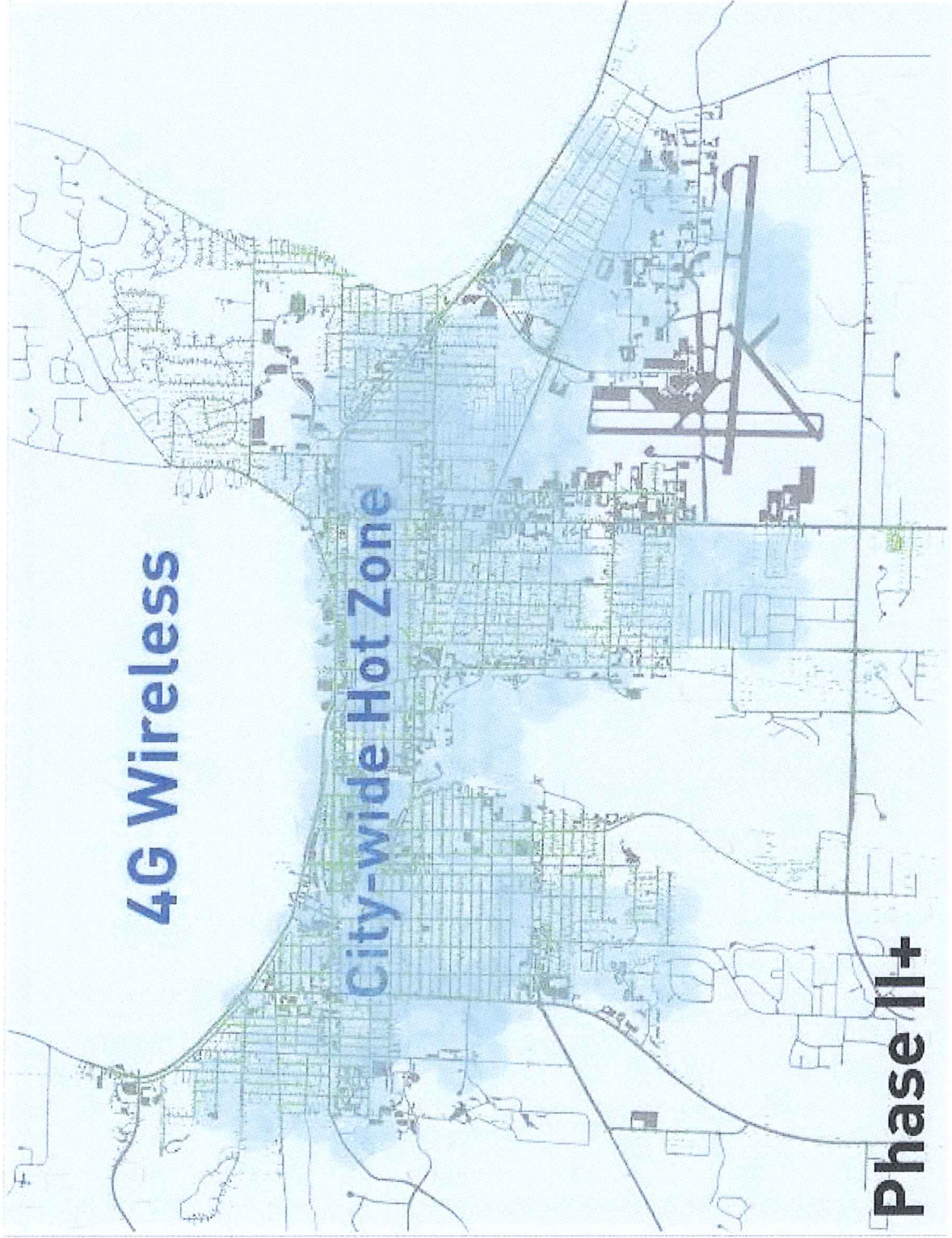


Phase 2+ Outline

- Completed IP Extension of Fiber Network:
 - Time-frame of Project Depends Upon Funding Source
 - ARRA funded build aggressively from Sept 30, 2010 award date
 - TCL&P funded build per business model as contingency
- Greater Coverage Area & Network Capacity:
 - Balance of Traverse City 4G (WiMAX/Wi-Fi) EPC Network
 - Complimentary Traverse City Business Zone Wi-Fi
 - Extension of Fiber to Anchor Tenants (Gov, Health, Business)
 - Direct Internet Access (DIA) procurement planning
 - ROM for PH2+ Capital Project ~ \$675,000 Total Build
 - Includes fiber to tower extensions
 - Assumes labor efficiencies from PH2 experience

