



Notice

City Commission Special Meeting

7:00 p.m.

Monday, May 12, 2014

Commission Chambers, Governmental Center

400 Boardman Avenue

Traverse City, Michigan 49684

Posted and Published: 05-09-14

Meeting informational packet is available for public inspection at the Traverse Area District Library, City Police Station, City Manager's Office and City Clerk's Office.

The City of Traverse City does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Penny Hill, Assistant City Manager, 400 Boardman Avenue, Traverse City, Michigan, 49684, 922-4440, TDD: 922-4412, has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act and the rights provided thereunder are available from the ADA Coordinator. If you are planning to attend and you have a disability requiring any special assistance at the meeting and/or if you have any concerns, please immediately notify the ADA Coordinator.

At the request of City Manager Jered Ottenwess, City Clerk Benjamin Marentette has called this special meeting.

City Commission:

c/o Benjamin C. Marentette, CMC, City Clerk

(231) 922-4480

Email: tcclerk@traversecitymi.gov

Web: www.traversecitymi.gov

400 Boardman Avenue

Traverse City, MI 49684

The mission of the Traverse City City Commission is to guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens coupled with the expertise of the city's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.

Welcome to the Traverse City Commission meeting!

Any interested person or group may address the City Commission on any agenda item when recognized by the presiding officer or upon request of any Commissioner. Also, any interested person or group may address the City Commission on any matter of City concern not on the Agenda during the agenda item designated Public Comment. The comment of any member of the public or any special interest group may be limited in time. Such limitation shall not be less than five minutes unless otherwise explained by the presiding officer.

Agenda

Pledge of Allegiance

Roll Call.

1. Public hearing regarding the City Manager's Proposed Budget for Fiscal Year 2014/15. (Jered Ottenwess)

The purpose of this public hearing is to allow the public an opportunity to express, and the opportunity for the City Commission to consider, the public's support, opposition or general comments regarding this matter. To preserve the written record, members of the public are asked to state whether they are in support or opposition of this matter or whether they are expressing general comments. After such statement, the public is welcome to continue to elaborate on the matter.

2. Consideration of adopting a resolution establishing a request for funding and authorizing the grant project agreement for \$173,932 in federal transportation funds for the West End Trail and Access Project. (Jered Ottenwess, Timothy Lodge) (5 affirmative votes required)
3. Adjournment. (**Note:** General public comment is welcome at the conclusion of the Study Session, which immediately follows this Special Meeting.)

(See next page for Study Session agenda)

Notice City Commission Study Session

Immediately following the Special Meeting

At the request of City Manager Jered Ottenwess, City Clerk Benjamin Marentette has called this Study Session.

Agenda

1. Discussion regarding the City Manager's proposed budget for Fiscal Year 2014/15, including the proposed budgets for Traverse City Light and Power and the Downtown Development Authority for Fiscal Year 2014/15. (Jered Ottenwess)
2. Discussion regarding targeted redevelopment areas. (Jered Ottenwess, Russell Soyering, Jean Derenzy)
3. Public comment.
4. Adjournment.



The City of Traverse City

Communication to the City Commission

FOR THE CITY COMMISSION MEETING OF MAY 12, 2014

DATE: MAY 9, 2014

FROM: ⁵⁰JERED OTTENWESS, CITY MANAGER

SUBJECT: MAY 12 SPECIAL MEETING AND STUDY SESSION

On Monday evening, the City Commission will begin with a Special Meeting, followed by a study session. General public comment for the evening is scheduled for the conclusion of the study session. This memo covers Monday evening's agenda items.

SPECIAL MEETING:

1. *Public hearing regarding the City Manager's Proposed Budget for Fiscal Year 2014/15.*

As required by the City Charter, a public hearing is scheduled for Monday evening regarding the proposed Fiscal Year 2014-15 City Budget, which includes the Downtown Development Authority, Traverse City Light and Power, the 6-Year Capital Improvements Plan, and proposed tax rate.

At this time, the adoption date of the budget is tentatively scheduled for May 19, 2014; however, the budget could be adopted as late as June 2, 2014, as required by the City Charter. If, following the public hearing, the Commission desires additional discussion, additional meetings can be scheduled; and as always, I am available for individual meetings.

No action is necessary following the public hearing.

2. *Consideration of adopting a resolution establishing a request for funding and*

authorizing the grant project agreement for \$173,932 in federal transportation funds for the West End Trail and Access Project.

Attached is a memorandum from City Engineer Timothy Lodge indicating that the city received notification May 5 from the Michigan Department of Transportation that a resolution regarding future maintenance and funding for the West End Beach Trail and Access Project is required by May 16, in order to stay on project schedule.

As you are aware, this project includes the extension of a non-motorized trail along the north side of West Grandview Parkway from the parking lot at West End Beach to Elmwood Avenue. It also includes a pedestrian crossing of West Grandview Parkway near the alignment of Elmwood Avenue, to connect the trail extension with the neighborhoods and trail networks to the south. Additionally, a small viewing platform and access to the beach will be constructed, as well as a stormwater treatment structure. Attached is a map showing the location of this project.

The city will receive \$173,932 in federal Transportation Enhancement Program Funds for this project. The estimated project cost is \$387,876; and the remaining \$213,944 in project costs will be paid by the city, using funds from the Depot Property sale.

MDOT requires the attached resolution be adopted by the City Commission to commit to providing the required city funding and future maintenance.

I recommend the following motion (5 affirmative votes required):

That the resolution which requests funding, commits to providing the local match and future maintenance, and authorizes the City Manager to execute the related project agreement in connection with a \$173,932 federal Transportation Enhancement Grant for the West End Beach Trail and Access Project (Grand Traverse Bayfront Trail Extension and Highway Crossing Project), be adopted.

STUDY SESSION:

1. *FY14-15 Budget*

Following discussion at the April 29th study session, I have reviewed several issues in more detail which merit further discussion and are outlined below. I have not addressed discussion topics for which there was general consensus. The study session provides an opportunity to follow up on discussion points and address remaining issues or concerns. Depending on the outcome of the meeting, we can schedule action on the budget for May 19th.

Storm Sewer Set-aside

Consensus from the April 29th study session was to set aside \$250,000 of General Fund balance for future storm sewer infrastructure improvements, which the SAW grant will identify over the coming years. To accommodate this set-aside and future utility work specific to the storm sewer system, the City Treasurer/Finance Director and I recommend establishing a separate storm sewer utility fund. We will provide modified pages of the budget that reflect this change at the meeting. You may also consider creating a set-aside within the current FY13-14 Budget. If you so choose, staff can prepare and present this amendment in June.

Two key points emerged from the study session related to the storm sewer system: (1) *Cost for future improvements* – DPS staff have provided an asset replacement value of the entire storm sewer system based on the current inventory available of approximately \$26 million. However, that figure should be used very cautiously keeping in mind that one of the main objectives of the SAW Grant is to “evaluate long term infrastructure maintenance and capital needs.”

(2) *Purpose and outcome of the SAW grant* – An overview of the SAW Grant is provided on the attached SAW Grant Summary page. Additional information was presented at the November 18, 2013 City Commission meeting and can be found on the City’s website at:

http://www.traversecitymi.gov/downloads/20131105_traverse_city_saw_package.pdf

The Asset Management Plan component of the SAW Grant will result in a “comprehensive set of system needs [...] that the City can use to determine total system revenues necessary to address its stormwater infrastructure,” annual funding needs, and a 10-year cash flow plan.

Finally, please refer to the attached letter from the Watershed Center, which

identifies multiple opportunities for the City and Center to work together on storm sewer projects. The proposed storm sewer set-aside could be used to leverage grant and other funding opportunities.

Traffic Calming Set-aside

Consensus coming out of the April 29th study session was to set aside \$100,000 that is part of the annual streets program for traffic calming improvements. To accommodate this set-aside the City Treasurer/Finance Director and I have modified the Public Improvement Plan section of the budget to specifically identify this as a project. We will provide modified pages of the budget that reflect this change at the meeting. Upon budget approval, staff will identify a project (or projects) and proceed through the review and approval process, possibly completing a project during the 2014 construction season.

Potable Water System/Water System Reliability Study

Questions emerged at the April 29th study session about projects called out in City Treasurer/Finance Director William Twietmeyer's memo regarding water rates: Raw Water Intake, Regional Water Storage, and Low Service Pump Upgrade. Note that these projects are part of the 6-year Capital Improvement Program and described on page 61 in the back of the budget book. All three projects were first identified in the Water System Reliability Study completed in 1999. City Engineer Tim Lodge will be at the meeting to answer specific questions you may have about these projects.

