



NOTES: April 25, 2008 – 7:30 a.m.
Government Relations Committee

Attendees: Sen. Jason Allen, Tony Anderson, Harold Chase, Ross Childs, Don Coe, Bryan Crough, Jim Feil, Bob Gluszewski, Fred Hoisington, Kerry Kayserrian, George McBath, Tom Menzel, Brad Niergarth, Rep. Dave Palsrok, Steve Perdue, Steve Rawlings, Paul Shirilla, Rep. Howard Walker, Joe Zayaz, Art Jeannot, and Jamie Callahan

I. Welcome and review of Notes

Art Jeannot opened the meeting, welcomed the attendees, and asked for review of the Notes from March 28, 2008. No changes were suggested.

Jamie Callahan gave overview of his recent trip to Washington, DC to see witness the official arrival ceremony of Pope Benedict XVI to the United States on the South Lawn of the White House. Callahan reported that the event was an incredible experience of pageantry and probably the most official state function he has attended.

II. Committee action and updates

Old Town Economic Development resolution (update)

Bryan Crough gave an update on the old town redevelopment project. He passed out a flow chart on how an initiative goes through the city's approval process. There is a public hearing on the PUD on May 19th. Hagerty Insurance needs the proposed changes to be approved for them to effectively utilize the property, as current restrictions have capped the development opportunities for Hagerty. Zoning changes for a parking deck in old town are before the planning commission. A new appraisal of the project property is being done. The purchase of the land will be a turning point in the project.

Having bodies at the different commission meetings makes a difference for planning or city commissioners. Hagerty's current PUD will not let them build anything else on the property, so if the proposal doesn't get approved, they will go somewhere else. Bryan answered questions.

They need five out of seven votes. Chris Bzdok will likely not be voting due to his firm's involvement in brownfield authority. That brings it down to five out of six commissioners voting affirmative.

The MEDC is coming up with contingency plans for other cities to recruit Hagerty in order to keep jobs in Michigan.

Many people have the perception that Hagerty is getting a gift of tax dollars and benefiting unjustly. There is a culture of the politics of envy that is creeping into the process with some people. Discussion followed.

Regional Chamber Alliance Legislative Agenda 2008 (update)

Jamie Callahan reported that each of the five chambers in the Alliance has approved the legislative agenda and should be available on the web.

City Center/Downtown investment legislative package (update)

Sen. Allen gave update on the bill package status. They will start voting bills out of committee in the next couple of weeks. Sen. Allen explained the bills to the committee. He mentioned temporary liquor licenses will be up in committee starting next week. He also mentioned some other legislation he is working on, such as historic MEGAs.

III. Capitol Report

Jamie Callahan gave updates on the following legislative items:

Film incentives: Has been signed by the Governor.

Tourism funding: Signed into law. Provides \$50 million and requires promotion of all four seasons, i.e. hunting, snowmobiling, agriculture, etc.

Individual market reform: The Senate is having a lot of hearings. The committee is supposed vote on April 30 on some version of the legislation.

Great Lakes Compact: No major update at this time. Word is that movement on compact hopefully coming in May.

K-12 budget: Jim Feil gave kudos to the legislators present on their help with the latest K-12 budget and the 2X formula.

IV. Energy policy legislation update

Jamie Callahan gave a brief update on status of the legislation and turned the meeting over to Rep. Dave Palsrok. He started off by referencing the 21st century energy plan assembled by Peter Lark. The report's conclusion is that there will be a need for new generation plants, Michigan's choice standard will need to be amended, as well as some attention to RPS and energy efficiency. The Speaker got a group together to look at all these things.

Michigan has some of the oldest energy plants in the country, which is good in the sense that it is paid off and keeps rates low. About 3% of customers are on choice.

Rep. Palsrok detailed the legislation, which: allows for up to 10% of market to be on electric choice (He feels it gives Wall Street the certainty it needs for financing new plants); includes a type of certificate of need process to determine whether a new energy plant should be built; streamlines file and use for electric rates, which reduces the pancaking of filings; deskews electric rates for business customers and switches to a cost of service for users; includes a school rate as they are good electric users as they are closed during peak times of the year (summer). The deskewing would occur over 5 years.

On the renewable portfolio standard (RPS) of the House bill package, there is a mandate that there would be 10% of all energy coming from renewables by 2015, while allowing for some off ramps. So if it

becomes cost prohibitive to achieve, energy companies can go to PSC to delay the deadline. There is a broad definition of what is defined as renewable. Many think it is wind friendly, but think that a good chunk will be biomass. Cost increases would be spread over 20 yrs, with a cap of \$3/mo per residential, \$17 for certain commercial, with other rates for commercial and industrial users.