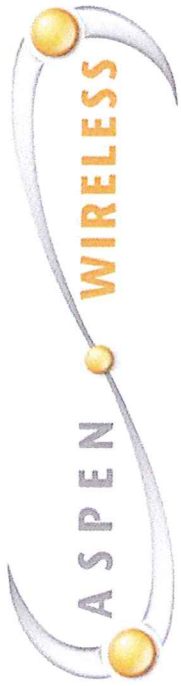


Phase 2+ Enhanced Network



Summary

- Extract value from the under utilized Fiber asset
 - Only 1% of capability being used
 - Accelerate ROI for previous Fiber Plant investment
- Invest and collaborate with Chamber, DDA and BATA to build economic base
 - Strengthens economic base for job and wealth creation
 - TBEDC Regional Broadband Investment Strategy
 - Tie broadband access to tourism – Pure Michigan®
 - Strengthen Light & Power Community Brand
- ARRA Broadband Stimulus Round 2 Funding Application



Thank You

Rob Franzo – (231) 866-0919

Jim Selby – (970) 948-9998



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Jim Cooper *JC*
Date: February 5, 2010
Subject: Recent Michigan LED Grant to L&P

Grand Traverse County, in conjunction with Traverse City Light and Power and the City of Traverse City, applied for and received a \$250,000 Michigan Energy Efficiency Block Grant for the installation of Light Emitting Diode (LED) light in a variety of applications. The grant provides for the 80% of the purchase costs of the LED lights, with installation costs provided by TCLP as local match. The 20% purchase cost as TCLP match is estimated at \$97,000.

The Michigan Energy Efficiency Block Grant program is part of the American Reinvestment and Recovery Act (ARRA), otherwise known as the Federal Stimulus program.

Block Grant funds were received by the State of Michigan and distributed through the Michigan Public Service Commission. The MPSC issued a Request for Proposal throughout the State for two programs: Energy Efficiency Block Grants and LED Demonstration Grants. The State recently announced the award of \$17.4 million to 125 local units of government.

Grand Traverse County was also successful in receiving a \$353,575 Block Grant for lighting improvements and other energy efficiency measures at County and City facilities. TCLP is working with the County and City to assist in the implementation of the Energy Efficiency Block Grant, as well.

The LED Demonstration Grant will consist of three primary components:

1. Purchase and install LED lights for street lighting, outdoor lighting, and in buildings.
2. Data collection and research to detail the energy and cost savings of the installations and other project impacts; and
3. Outreach to the community to describe the project and explain the benefits.

The official start date has not been set, but the grant agreement is anticipated to be executed within the next two months with a one year timeframe to implement the project.

The initial step in the project will be to review, evaluate and select the type and manufacturer for each LED application, with a strong focus on Michigan suppliers.

An estimated 205 streetlights will be purchased and installed by TCLP staff, expanding the pilot LED project on West Front Street. An estimated 100 outdoor lights will be installed either by TCLP staff, depending upon the location, building staff or contractors, and an estimated 50 building lights will be installed by building staff or contractors.

Budget Narrative

Budget Line Item	Description	State	GTCO TCLP	In-Kind or Cash Match	Total
Personnel	Grand Traverse County and TCLP staff will be intimately involved in all aspects of the project. All GTCO and TCLP staff time is included in the project as local match.	\$0	\$77,245	In-Kind	\$77,245
Supplies Materials & Equipment	The Project Plan will determine which LED systems will be selected. The budget assumes a \$1,000 per fixture cost for street lighting, \$750 for site lighting, and \$650 for building lighting.	\$250,000	\$97,000	Cash	\$347,000
Contractual Services	There are two primary contractual services: Implementation Contractor, who will be responsible to ensure that all aspects of the project are effectively implemented, and installation contractors in the case of City or County installations. Contractual services will be procured in accordance with RFP requirements outlined in II-I.	\$0	\$69,780	In-Kind and Cash Match	\$69,780
Travel	No travel is anticipated from the grant. Any travel will be covered by the participating agencies.	\$0	\$0		\$0
Other Expenditures	No other expenditures are anticipated.	\$0	\$0		\$0
Indirect Costs	None	\$0	\$0		\$0
Total		\$250,000	\$244,025		\$494,025
Direct Costs		\$250,000	\$244,025		\$494,025

Significant staff time from TCLP will be donated as in-kind and TCLP has committed to fund **20%** of the cost of the LED systems, as well as all labor and materials for installation, up to \$150,000 to match the EECBG grant.