Michigan's Safe Drinking Water Act requires that municipal potable water utility operators complete reliability studies every five years. The City recently completed an updated study, which was approved by the Michigan Department of Environmental Quality and is now available on the City website at:
http://www.traversecitymi.gov/downloads/rep_20140404_wsrfinal.pdf

The 2014 Water System Reliability has an updated list of recommended priority projects that will inform future modifications to the Capital Improvement Plan. The study was only recently completed and approved by the MDEQ. Staff is in the process of reviewing the study and preparing to bring to the City Commission as a future study session item.

TCL&P Hall to Gray Sub Transmission Line Upgrade

Please refer to the attached memorandum from TCL&P Executive Director Tim Arends. Pursuant to Charter Section 179(o) City Commission approval is required for the TCL&P 6-Year Capital Improvement Plan. The transmission line project is

included in the proposed 6-Year Capital Improvement Plan and Mr. Arends has been working to address questions and concerns about the project.

2. Targeted Redevelopment Area

The City Commission discussed this issue at the January 20th study session and City staff has been working with Jean Derenzy, Grand Traverse County Deputy Director Planning & Development, on addressing specific items raised at the study session. Please refer to her attached memorandum.

We have provided more information related to the geographic boundaries of potential TRA's along identified corridors and taxable value within those. Considering criteria that the State is establishing for TRA's, Mrs. Derenzy has identified the 8th Street corridor as the corridor most likely to receive approval from the State. Please provide further direction related to additional information/data you would like to have and whether or not there is support for moving forward with an application to the State.

e-copy: Tim Arends, Traverse City Light and Power Executive Director
 Rob Bacigalupi, Downtown Development Authority Executive
 Director
 Timothy Lodge, City Engineer
 Russell Soyring, City Planning Director
 Jean Derenzy, Grand Traverse County Deputy Director of Planning
 and Development
 Dave Green, Director of Public Services
 William Twietmeyer, City Treasurer/Finance Director

Memorandum

The City of Traverse City
Engineering Department



TO: Jered Ottenwess, City Manager
FROM: Timothy J. Lodge, City Engineer 
DATE: May 6, 2014
SUBJECT: West End Beach Trail and Access Project
MDOT Project Number EHN201100003 Job #116941A

We have received conditional commitment from the Michigan Department of Transportation (MDOT) for construction of the West End Beach Trail and Access Project (Grand Traverse Bayfront Trail Extension and Highway Crossing).

We were notified on May 5, 2014 by MDOT that the City is required to complete a resolution regarding future maintenance and funding. The resolution is due by May 16, 2014 to stay on schedule for planned construction in August.

The project is on schedule for a bid opening of in June by MDOT. The work is scheduled to start in August. The agreement allows us to receive \$173,932 in federal Transportation Enhancement funds. The project cost is estimated to be \$387,876 with the remaining \$213,944 cost paid by City (match from the Depot property sale).

Please have the City Commission adopt the resolution.

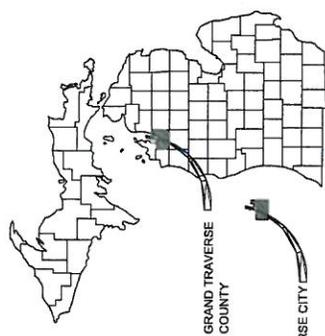
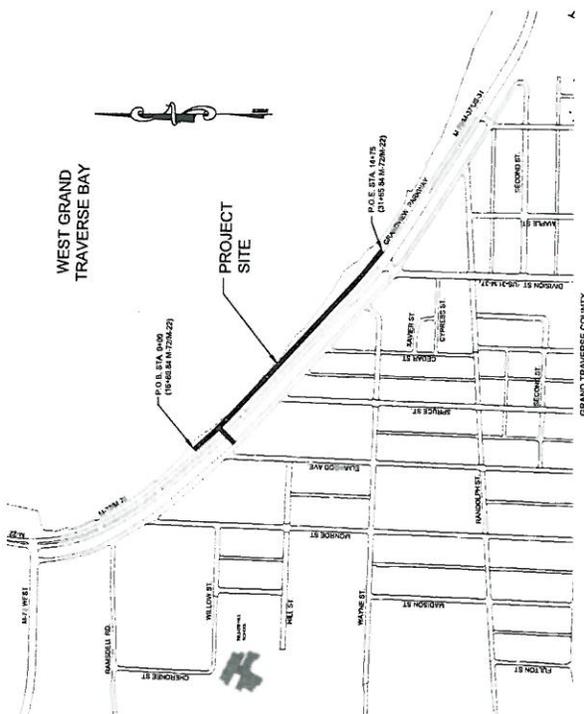
| SHEET | DESCRIPTION |
|-------|---------------------------------|
| 1 | TITLE SHEET |
| 2 | DETAIL / NOTE SHEET |
| 3 | DETAIL / NOTE SHEET |
| 4 | DETAIL / NOTE SHEET |
| 5 | PLAN SHEET #1 |
| 6 | PLAN SHEET #2 |
| 7 | PLAN SHEET #3 |
| 8 | STORMWATER TREATMENT PLAN SHEET |
| 9 | TRAFFIC MAINTENANCE SHEET |
| 10 | IRRIGATION / LANDSCAPE SHEET |
| 11 | QUANTITY SHEET |

CITY OF TRAVERSE CITY
 IN CO-OPERATION WITH
MICHIGAN DEPARTMENT OF TRANSPORTATION
 AND
FEDERAL HIGHWAY ADMINISTRATION
PLAN AND PROFILE OF PROPOSED
WEST END BEACH TRAIL AND ACCESS PROJECT
 CONTROL SECTION: STE 28420 JOB NO. 116941A
FEDERAL PROJECT #: STP **FEDERAL ITEM #:**

THE FOLLOWING ITEMS SHALL BE CONSTRUCTED IN ACCORDANCE WITH THE MDT STANDARD PLANS REFERENCED BELOW:
MDOT STANDARD PLANS - NOT PRINTED
 R-15-E DRAINAGE STRUCTURES
 R-15-E COVER K
 R-15-E COVER Q
 R-28-H SIDEWALK PAMP DETAILS
 R-28-H DRIVEWAY OPENINGS & APPROACHES, AND CONCRETE SIDEWALKS
 R-38-F CONCRETE CURB & CONCRETE CURB & GUTTER
 R-83-B UTILITY TRENCHES
 R-15-E SOIL EROSION & SEDIMENTATION CONTROL MEASURES
TRAFFIC & SAFETY STANDARD PLANS - NOT PRINTED
 W2D-108-A TEMPORARY GROUND DRAINER SIGN*
 W2D-105-E TEMPORARY TRAFFIC CONTROL DEVICES*
 * SPECIAL DETAIL INCLUDED IN PROPOSAL

LOCAL UTILITIES

CITY OF TRAVERSE CITY ENGINEERING DEPARTMENT
 ADDRESS: 400 BIRCHWOOD AVENUE, TRAVERSE CITY
 TELEPHONE: (231) 922-4400
TRAVERSE CITY LIGHT AND POWER
 ADDRESS: 1017 WASHINGTON STREET, TRAVERSE CITY
 TELEPHONE: (231) 922-4500
TRAVERSE CITY SOIL EROSION & SEDIMENTATION CONTROL
 CONTACT: JONAH MCGILLI
 TELEPHONE: (231) 922-4467
CONSUMERS ENERGY COMPANY (C.E.C.)
 ADDRESS: 1000 W. BIRCHWOOD AVENUE, TRAVERSE CITY
 TELEPHONE: 1-800-477-5059
AT&T
 ADDRESS: 101 E. WASHINGTON STREET, TRAVERSE CITY
 AREA ENGINEER: WYTH DONAHUE-REIDEN
 TELEPHONE: (231) 944-2727
MICHIGAN CONSOLIDATED GAS COMPANY (M.C.G.C.)
 ADDRESS: 1000 W. BIRCHWOOD AVENUE, TRAVERSE CITY
 AREA ENGINEER: WATT LOCKMAN
 TELEPHONE: (231) 256-3376
 ELECTRICITY CALLS: 811
 FIRE DEPARTMENT CALLS: 911
 EMERGENCY CALLS: 911



THE IMPROVEMENT COVERED BY THESE PLANS SHALL BE DONE IN ACCORDANCE WITH THE MICHIGAN DEPARTMENT OF TRANSPORTATION STANDARD SPECIFICATIONS AND SUPPLEMENTAL SPECIFICATIONS, 2014 EDITION.
 THIS PROJECT IS DESIGNED IN ACCORDANCE WITH MICHIGAN DEPARTMENT OF TRANSPORTATION AND STREET'S, 2004.
 CALL MISS DIG
 1-800-462-7171 OR 811
 FOR PROTECTION OF THE UNDERGROUND UTILITIES, THE CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING ALL UTILITIES PRIOR TO BEGINNING WORK. WORK SHALL BE PERFORMED ON TUESDAYS, WEDNESDAYS, THURSDAYS, FRIDAYS, AND SUNDAYS, EXCLUDING SATURDAYS, SUNDAYS, AND HOLIDAYS PRIOR TO BEGINNING WORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR NOTIFYING THE UTILITY OWNERS WHO MAY NOT BE A PART OF THE "MISS DIG" ALERT SYSTEM.
 THIS PROJECT IS DESIGNED IN ACCORDANCE WITH THE MICHIGAN DEPARTMENT OF TRANSPORTATION STANDARD SPECIFICATIONS AND SUPPLEMENTAL SPECIFICATIONS, 2014 EDITION.