We know we have this need in the future for energy. He thinks that the renewables portion will help over next 8 yrs or so will help meet energy demands. The Feds are thinking of carbon taxation and carbon sequestration, which is very expensive.

Energy efficiency is the lowest hanging fruit. The better we do on efficiency, the less need for a base load plant. The legislation is not just about choice, or mandates, but is about the state's long term energy needs. He thinks there will be a long term benefit to rate payers. If we do nothing, we will have greater impact on all rate payers. It would force us to go into spot market for energy, which is very expensive.

Addressing capacity, renewables, and efficiency now is the right thing to do for the long term.

Rep. Palsrok then answered questions. On the RPS, the current 3% is grandfathered, so 10% is on top of that. Question was raised on the impact on low income customers. This has been a topic of discussion in the legislature. No major breakthrough outside current programs at this time. Howard Walker added some comments on holding down costs.

Question was posed on whether the legislation allows for incineration counts towards the RPS figure. No and neither is nuclear counted as renewable

The fate of the legislation in the senate was discussed. Rep. Walker commented that the House and Senate versions are very different. He feels house package is proactive and will stay somewhat similar. If the Senate starts to peck away at it, it will fall apart. A comment was made on how this issue is a good example for term limit reform. All the experience on the issue is going out the window soon.

Siting legislation for windmills will likely need to be addressed to make the 10% threshold. Biomass and wind for the agriculture community are the most positive ways to go. Questions and discussion followed.

V. Other Items

Candidate survey creation

Jamie Callahan mentioned that the committee should start looking at creating a candidate survey for the fall elections and now is the time to start working on it. Anyone interested in assisting should contact Jamie. Further discussion was passed until next time.

MBT member survey update

Jamie Callahan noted that the survey is on the chamber website, and that members should fill it out if they have not yet done so. An analysis of the results will be out in next couple of weeks.

Federal reports

Hal Chase from Sen. Levin's office reported there was a one week extension on the farm bill. They are gearing up for a supplemental for Iraq and Afghanistan, with \$170B for military operations. There has been lots of discussion on whether to go to end of fiscal year or the end of President Bush's term. Possible inclusion in the bill would be some changes to the GI Bill. There are a lot of projects that may

be tried to get attached to the bill. The Senate just passed the Grand Vision amendment to allow the out counties into the study and make it a regional plan, and to allow for implementation in the other counties.

Summer calendar - Passed until next meeting.

Other business

Former Governor Whitman will be coming to Traverse City on April 29th at 1:00 pm at Hagerty Center. She will be talking about CASE energy and how nuclear energy should play a role in the nation's energy makeup. There is a reception from 5:00-7:00 pm on Monday. All committee members are invited to attend.

The National Cherry Festival had their contract signed with city, so the festival is on. Being open on the 4th of July is 50-50.

VI. Next Meeting - May 30, 2008, 7:30 a.m. at the Chamber office

The meeting was adjourned.



Committee Meeting: Small Business Council

Date of Meeting: Friday, April 11, 2008 – 8:00 a.m.

Next Meeting Date: Friday, May 2, 2008 – 8:00 a.m.

Committee Purpose:

The Small Business Council will be the primary vehicle to connect and help grow the Chamber's small business members. The Small Business Council's focus is to embrace and encourage entrepreneurial business practices, to serve as the voice for small business, and to offer opportunities for development through networking and chamber programs.

Committee Chair: Steve Merten, Fawcett/Dopke Agency

Meeting Summary:

Welcome & Introductions - Chairman Merten called the meeting to order at 8:03 a.m. and reminded the Council of upcoming Chamber events: Business After Hours April 16 at Traverse Motors and May 21 at Turtle Creek Casino. He also reminded members to check out the Chamber's Web site for the upcoming Small Business Celebration event dates.

