



1303 South 8th Street P.O. Box 1090 Manitowoc, WI 54221-1090 920-683-4600 FAX 920-686-4348 [www.mpu.org](http://www.mpu.org)

March 5, 2014

Steve Corbeille  
City of Manitowoc  
900 Quay Street  
Manitowoc, WI 54220

RE: FIBER OPTIC LEASE

MPU and the City of Manitowoc have discussed revisions to current fiber optic lease agreements. It is our understanding that the City of Manitowoc would like to reduce the existing number of fiber optic strands leased and to consolidate two lease agreements to conform to the following:

A.) Two licensed fibers between City Hall, 900 Quay Street, and each of the following locations:

- 1.) Wastewater Treatment, 1015 S. Lakeview Drive
- 2.) Library, 707 Quay Street
- 3.) Transit Transfer Center, 915 South 11th Street
- 4.) Rahr West Museum, 610 North 8th Street
- 5.) Fire Station #2, 1410 North 8th Street
- 6.) Fire Station #3, 3820 Dewey Street
- 7.) Fire Station #4 via Fleetwood Parks, 1125 Fleetwood Drive
- 8.) Park and Recreation Offices, 930 North 18th Street
- 9.) Visitor Convention Bureau, 4221 Calumet Avenue
- 10.) Department of Public Works, 2655 South 35th Street
- 11.) Senior Center, 3330 Custer Street
- 12.) Evergreen Cemetery Office, 2110 Michigan Ave
- 13.) Fleetwood Parks, 1105 Fleetwood Drive
- 14.) Manitowoc County Sheriff's building, 1025 S. 9th Street

B.) Four licensed fibers between City Hall, 900 Quay Street, and each of the following locations:

- 1.) Evergreen Cemetery Fire Tower, 746 Revere Drive
- 2.) Safety Building, 911 Franklin Street

Enclosed are tables showing these fiber counts along with annual O&M expense, installation expense, and a payment schedule. MPU proposes to incorporate these amounts into a new, 10-year agreement, also enclosed for execution.

Please contact me at 920-686-4310 with any questions.

Sincerely,



Steve Bacalzo, P.E.

enclosures

**OPERATIONS AND MAINTENANCE EXPENSE  
FOR FIBER OPTIC LEASED BY CITY 2/18/2014**

Name of Site	Street address	Fibers	Distance		Annual O&M Expense
			(Feet)	(Miles)	
1 City of Manitowoc Safety Building	911 Franklin Street	4	954	0.18	\$97.57
2 Waste Water Treatment	1015 S.Lakeview Dr.	2	3378	0.64	\$172.74
3 City Library	707 Quay Street	2	1863	0.35	\$95.27
4 City Hall (HUB)	900 Quay Street	0	0	0.00	\$0.00
5 Transit Transfer Center	915 S. 11th Street	2	2201	0.42	\$112.55
6 Rahr West Museum	610 N. 8th Street	2	15524	2.94	\$793.84
7 Fire Station #2	1410 N. 8th Street	2	42804	8.11	\$2,188.84
8 Fire Station #3	3820 Dewey Street	2	19385	3.67	\$991.28
9 Fire Station #4	1125 Fleetwood	2	1784	0.34	\$91.23
10 Park & Recreation Offices	930 N. 18th Street	2	49154	9.31	\$2,513.56
11 Visitor Convention Bureau	4221 Calumet Ave.	2	22337	4.23	\$1,142.23
12 Dept. of Public Works	2655 S. 35th Street	2	20500	3.88	\$1,048.30
13 Senior Center	3330 Custer Street	2	16072	3.04	\$821.86
14 Evergreen Cemetery	2110 Michigan Ave.	2	52962	10.03	\$2,708.28
15 Fleetwood -Parks(fire station#4)	1105 Fleetwood	2	55442	10.50	\$2,835.10
16 Reed Ave Water Tower	1400 N 8th Street	0	43821	8.30	\$0.00
17 ITEC Water Tower	5717 West Drive	0	26962	5.11	\$0.00
18 Fire Tower (Cemetery)	746 Revere Drive	4	10709	2.03	\$1,095.24
19 County Sheriff	1025 S. 9th Street	2	1625	0.31	\$400.00

**Annual O&M Expense      \$17,107.89**

**O&M Expense** includes items like locating, pole rental, pole moves, underground relocation, taxes, depreciation and engineering expense. The original expense at time of installation is about \$135 per fiber-mile-year (\$102,700/757 fiber strand miles leased among all users).