PROJECT LENGTH: 0.28 MILES
 CONTRACT FOR: CONCRETE SIDEWALK PATH, DRAINAGE STRUCTURES, STORMWATER TREATMENT SYSTEM, SITE FURNISHINGS, LANDSCAPING, IRRIGATION
 PREPARED UNDER SUPERVISION OF _____
 REGISTERED PROFESSIONAL ENGINEER
 THOMAS A. LODGE, P.E.
 20114
 REGISTRATION NO. _____
CITY APPROVAL
 CITY MANAGER: JAMES O'NEILL
 DATE: _____
 DEPUTY DIRECTOR: DAVID B. GREEN
 DATE: _____
 1 OF 11 JOB 116941A

LOCATION MAP
NOT TO SCALE



RESOLUTION TO ESTABLISH A REQUEST FOR FUNDING, DESIGNATE AN AGENT, ATTEST TO THE EXISTENCE OF FUNDS AND COMMIT TO IMPLEMENT A MAINTENANCE PROGRAM FOR THE GRAND TRAVERSE BAYFRONT TRAIL EXTENSION AND HIGHWAY CROSSING PROJECT FUNDED BY A TRANSPORTATION ENHANCEMENT GRANT, MICHIGAN DEPARTMENT OF TRANSPORTATION ENH201100003

Because, the Transportation Enhancement Program is a federally funded program administered in Michigan by the Michigan Department of Transportation (MDOT); and

Because, the City of Traverse City is applying for funds through MDOT from the Transportation Enhancement Program to construct the Grand Traverse Bayfront Trail Extension and Highway Crossing Project along Grandview Parkway; and

Because, MDOT requires a formal commitment from the public agency that will be receiving these funds and will be implementing and maintaining these infrastructure projects; now therefore, be it

Resolved, the City of Traverse City has authorized City Manager, Jered Ottenwess, to act as agent on behalf of the City of Traverse City to request Transportation Enhancement Program funding, to act as the applicants' agent during project development, and to sign a project agreement upon receipt of a funding award; and further, be it

Resolved, the City of Traverse City attests to the existence of, and commits to, the funds necessary to carry out the project, including engineering for design and construction, permit fees, administration costs, cost overruns, and matching funds equal to 35% of the overall project cost; and further, be it

Resolved, the City of Traverse City commits to owning operating, funding and implementing a maintenance program over the design life of the facilities constructed with Transportation Enhancements Funding.

The following aye votes were recorded: _____

The following nay votes were recorded: _____

I, Benjamin C. Marentette, City Clerk for the City of Traverse City, do hereby certify that the foregoing is a true and complete copy of the Resolution relative to approve the

Transportation Enhancement Grand Traverse Bayfront Trail Extension and Highway Crossing Project, which Resolution was adopted by the City Commission of the City of Traverse City at its special meeting of May 12, 2014, in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Benjamin C. Marentette, CMC, City Clerk

SAW Grant Summary – City of Traverse City

What is a SAW Grant?

SAW stands for Stormwater, Asset Management, and Wastewater. This is a new grant program administered by the Michigan Department of Environmental Quality (MDEQ) to help communities enhance their understanding of the physical condition of their wastewater and stormwater infrastructure and to plan effectively for long-term capital improvements, operation, and maintenance of their sanitary and storm sewer systems.

How does the SAW Grant Impact the City of Traverse City?

The City of Traverse City has an opportunity to use up to \$2 million in SAW Grant funding to develop Asset Management Plans for the City's stormwater and wastewater infrastructure. This work will allow the City to address deteriorating infrastructure while leveraging the grant funds to cover sewer cleaning and televising work that the City would otherwise pay out of its own budget. Furthermore, this grant will allow the City to explore options for new funding sources for its stormwater infrastructure, thereby providing a mechanism for the City to address its growing backlog of projects intended to reduce flooding risk, improve stormwater quality, and enhance public safety.

What Activities is the City Planning to Implement?

| Wastewater | Stormwater |
|---|---|
| <ul style="list-style-type: none">• Enhance GIS mapping of collection system• Sewer cleaning and televising• Manhole inspections• Pump station evaluation• Collection system evaluation and prioritization to identify maintenance and rehabilitation needs• Flow metering and wet weather modeling• Evaluate long-term infrastructure maintenance and capital needs• Rate Study | <ul style="list-style-type: none">• Enhance GIS mapping of drainage system• Determine hydraulic bottlenecks and identify critical projects• Sewer cleaning and televising• Investment in hardware/software to enhance Asset Management• Evaluate stormwater quality issues and identify pollution-reducing enhancements• Evaluate long-term infrastructure maintenance and capital needs• Review stormwater costs and revenue options |
| Total Program Cost: \$1.00 million | Total Program Cost: \$1.44 million |
| State Reimbursement: \$819,000 | State Reimbursement: \$1.18 million |
| Local Match: \$181,000 | Local Match: \$263,000 |

The US EPA is considering a new national policy that could require Traverse City to participate in the MDEQ's stormwater permit program. *This grant will help the City prepare for this scenario.*

How Long will it Take?

The SAW Grants require that the activities described above be completed within three years of the grant award, which could come as early as April 2014. The City must submit the SAW Grant Applications on or before December 2, 2013 to be eligible for the program. We anticipate heavy demand for this grant program, so submitting early is critical.

What Action is Required by Council?

A SAW Grant Resolution for each grant must be approved by City Council in November. The resolutions will commit the City to the local matches as described above, and the requirement to complete all grant-funded activities within three years. The approved and signed Grant Resolutions are a required component of the grant application. By accepting grant money, the City is also committed to perform an evaluation of system costs and revenues, including the identification of any funding gaps for the wastewater system. If a funding gap exists, the City will need to make significant progress to close the funding gap within three years of grant acceptance.

http://www.traversecitymi.gov/downloads/20131105_traverse_city_saw_package.pdf

May 7, 2014

Tim Lodge
City Engineer
City of Traverse City



13272 S. West Bay Shore Drive
Traverse City, MI 49684
T 231.935.1514
F 231.935.3829
www.gtbay.org

RE: Upcoming Water Quality Partnership Opportunities

Dear Tim,

First off, we would again like to say congratulations to the City of Traverse City on your recently awarded DEQ SAW grant; we look forward to working with the City on this grant and assisting however we can!

Per our recent phone conversation, we would also like to provide details of some upcoming opportunities for partnership between the City of Traverse City and The Watershed Center Grand Traverse Bay.

- Water quality monitoring at East Bay Park
 - We have funds from a private foundation to conduct further monitoring of the recently installed stormwater filtration system at East Bay Park to determine its effectiveness.
 - Approximately \$10,000 has been set aside for this monitoring
- 14th Street stormwater investigation
 - We have included funding for an in-depth focus on stormwater issues surrounding the 14th Street outfall in a recent DEQ 319 grant application. We will not know if the application is successful for another few weeks, but if successful, there will be funds for a contractor to begin measuring flow and discharge from the outfall, as well as water quality parameters. We will also be looking at the drainage areas to the pipe outfall and soil conditions.
 - The overall goal of the investigation will be to develop recommendations on how to reduce peak flows from the outfall and improve water quality making its way to Kids Creek.
 - Approximately \$50,000 is slated for this project
- 8th Street stormwater investigation
 - We are aware of the issues surrounding the stormwater outfall at 8th Street and would like to offer assistance to begin researching potential options to reduce the amount of and improve water quality of the stormwater coming out of the outfall.
 - We have funds from a private foundation to hire a consultant to begin looking at this issue (approximately \$10,000). Efforts will be focused on BMPs that could be installed to reduce flow and improve water quality. We believe this needs to be addressed before addressing the high level of 'muck' in the nearshore area along East Grand Traverse Bay by the outfall.
 - Additional funds from the City would greatly enhance this study.