Michigan Business Tax Discussion - Jamie Callahan provided the Council with an update on the Michigan Business Tax (MBT) and what new things have happened in regards to this since the April 11th meeting. Callahan reported a survey of the membership regarding their business's MBT experience with the new rules in place. An announcement will also be made in the this week's Chamber Weekly e-News encouraging members to complete the survey so the Chamber can gather enough feedback to prepare a document showing how the MBT is impacting businesses regionally and take that information to our legislators in Lansing. Callahan reminded the Council that with the Northwest Michigan Regional Chamber Alliance we represent over 5,000 businesses in Northern Michigan and this will give us a great voice in Lansing. He added that we are right on track with the Alliance's top legislative priorities (in Council members' packets). Callahan will have more data to share regarding the MBT at the May Council meeting. He said at that time we may also want to conduct meetings with our state legislators here at the Chamber to share what data we've

collected and so they can hear member's personal stories of how the MBT has impacted their businesses.

Downtown Business Activity/Senate Package of Incentives – Steve Merten explained that at the last meeting Council member Jim Valesano brought up the issue of downtown businesses and what the Chamber/Council can do to help attract the right kind of businesses to downtown. With that he turned it over to Jamie Callahan who presented the Council with the Senate Commerce Committee Downtown Package which the Chamber Board of Directors recently supported. This package is meant to revitalize downtowns and includes film incentives and tourist promotion bills. Bonnie Alfonso asked Callahan how this will impact us locally – will it have any impact on the decisions our local governmental officials make? Tino Breithaupt explained that this senate package can be used by the EDC as tools on a project by project basis. For example, some of the incentives work well for certain projects and some do not. He also noted that education will play a large role in whether these incentives get used properly. If the governmental officials are educated on the incentives package and know they exist then hopefully they will use these to enhance the downtowns in our region. Jim Valensano added that the DDA did a marketing analysis that shows what our downtown is lacking. With that list he suggested we can compare to the incentives package and work with the DDA to get something downtown we don't already have – a nice balance of retail, theater, hardware, etc. Chairman Merten asked what we can do as a Chamber to facilitate this. Tino Breithaupt responded that as this package moves through the legislature the EDC has more tools in the tool box, we will utilize those tools to package projects going through the DDA & City Commission for approval. It was suggested and agreed that Bryan Crough of the DDA should be invited to attend the May Small Business Council meeting to provide a downtown update and discuss ideas on how we can collaborate with them and help support them in educating our local governmental officials on downtown incentives.

Discussion ensued regarding rezoning issues with the Hagerty project, Old Town parking deck and the use of tax increment financing for development projects. Tino Breithaupt informed the Council they will receive regular updates on the status of these items.

Regional Business Index – Tino Breithaupt reported that Matt McCauley of the Northwest Michigan Council of Governments is working up a cost analysis for the project so we can compare to our budget. Breithaupt and McCauley will also be working together prior to next month's meeting on what data to collect to give a good representation of the region – this should be ready for the Council's review by the May meeting.

Young Professionals Organization – Tino Breithaupt reported the Young Professional's Organization continues to gain momentum. He referred the Council's attention to the new YP Web page on the Chamber's Web site. Chairman Merten commented that this is going to be a great tool for attracting and retaining young professionals in our region.

Other Items of Discussion – None were sited. Chairman Merten asked Council members to feel free to e-mail him or Tino Breithaupt if they think of anything between now and next month's meeting.

The meeting was adjourned at 9:00 a.m.



NOTES: April 18, 2008 - 7:30 a.m.

Transportation Committee

Attendees: Mary Gillis, Dave Green, Herb Lemcool, George McBath, Rise Rasch, Peter Read, Matt Skeels, Evan Smith, Jamie Callahan.

Guests: Doug Christensen, Mead & Hunt; Doug Dornbos, Cherry Capital Cab

I. Welcome and Notes review

Evan Smith opened the meeting and welcomed everyone. He then asked for a review of last meeting's notes. No changes were offered.

II. Grand Vision update

Jamie Callahan introduced Doug Christensen from Mead & Hunt to give an update and presentation on The Grand Vision. Doug went through a power point presentation.

Doug reported that as many as 50 different studies have been done in the area since the 1980's. The hope with the Grand Vision (GV) is that since there was an early focus on implementation strategy, with the hope that this project will not just sit on a shelf. The study puts the region in a better position to leverage future funding opportunities. Funding for GV is 80% federal and 20% local. Total federal allocation is \$3.3 million. GV budget is \$1.3M, leaving \$2M for implementation.

There has been a great community buy in on the project shown by the number of area groups that have contributed to GV. Funding will come in over two years. Year 1 invoices are out with most of the funds already in for the year.

The process for the project is Values (what do people really want), Vision (how will region provide it), Strategy (implement), Plan, Fund, Build. Most projects utilize just the last three parts, while GV is doing a lot of work on the first three parts. The regional vision helps the public and today's decision makers understand the consequences of their choices by developing long-term scenarios.

