



# Tacoma Power Facilities Relocation Contributions Relative to Publics Works Projects

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# Introduction

# History/Introduction

UNDERGROUND CONVERSION  
CONTRIBUTION

BREWERY DISTRICT PILOT  
PROGRAM

APRIL 2018

CODE CLARITY FOR  
OH/UG RELOCATIONS FOR  
PUBLIC WORKS PROJECTS

Q2 2019

FINANCIAL OPTIONS FOR  
UNDERGROUND SERVICE  
CONVERSIONS & FEEDER  
IMPROVEMENTS

Q3 2019

# April 2018 – Brewery District Pilot Project

1. **Approved Resolution to the Pilot Program Policy** – Tacoma Power can contribute 30% for Underground Conversions within a Commercial LID in the Brewery District for 3 years.
  - **(2) Developers currently pursuing this offer**
    - Commerce Street (23<sup>rd</sup> to 25<sup>th</sup>)
    - 6.4 Acre site – Towne Center (Tacoma/Jefferson, 21<sup>st</sup>- 23<sup>rd</sup>)
  - Support from General Government, CEDD, Public Works

# Current Focus on Public Works Cost Sharing

**2. Public Works related Relocation Contributions for Overhead & Underground** - Research including current policy/code, comparison to Franchise Agreements, historical costs and projected fiscal impacts.

**3. Payment Alternatives for PUB request & Economic Development Initiatives** – Research with Legal staff, Finance, and LID Manager.

# Drivers and Benefits

# Guiding Principles



Clarity - Code, Terminology

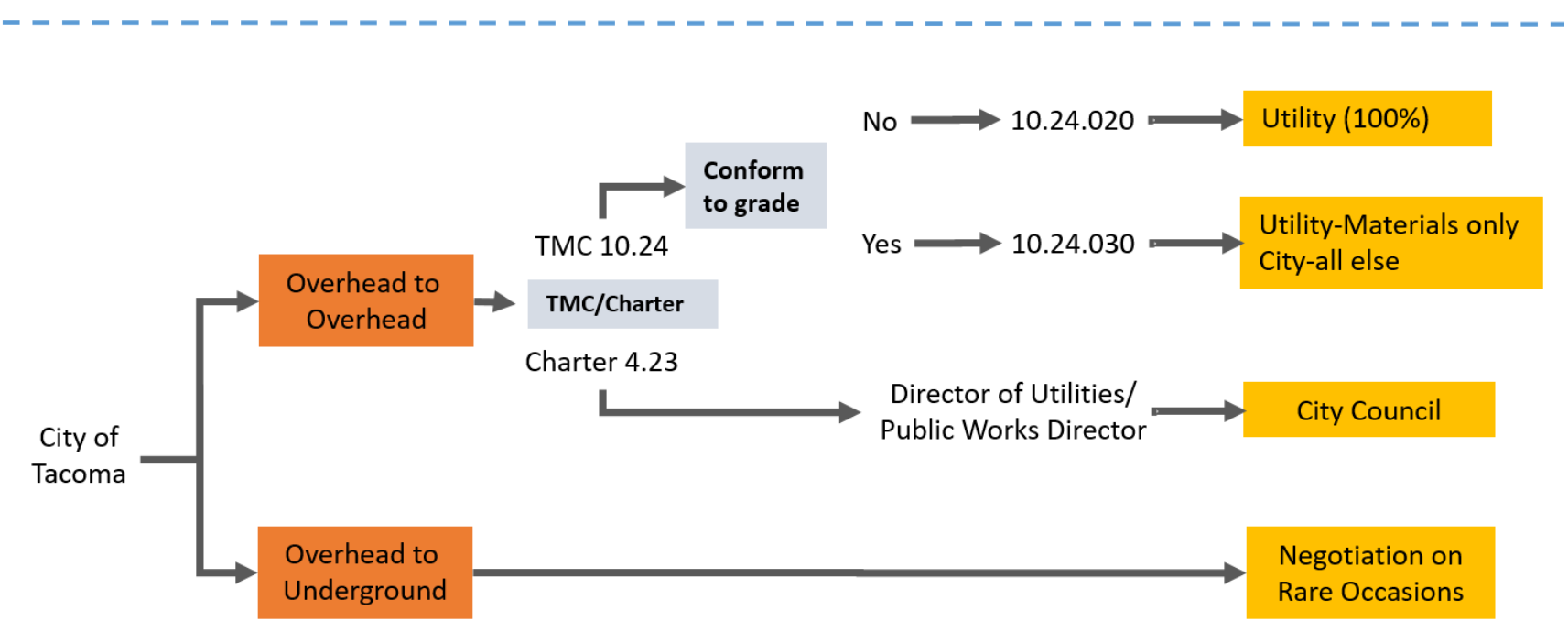
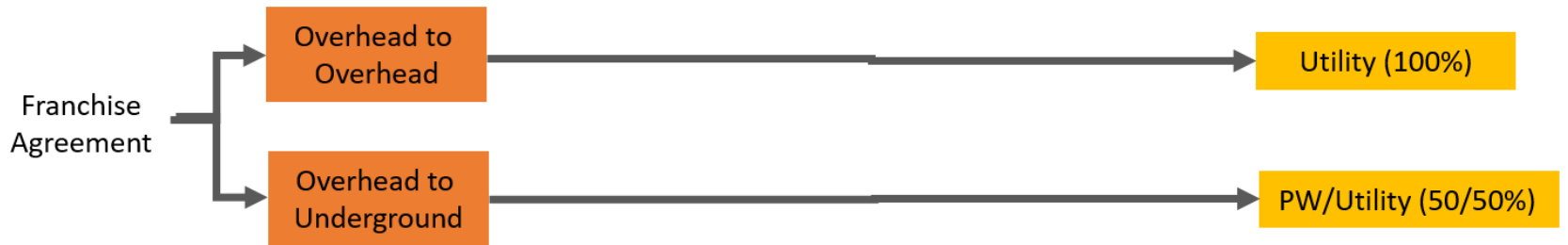
Consistency - TMC & Franchise Agreements