- Stormwater utility
 - As you and others at the City are aware, TWC has been working with you on exploring the idea of a stormwater utility approach in Traverse City to provide a dedicated source of funding for stormwater improvements. Your recently awarded DEQ SAW grant will be very helpful in furthering this process.
 - Our previous stormwater utility work with the City was funded through a DEQ grant held by TWC. The grant ends December 2014 and we currently have funds left to spend on outreach activities including focus groups (which can be changed in scope if needed).
 - ~\$3,000 for focus group consultant
 - ~\$1,100 for color copies
 - Also, approximately 300 staff hours remain for our policy specialist to assist with this issue. Some of these hours are being spent on researching the new legal ramifications resulting from the City of Jackson's stormwater utility being struck down by the Michigan Court of Appeals this past August.

We are also aware there is another anticipated funding round from EPA GLRI that should be coming out soon. While we are unsure when this funding will be available, it would be good to begin discussions about potential project ideas now. Any specific applications developed will depend on what categories of funding are available and how much is dedicated to each. Potential ideas include stormwater remediation projects for 8th Street, West End Beach, Sunset Park, Senior Beach, and the other storm drain at Bryant Park.

TWC looks forward to working with the City of Traverse City in the future and I would be happy to discuss any of the above projects with you or others at the City.

Thank you,



Sarah U'Ren
Program Director

FOR THE CITY COMMISSION SPECIAL MEETING & STUDY SESSION OF
MAY 12, 2014



TRAVERSE CITY
LIGHT & POWER

To: Mayor Estes and City Commissioners
Cc: TCL&P Board
From: Tim Arends, TCL&P Executive Director
Date: May 7, 2014
Subject: Hall to Gray Sub Transmission Line Upgrade

Handwritten initials 'TA' inside a circle.

The Traverse City Light & Power (TCL&P) 2014-15 operating budgets and Six Year Capital Plan - 2014 is scheduled for a public hearing and discussion, along with all other city departments/funds, at your May 12th special meeting and study session. City Commissioners have received several communications of concern regarding the line item "Transmission Line Reconductor". The communications have primarily focused on inclusion of the Hall to Gray Sub (Wayne Street/Hickory Meadows) transmission line upgrade project within this capital line item which includes several upgrades as identified below:

Transmission Line Reconductor (CHANGE)

Location: Existing transmission corridor along Wayne Hill, Hammond, Barlow, LaFranier, Cass, and Wadsworth.

Character: Overhead transmission facilities to include new poles and wire.

Extent: Reconductor/rebuilding of existing 69kV transmission lines with new lines and higher poles to bring circuits to current day standards.

Estimated Cost: \$4.275 Million

Fiscal Year(s): 2015-16 through 2018-19

All of these projects involve transmission lines in several city neighborhoods. Upgrade of the Hall to Gray Sub line is the most critical need of the utility in maintaining a safe, reliable electric system as the original line was constructed in 1959 and does not meet current standards for transmission circuits. While some of the poles have been replaced throughout the years, most are the original 55 year old poles. For safety and reliability reasons, this project is the highest capital improvement priority of the utility in 2015-16.

Attached is a memorandum from GRP Engineering that provides some background of the project, including an analysis of the project and details on the planned upgrades. This letter does include some redacted information. The redactions identify specific areas of vulnerability of the TCL&P system that should not be made available to the general public for security reasons. Those redactions will be made available to board and commissioners as requested. Also attached, is a letter of support for the project from Wolverine Power Cooperative on behalf of Cherryland Rural Electric customers. Wolverine did object to the East Hammond Substation back in 2008, not because they didn't believe

FOR THE CITY COMMISSION SPECIAL MEETING & STUDY SESSION OF
MAY 12, 2014

it was an important reliability project, but because the Hall to Gray Sub upgrade was viewed as a higher priority for the entire area electric grid.

As I mentioned at public meetings of the TCL&P Board and City Planning Commission, the process for approval of this project will be transparent and involve all interested parties. Plans are to present the utility's final design (once they are completed) to the Recreational Authority and the Slabtown Neighborhood Association PRIOR to submitting a staff recommended project authorization request to the TCL&P Board for its consideration of approval. The board/public process regarding the Hall to Gray Sub transmission line upgrade will also include an historical timeline of the project, including what actions were taken by prior boards. I will be attending the June Recreation Authority Board meeting to discuss this project and provide a project timeline.

The TCL&P Board in October 2008 did indicate a preference for the M-72 route; however, it was not voted on at a board meeting. The board requested a joint study session with the city commission to discuss the matter, however, that study session never occurred (based on TCL&P and City Clerk records). The project never came back to the board for its final approval because the utility decided to focus its attention to the East Hammond Substation & transmission line project, and subsequently removed the transmission line upgrade from the capital plan. This decision did not resolve the question of what to do with the 50+ year old transmission line from Hall to Gray Sub.

TCL&P board members are appointed by the commission with the expectation that they collectively make decisions for the utility that are in the best interests of the city, the utility, and the community as a whole. The current TCL&P Board has been well educated over the past 18 months to make these difficult decisions with those values in mind. Not every decision will win the support of everyone, this project is an example of that; however, to not make a decision would be against the Mission of the utility to **"...provide...safety, lower rates, high reliability...to the City and its residents and all TCL&P customers."** I trust that the Board will make the best educated decision regarding the Hall to Gray Substation and encourage the Commission to approve the TCL&P Six Year Capital Plan – 2014 as presented.

To: Tim Arends
Firm: TCL&P
From: Michael P. McGeehan

Client: TCL&P
Project Name: Miscellaneous Engineering
Project No: 13-0576.01
Issue Date: April 28, 2014

Subject: Gray Road – Hall Street Transmission Line

Background

The Gray Road – Hall Street 69kV transmission line (originally referred to as the "Grawn Line") was designed in 1958 and constructed in 1959. Line design met the requirements of the National Electrical Safety Code (NESC) in place at that time. The NESC is the code that governs the design of overhead transmission lines including horizontal and vertical clearances to the ground and adjacent structures. The line was insulated for and operates at a voltage of 69,000-volts. Transmission conductor is #4/0 ACSR and had an original design thermal rating (ampacity) of 105A (13MVA). A thermal upgrade study was completed in 2009 and line modifications were finalized in 2010 to increase the conductor rating to a maximum of 381A (45MVA) at peak summer conditions. Current peak system for TCL&P is 603A (72MVA), therefore the line is rated to support 63% of TCL&P system load.

This transmission line has been in operation for 55 years which is well in excess of the typical 30 – 40 year typical lifespan. It is the oldest section of transmission line on TCL&P's system. Poles, conductor and hardware are original (circa 1959) with the exception of two poles added and three poles replaced as part of the thermal upgrade completed in 2010. Although overhead electric systems including poles, conductor and hardware generally last longer than expected, this line is well beyond its anticipated useful life. Pole testing is scheduled to be completed in spring 2014 to determine if any poles require immediate replacement. Testing and analysis of hardware and conductor is not practical and therefore has not occurred. Aluminum conductor does lose strength over time due to conductor heating and no analysis has been completed to determine the extent of loss of conductor strength.

This transmission line is one of the four 69kV connections for TCL&P to the regional 138kV transmission system. [REDACTED 1] Currently three of the 69kV lines are in service [REDACTED 2], and the fourth is scheduled to be in service May 2014.