One of the next steps is to survey residents using online focus groups through Harris Interactive. The guiding principles report will use the key values to grade out scenarios. Approximately 400 phone interviews will be done to drill down to find the real core values.

Mead & Hunt is working to create different scenarios for what the future could look like. There have been five workshops in Grand Traverse County, and workshops start in May in the other five counties. County workshops are: Kalkaska, May 7 at the Kaliseum; Leelanau, May 8 at the Suttons Bay High School; Antrim, May 27 at Shanty Creek; Wexford, May 27 at the Wexford Civic Arena in Cadillac; and Benzie, May 28 at Crystal Mountain. Total attendance for

the Grand Traverse workshops was over 1300 people to date. The different maps and scenarios are on the GV website. Transportation data is the latest to be laid on top of the computer layers to develop the land use scenarios.

Some feedback kept along the current land use trend. One trend was very downtown/city focused. Another theme was villages across the region and to develop them as stand alones across the region. Mead & Hunt is now creating scenarios using computer models to visualize what life would be like in each scenario. Doug showed some examples from Libertyville, IL. GV version will be finished late summer, early fall.

After the out county workshops, the other scenarios will be developed over the summer. Big rollout will be September 10th. They are calling it the Vision Decision. With five scenarios on what the region could be. People will give input on the top options from Sept. 10 – Oct. 1, 2008. The results will then be used to create a draft vision.

In January they will have the final regional vision. After that, analysis will be done on the corridors of significance. A lot of the technical, preliminary engineering, nuts and bolts will be performed and will see whether what comes out of vision is implementable. By September 2009 they will have the “to do” list to implement, so really this becomes the long-range transportation plan for the region. Land use analysis will go on as well to determine what ordinances need to change to come in line with the vision.

Doug opened the meeting to questions. Discussion followed.

Point was raised that with the implementation funds of \$2 million available, with the inclusion of five more counties, are there any plans in the works to increase available funds, as \$2M does not go a long ways when divided into six counties. Nothing at this point, but will likely have to be done. New efforts will need to be made to push for regional funding and can use these results and plan as the basis to help justify funding.

Concerns were raised as to the mindset of some elected officials whose views on what the area should look like are contrary to general thought.

A group call the Grand Vision Champions has been created. They are folks from the area communities that are working with people that are not buying into the program or have a perspective that is contrary to what is going on the GV. Discussion followed.

The public involvement committee is looking to touch about 10% of the population for the six county region on education of what is going on with the Vision Decision and being able to get a good sample. Discussion followed.

Matt Skeels gave a TC-TALUS update. Some contract updating may occur to help with some promotion for the Vision Decision. Hoping the federal grant may be able to help once that is amended.

He then talked about MPO (Metropolitan Planning Organization), which is federally designated via the census, as is based on population density and definitions on what constitutes an urban area. Definition is 50K people with a density of 1K per sq mile. There are some parts of the county that qualify, but hoping to go over the top. This will help with some federal funding usages. MPO's oversee developing and overseeing plans from other transportation agencies and make sure it blends with the MPO plan and can use some federal funds to implement. There is

not much money in it - about one project a year currently. By bumping up to the mid-size MPO, the funding jumps by a decent amount. TC-TALUS functions that way in a way already, so we will have a leg up if we become a mid-size MPO. Any official designation would come around 2012. There is an exemption to get the designation early. The federal funding is for major projects, not for road maintenance.

The committee thanked Doug for his presentation and work on the GV.

IV. Strategic Initiatives and Other Items

Advocacy

It was suggested that pursuing the MPO exemption if we are going to be close. There was consensus to explore this further as we get closer to knowing one way or the other.

The need to empower the out counties participating in the GV to get out and look for implementation funds for their counties was brought up.

Other Business

The County and Road Commission will be meeting on May 6th to discuss how to fund road maintenance and improvement projects. Meeting is in the commission chambers.

Education of the public on where their money is going and how it is being spent when it comes to transportation, needs to occur.

Herb Lemcool will be sending Jamie the proposed platform for the Michigan Association of Counties transportation committee. Jamie will forward to the committee for comment and direct responses to Herb.

Evan Smith introduced Doug Dornbos of Cherry Capital Cab, who was visiting the committee and express possible interest in joining the committee.

VI. Next meeting

The next meeting will be May 16, 2008, 7:30 a.m. at the Chamber office.

The meeting was adjourned.