Collaboration - Sub Area Plans, Strategy

# Current Process and Practices



# Different Processes Between Jurisdictions Relative to Public Works Projects



# Current Practice – City Cost Allocations

## Relative to Public Works, Overhead Relocations

- **Tacoma Municipal Code –**
  - **10.22.180** (Rights-of-Way) addresses relocating utilities and assigns the cost of relocation to the owner of the facilities without regard to whether or not the street has previously been improved/graded.
  - **10.24.020** (Streets-Installation of Utilities) – Facilities installed **WITHOUT CONFORMANCE TO ESTABLISHED GRADE**, Utility pays all costs
  - **10.24.030** - Facilities installed **IN CONFORMANCE WITH ESTABLISHED GRADE**, Utility pays materials, City pays other costs
- **Tacoma City Charter, Section 4.23** - provides guidance for utility relocations for “Public Utilities” – “*...expense thereof shall be charged against such fund as may be agreed upon by the Director of Utilities and the City Manager or as determined by the City Council.*”

# Franchise Language for Public Works Relocation Costs

	<ul style="list-style-type: none"> <li>• Lakewood</li> <li>• University Place</li> <li>• Fife</li> <li>• Fircrest</li> </ul>	<ul style="list-style-type: none"> <li>• Pierce County</li> <li>• Ruston</li> </ul>
Required Overhead Relocation	Utility pays all costs	Utility pays all costs
Subsequent Overhead Relocation	>15 years City pays pro-rata share	Utility pays all costs
Underground Conversion for Public Works project where >50% poles will be affected	Utility Pays 50% Distribution Costs	Does not Require Underground Conversion

# Recommendations and Fiscal Impact

# What We Have to do to Align with Franchise Agreements

## Recommendations for Clarity, Consistency, Collaboration

- Agree upon **“Public Works Project”**

A project that Public Works initiates based on an established 6 Year Transportation Improvement Program, for the purposes of street improvements for traffic conditions or public safety, widening, grading, etc.

- Change Language in **TMC 10.24.020** to reflect **“relocation request”**, cooperative relocation at Tacoma Power’s sole expense.
- Change Language in **TMC 10.24.030** to reflect **“subsequent relocation request”**, incorporating a cost share for 15 year lifespan.
- Add new section **TMC 10.24.035** regarding relocation with **underground conversion requested** in conjunction with a Public Works project, Tacoma Power will pay 50% of the project costs.

# Fiscal Impact Estimate (Biennium)

- TPWR Analyzed historical relocation projects in City of Tacoma – OH & UG
- TPWR Reviewed City of Tacoma Public Works Projects 6 year plan
- Public Works estimated 2019/20 projects – \$122M in projects, 17/73 potential projects that would impact TPWR, rarely include pole relocations (12, +10 more)

	CURRENT CODE	Recommended T&D OH to OH	Recommended DIST UG, TRANS OH
	<b>HISTORICAL TMC CODE 10.24.020 &amp; 10.24.030</b> Relocate T&D OH (Utility paid est. 80% Avg)	<b>FRANCHISE &amp; TMC 10.24.020</b> OH to OH T&D Relocation Utility pays 100%	<b>FRANCHISE &amp; TMC 10.24.020, .035</b> Conversion and Relocation for PW Utility pays 50% DIST OH to UG & 100% TRANS OH to OH
<b>Biennium Estimate</b>	<b>\$1,853,176</b>	<b>\$2,316,469</b>	<b>\$3,154,537</b>
<b>Biennium Fiscal Impact</b>	-	<b>\$463,294</b>	<b>\$1,301,361</b>

# PUB Comments/Feedback

# Payment Alternatives



# Results of Research for Payment Alternatives

Relative to Service Conversions or Developer Infrastructure Requirements

## 1. Customer's Service Conversion Cost – Roll into the LID

- Not permissible to roll costs into the LID program

## 2. Developer Charges for Line Upgrades - Off set payments

- RCW 35.92.025 and 35.67.360 not applicable for electric system



End of Presentation