Analysis

The Midcontinent Independent System Operator (MISO) is the Regional Transmission Organization that manages the transmission system assets of TCL&P and insures the infrastructure meets North American Electric Reliability Corporation (NERC) criteria. NERC is the entity that enforces reliability standards and completes assessments of the bulk electric system, including transmission lines, all under the oversight of the Federal Energy Regulatory Commission (FERC.) A key requirement for the TCL&P 69kV transmission system is that it must be operating as a looped system to insure reliability and provide support to the bulk electric system. Currently there are two 69kV lines serving the TCL&P system from the south out of Grand Traverse Substation. One of these lines is looped to Gray Road Substation through the Gray Road – Hall Street Transmission Line. The second 69kV line will be connected into a separate loop with the completion of the East Hammond Substation and associated transmission Line. Therefore, the Gray Road – Hall Street Transmission Line must remain in service to keep the TCL&P transmission system within the MISO

requirements. MISO has also flagged this transmission line in the past as needing to be rebuilt based on load, age and single-contingency planning. Single-contingency refers to the loss of one piece of equipment (e.g. pole/structure, breaker, transformer) on a particular transmission line segment. Should TCL&P chose to not rebuild, MISO may force TCL&P to rebuild or remove it from MISO.

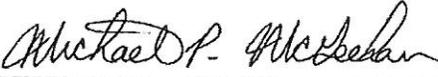
The two existing 69kV transmission lines serving TCL&P's system from Grand Traverse Substation occupy the same structures (poles) for a distance of 1.6 miles. [REDACTED 3] In the event of the loss of one transmission structure within this section of line, both transmission circuits from Grand Traverse Substation would be out of service. This single contingency outage (loss of one structure) produces a loss of two transmission lines. The remaining transmission source into TCL&P's system would be the line from East Hammond Substation. Although this line is being constructed to handle 100% of TCL&P load under peak conditions, the existing 69kV transmission lines interconnecting TCL&P's four distribution substations are not sized to handle full system load. Therefore, load shedding (customer outages) would occur under a single contingency situation if the Gray Road - Hall Street line is out of service or is unreliable. These outages would be lengthy as spare structures for the double-circuit line are not stocked by TCL&P.

Planned Upgrades

Reconstruction of the Gray Road - Hall Street 69kV transmission line will include replacement of all wood poles, insulators, conductor, plus associated hardware, guying, and anchoring. Poles will generally be replaced in the same location, although revised pole spacing will occur where it makes good engineering and practical sense. Poles will be taller due to increased conductor sag with the proposed #795 ACSS conductor. This increased height will provide the NESC required clearances over ground features plus distribution circuits, and joint-use (phone, cable, etc.) lines on the same poles. Line design will give preference to traditional round wood poles. Self-supporting laminated wood structures will only be utilized if installation of guying and anchoring is not possible. The line will be insulated and operated at 69kV for the foreseeable future.

Conclusion

The 69kV Gray Road - Hall Street 69kV transmission line must remain in service to provide the most reliable transmission system for TCL&P and interconnected utilities by eliminating potential customer outages under first (single) contingency conditions and to meet MISO requirements of having transmission lines looped. Completion of the South Substation project including installation of 69kV circuit breakers will allow for automatic clearing of any faults on the south [REDACTED 4] line section thereby maintaining service to all TCL&P customers plus Wolverine Power's South Airport Substation assuming the Gray Road - Hall Street 69kV line is re-conducted. Completion of two 69kV transmission loops capable of serving peak system load provides adequate redundancy within the transmission system.

Signed: 
GRP Engineering, Inc.

cc: TCL&P
Tom Olney
GRP Engineering, Inc.
Rob Shelley

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WOLVERINE
POWER COOPERATIVE

May 5, 2014

ERIC D. BAKER
President/CEO

John Taylor
Chairman of the Board
Traverse City Light & Power
1131 Hastings Street
Traverse City, MI 49686

Tim Arends
Director
Traverse City Light & Power
1131 Hastings Street
Traverse City, MI 49686

Dear Messrs. Taylor and Arends:

I am writing to express Wolverine Power Cooperative's support for the Traverse City Light & Power (TCL&P) proposed project to rebuild the Gray Rd – Hall Street transmission line. This project was contemplated nearly a decade ago and is required to meet area reliability needs. This project will impact positively the reliability for customers of Traverse City Light & Power, Cherryland Electric and Consumers Energy.

Nearly a decade ago, TCLP and Wolverine jointly assessed and planned a series of projects to improve reliability in the Grand Traverse Region. During that process, the scope of the Gray Road project expanded to include a reliability benefit to Consumers Energy as well. The three step plan was significant but simple: Step 1, Interconnect the three transmission systems of Wolverine, TCL&P and ITC/METC at Gray Rd; Step 2, Wolverine would rebuild its transmission lines around Traverse City; Step 3, TCL&P would rebuild 4 miles of line between Gray Rd and Hall Street. Steps 1 and 2 were completed by 2010. Step 3 is the last important step.

Wolverine has rebuilt nearly 300 miles of 1950s vintage transmission line very similar to that of the existing TCL&P Gray Rd to Hall Street line. The new lines are capable of moving 4-8 times the amount of power, they are more energy efficient (due to lower line losses), and they have proven to withstand harsh Michigan storms. In fact, during three significant storms over the past year including 80+ mile per hour straight line wind storms, a massive ice storm and other significant weather events, Wolverine's new lines remained intact and energized, when old poles broke in the storms.

I applaud the TCL&P Board for taking on this last project to improve reliability for the entire Grand Traverse Region. I recognize the important local stakeholder viewpoints that have to be weighed and balanced when projects like this one are undertaken. I also recognize the ability of locally-owned public power companies to demonstrate leadership and long-term vision, and in this regard, I support your rebuild project.

Sincerely,



Eric D. Baker

cc: Tony Anderson, Cherryland Electric Cooperative



Memorandum

Grand Traverse County
Planning and Development
231.922.4513 Fax 231.922.4636
email: jderenzy@grandtraverse.org

To: Jered Ottenwess, City Manager
From: Jean Derenzy, Deputy Director Planning & Development
Date: May 5, 2014
Subject: Targeted Redevelopment Area

In January the City Commission provided direction to begin gathering data to assist in determining if a Targeted Redevelopment Area (TRA) would benefit any of the corridors and if so which corridor(s).

Over the past months, our department has worked with you to gathering and analyzing data to begin presenting information to the City Commission for consideration.

The first map (attachment A) identifies in map form the average taxable value per parcel for each corridor and compares that average to the two DDA districts. The second set of attachments (attachment B) are tables that identify the total number of parcels in each corridor, separating out residential and commercial and identifies the assessed value and taxable value of the parcels over a 9 year history.

As the tables indicate 8th street has the most parcels at 304, followed by Garfield (173), East Front Street (156), 14th Street (138) and then West Front (114). When reviewing the 9 year history the only corridor that has not lost value is West Front Street, with the 2013 taxable value being \$17,941,000. The other four corridors dropped in value but all corridors are tracking upwards; with each increasing in value over 2012.

The map identifying the average taxable value per square foot identifies that the highest is the downtown (TIF 97) at \$128.02 followed by East Front at \$44.31; TIF II at \$33.13; West Front \$13.19; 8th Street \$10.04; Garfield at \$8.64; 14th at \$4.49.

When determining a TRA within a brownfield plan, elements that should be considered include:

- ✓ Proximity to downtown
- ✓ Walkability Score
- ✓ Public Infrastructure elements identified as "ready projects" (i.e. has the infrastructure been identified within capital projects.)
- ✓ Marketability of corridor
- ✓ How corridor will achieve master plan components
- ✓ Housing opportunities to have mixed use redevelopment

The considerations outlined are not policy by the State, and are not documented as they are currently being drafted for consideration. However, understanding that Brownfield's are being focused on the downtown "core", proximity to downtown and walkability will certainly be components for consideration to have the State participate in the TRA.