**County Sheriff** (site #19) was added via separate agreement between City and MPU, dated 10/28/2013

Revised 2/18/2014

**FIBER OPTIC INSTALLATION COST  
TO SERVE CITY FACILITIES**

	Name of Site	Street address	Fibers	Distance (Feet)	Distance (Miles)	Service Drop Cost	Shared Ring Cost	Total Capital Cost
1	City of Manitowoc Safety Building	911 Franklin Street	4	954	0.18	\$2,280.90	\$1,373.76	\$3,654.66
2	Waste Water Treatment	1015 S.Lakeview Dr.	2	3378	0.64	\$2,809.20	\$2,432.16	\$5,241.36
3	City Library	707 Quay Street	2	1863	0.35	\$2,489.85	\$1,341.36	\$3,831.21
4	City Hall (HUB)	900 Quay Street	0	0	0.00	\$6,378.90	\$0.00	\$6,378.90
5	Transit Transfer Center	915 S. 11th Street	2	2201	0.42	\$1,914.57	\$1,584.72	\$3,499.29
6	Rahr West Museum	610 N. 8th Street	2	15524	2.94	\$5,226.75	\$11,177.28	\$16,404.03
7	Fire Station #2	1410 N. 8th Street	2	42804	8.11	\$2,666.00	\$30,818.88	\$33,484.88
8	Fire Station #3	3820 Dewey Street	2	19385	3.67	\$3,620.30	\$13,957.20	\$17,577.50
9	Fire Station #4	1125 Fleetwood	2	1784	0.34	\$3,285.05	\$1,284.48	\$4,569.53
10	Park & Recreation Offices	930 N. 18th Street	2	49154	9.31	\$2,412.14	\$35,390.88	\$37,803.02
11	Visitor Convention Bureau	4221 Calumet Ave.	2	22337	4.23	\$3,804.58	\$16,082.64	\$19,887.22
12	Dept. of Public Works	2655 S. 35th Street	2	20500	3.88	\$3,213.95	\$14,760.00	\$17,973.95
13	Senior Center	3330 Custer Street	2	16072	3.04	\$5,011.95	\$11,571.84	\$16,583.79
14	Evergreen Cemetery	2110 Michigan Ave.	2	52962	10.03	\$5,826.71	\$38,132.64	\$43,959.35
15	Fleetwood -Parks(fire station#4)	1105 Fleetwood	2	55442	10.50	\$4,002.30	\$39,918.24	\$43,920.54
16	Reed Ave Water Tower	1400 N 8th Street	0	43821	8.30	\$2,406.78	\$0.00	\$2,406.78
17	I TEC Water Tower	5717 West Drive	0	26962	5.11	\$2,047.78	\$0.00	\$2,047.78
18	Fire Tower (Cemetery)	746 Revere Drive	4	10709	2.03	\$4,798.05	\$15,420.96	\$20,219.01
19	County Sheriff	1025 S. 9th Street	2	1625	0.30	\$0.00	\$0.00	\$0.00

**Grand Total Capital                    \$299,442.80**

x 0.77 (23% depreciated)

**230,571.00**

**Service Drop Cost** is construction cost to connect the building to the ring.

**Shared Ring Cost** is the proportional, per foot cost of the fiber ring cost to that allocated for city use (\$0.36/ fiber foot original construction cost).

**County Sheriff** (site #19) was added via separate agreement between City and MPU, dated 10/28/2013

REVISED 3/5/2014

## Manitowoc Public Utilities

### Broadband - City of Manitowoc Payment Schedule

<b>Year</b>		<b>O&amp;M</b>		<b>Capital</b>		<b>Total</b>
2014	\$	17,107.89	\$	29,860.00	\$	46,967.89
2015	\$	17,621.13	\$	29,860.00	\$	47,481.13
2016	\$	18,149.76	\$	29,860.00	\$	48,009.76
2017	\$	18,694.25	\$	29,860.00	\$	48,554.25
2018	\$	19,255.08	\$	29,860.00	\$	49,115.08
2019	\$	19,832.73	\$	29,860.00	\$	49,692.73
2020	\$	20,427.72	\$	29,860.00	\$	50,287.72
2021	\$	21,040.55	\$	29,860.00	\$	50,900.55
2022	\$	21,671.76	\$	29,860.00	\$	51,531.76
2023	\$	22,321.92	\$	28,438.09	\$	50,760.01

O&M - Increased 3% annually.

Capital - 5% interest rate.