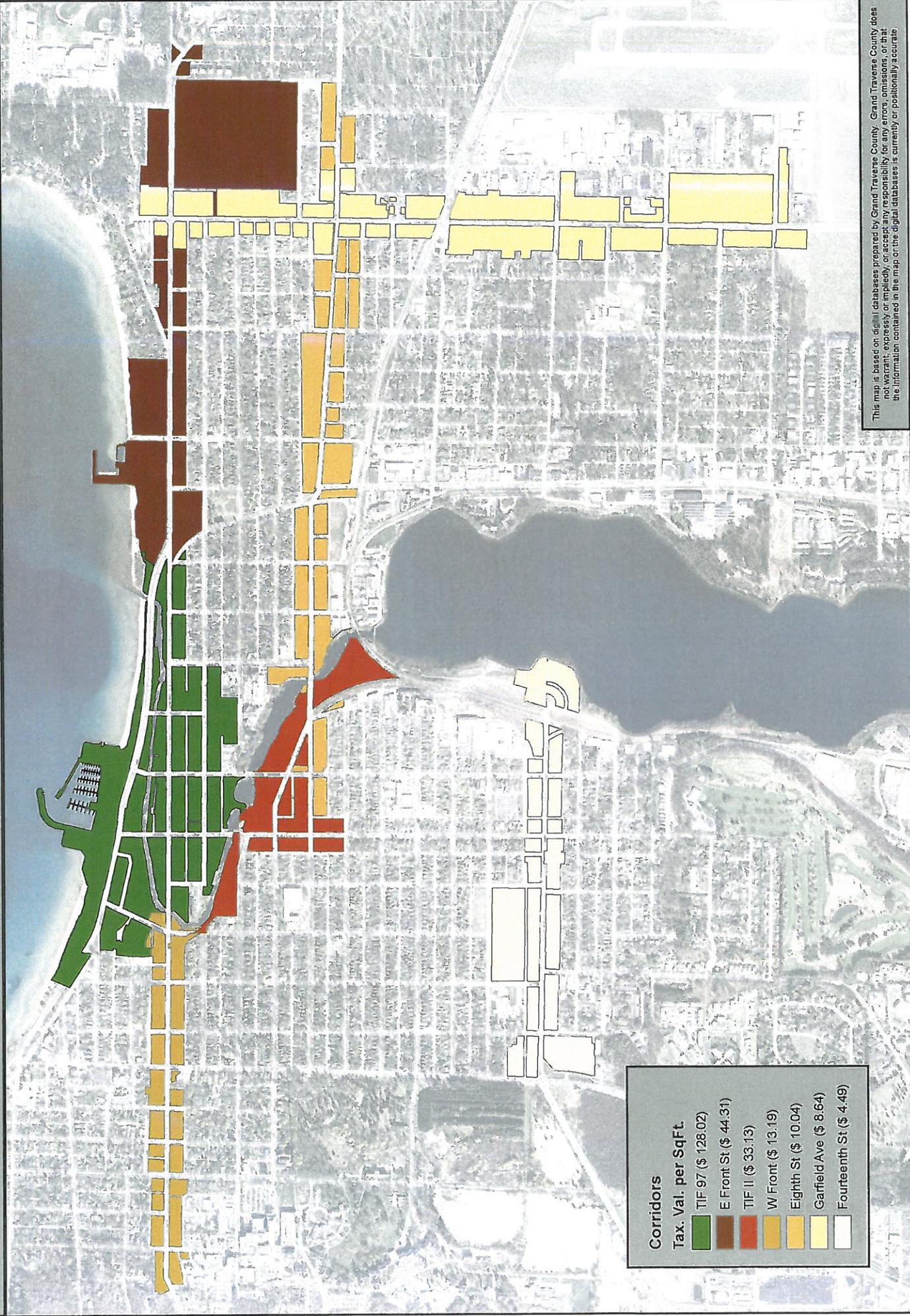
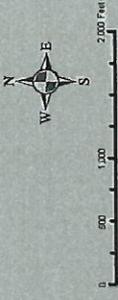
As a reminder, a TRA area cannot be less than 40 parcels and not more than 500 contiguous parcels. Further, there can only be two designated TRA's in one community and not more than five state-wide. Should the City determine to move forward with a TRA the area would be designated by resolution then taken to the State for approval of that designated area. Should the State approve the area, a Brownfield Plan would be put into place, which can be no more than 30 years in duration. The Brownfield Authority would work with the City to develop the Brownfield Plan that identifies the City's priorities for public infrastructure projects. Similar to other Brownfield Plans, the City would be the determining body on the priority public projects within the Plan, not the Brownfield Authority.

When reviewing the Corridor information and working with the State program for many years, it is my opinion that the 8th Street Corridor will have the best opportunity to receive the State's approval/partnership. Although all corridors have positive assets and redevelopment opportunities, the 8th street corridor will meet more of the criteria the State is looking for when partnering on a targeted redevelopment area.

If you would like to review this information in further detail, or have any questions, please feel free to call me at 922-4513, or email at jderenzy@grandtraverse.org.

T.C. Corridors & DDA Districts

GTC-GIS / EC 20140409



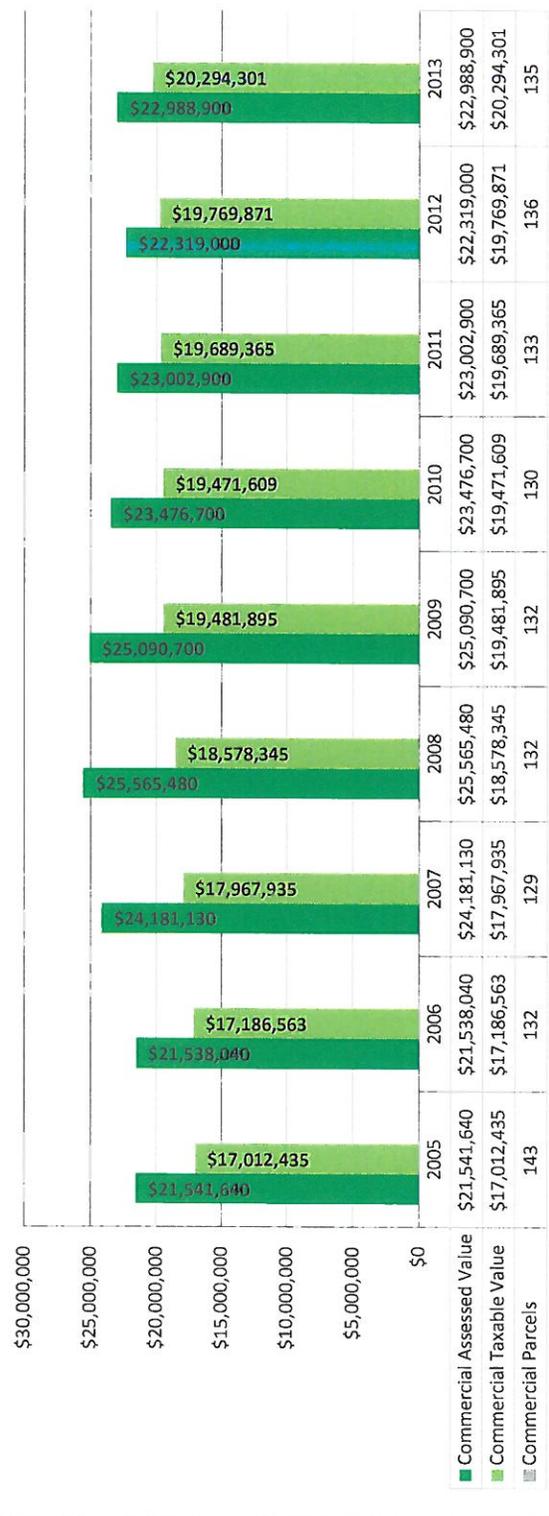
| Corridors | Tax. Val. per SqFt. |
|--|-------------------------|
| ■ | TIF 97 (\$ 128.02) |
| ■ | E Front St (\$ 44.31) |
| ■ | TIF II (\$ 33.13) |
| ■ | W Front (\$ 13.19) |
| ■ | Eighth St (\$ 10.04) |
| ■ | Garfield Ave (\$ 8.64) |
| ■ | Fourteenth St (\$ 4.49) |

This map is based on digital databases prepared by Grand Traverse County. Grand Traverse County does not warrant, expressly or impliedly, or accept any responsibility for any errors, omissions, or that the information contained in the map or the digital databases is currently or positionally accurate.

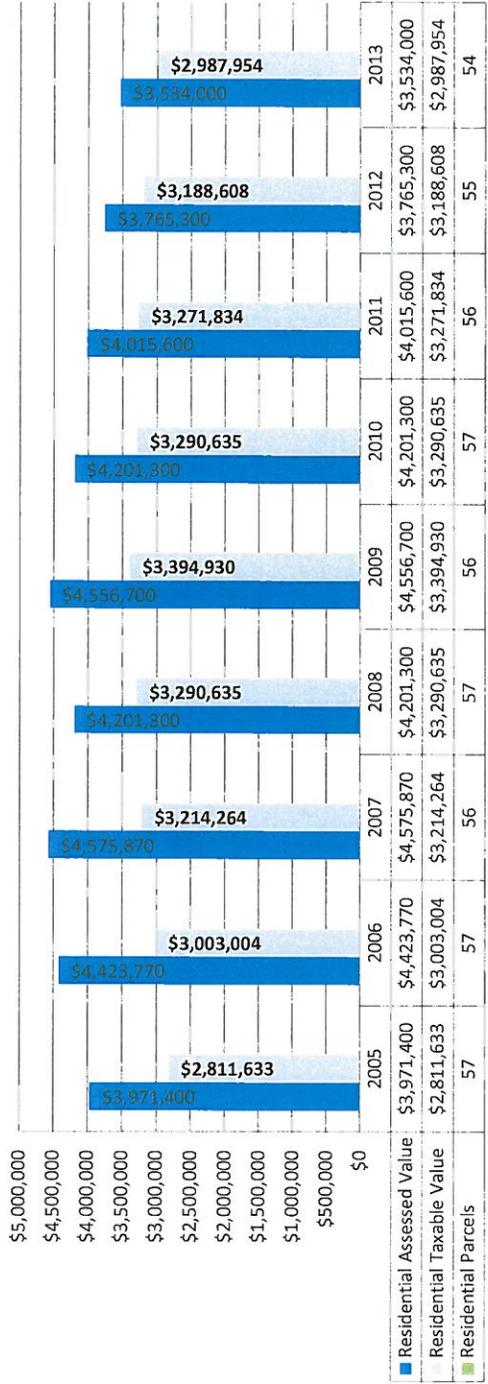
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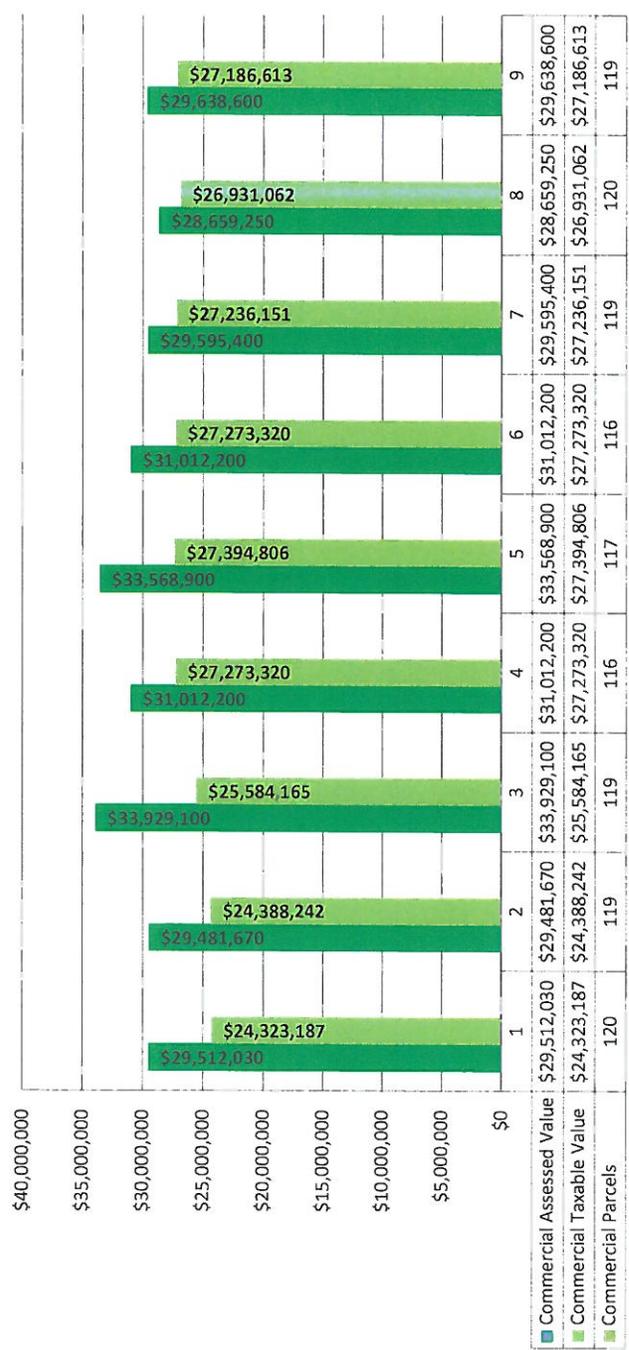
EIGHTH STREET COMMERCIAL



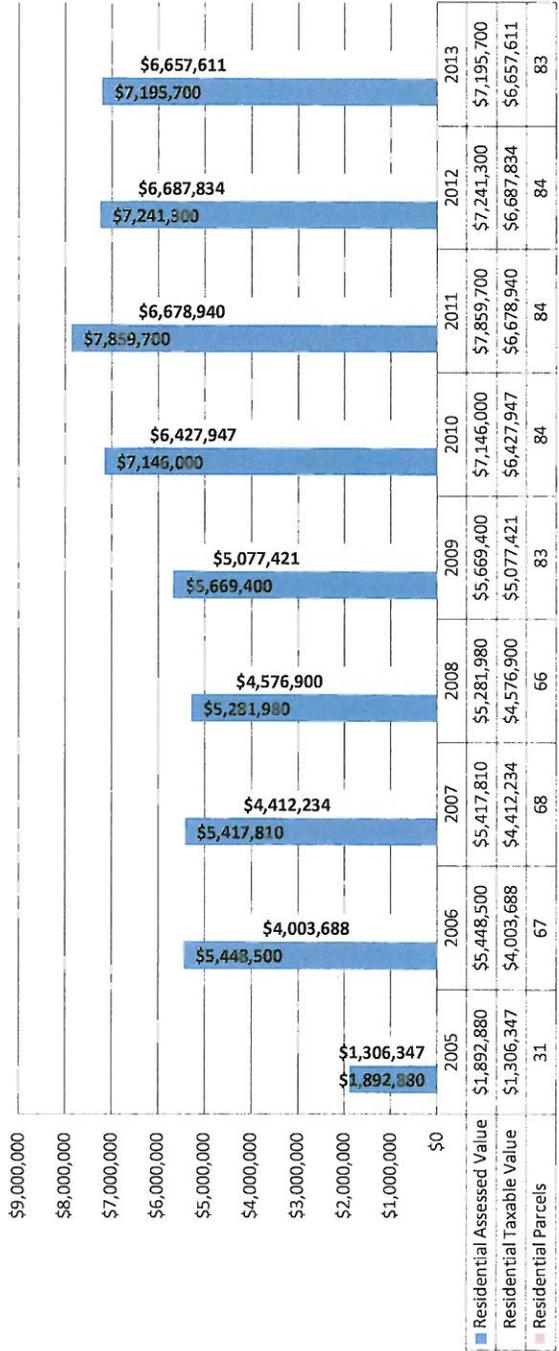
GARFIELD RESIDENTIAL



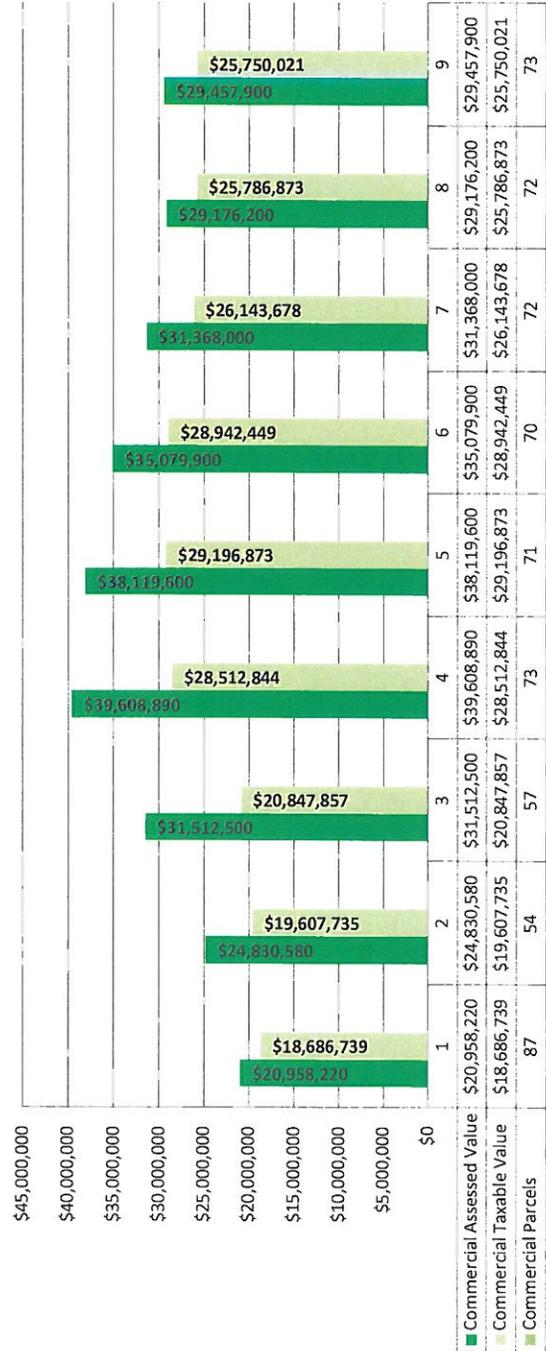
GARFIELD COMMERCIAL



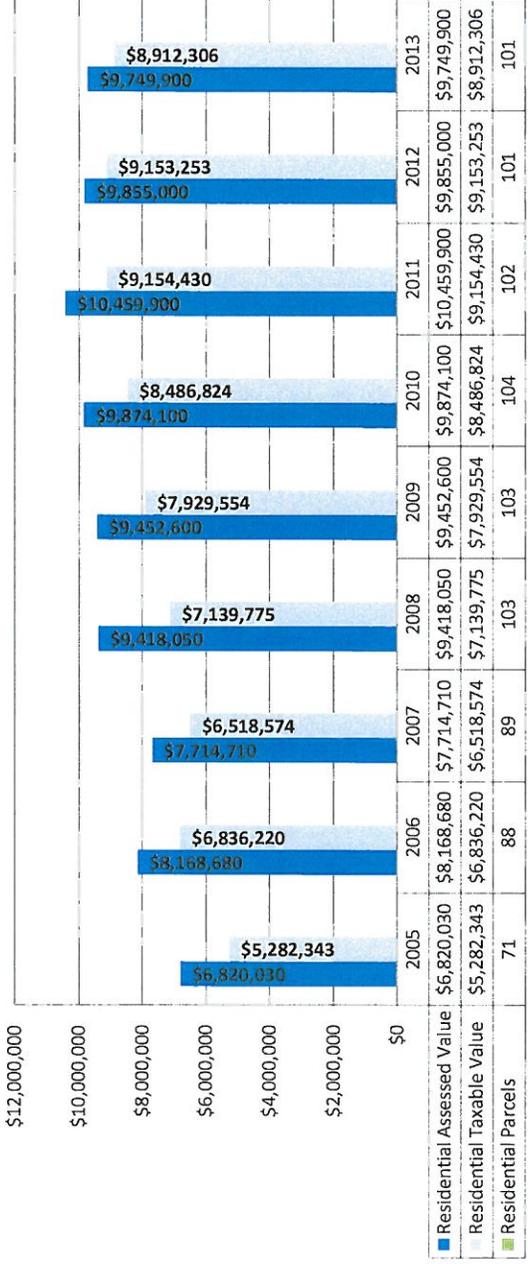
EAST FRONT STREET RESIDENTIAL



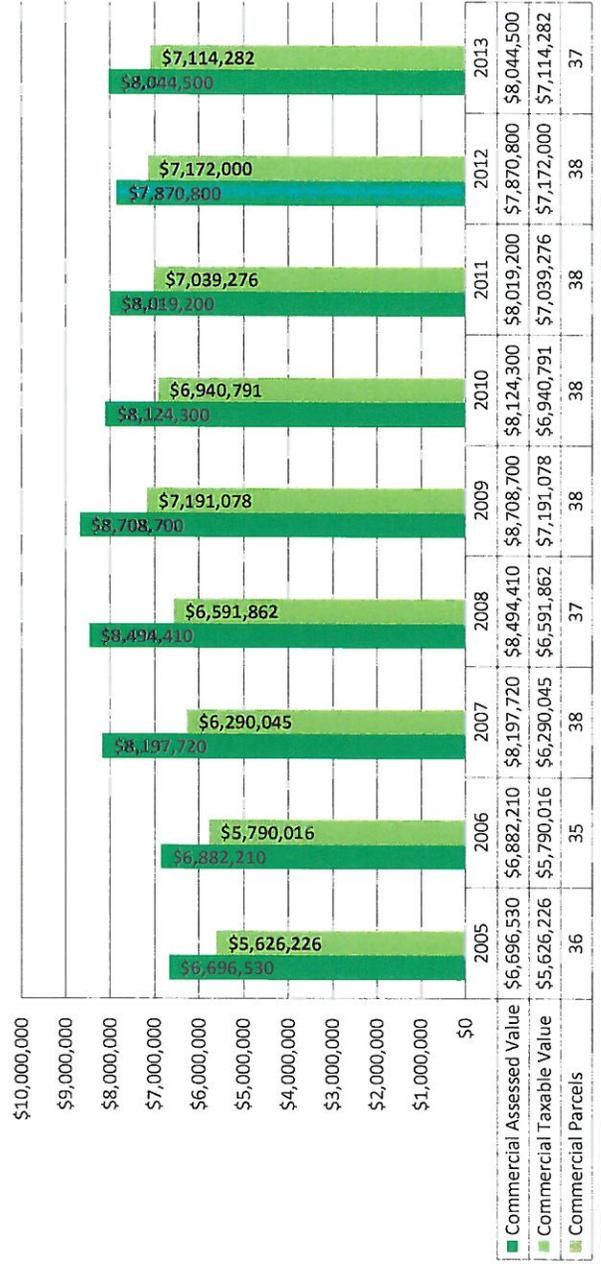
EAST FRONT STREET COMMERCIAL



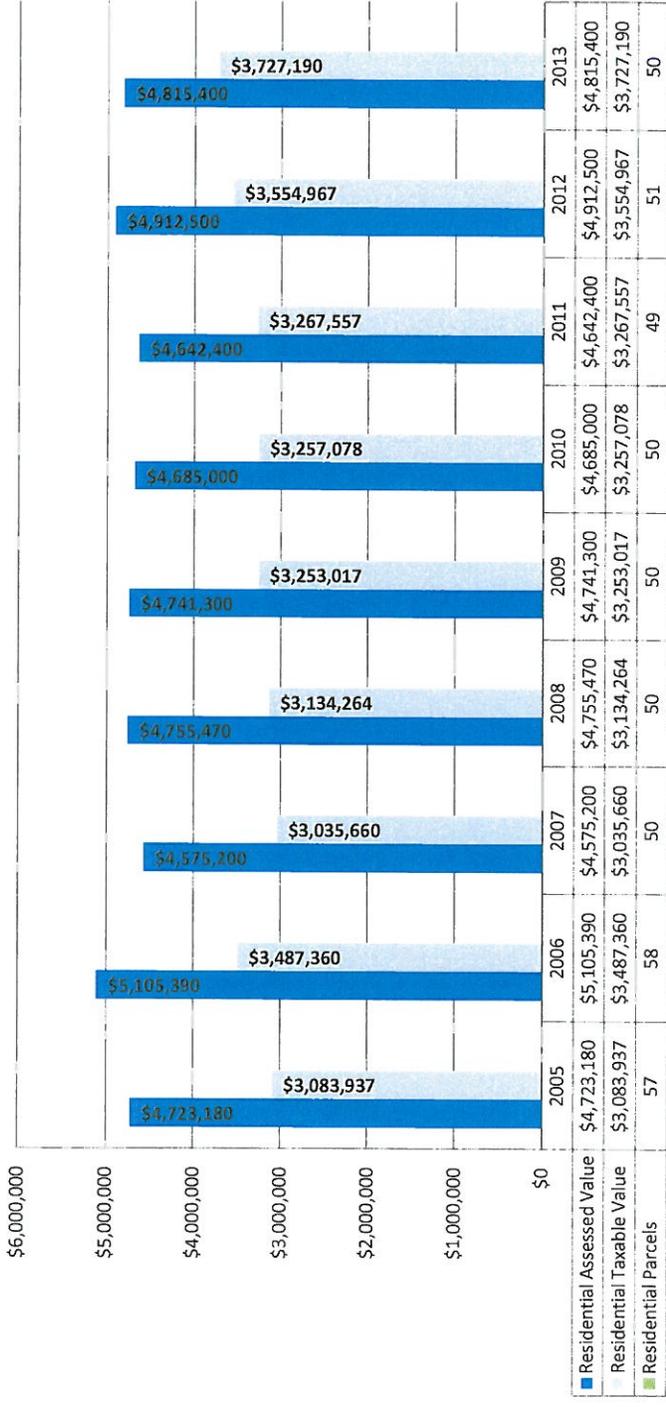
14TH STREET RESIDENTIAL



14TH STREET COMMERCIAL



WEST FRONT RESIDENTIAL



WEST FRONT COMMERCIAL

