



Guiding Principle 9 Economic Development

Update to the Tacoma Public Utility Board

July 24, 2024



●●● Agenda

- Economic Development
- Tacoma Power
- Tacoma Water
- Tacoma Rail
- GP-9 Measurements

●●● Purpose

The Utilities are an asset that can aid in improved quality of life for all TPU customers and stakeholders.

TPU supplies critical resources to the communities it serves and provides the foundation for building a strong and resilient economy, which will ultimately result in more revenue for TPU.

••• Economic Development

- Economic development is the intentional practice of improving a community's economic well-being and quality of life.
- It includes a broad-range of activities to attract, create, and retain jobs, and to foster a resilient, pro-growth tax base and an inclusive economy.
- The practice of economic development comprises of a collaborative effort involving industry, government and community stakeholders.

Economic Development

Why Communities Invest in Economic Development



Utility Economic Development

“All economic development is local, and it all relies on a site or building. And every site or building is going to be served with utilities”

“Utilities are one of the key stakeholders in the economic development team.”*

* Janet Ady, Site Selector and Economic Development Consultant

Utility Economic Development



The top 10 site selection criteria in 2023 (2022)

1. Labor costs (1)
2. Availability of skilled labor (3)
3. Environmental regulations (9)
4. Tax Exemptions (13)
5. Broadband and IT infrastructure (6)
6. Right to Work State (18)
7. Quality of life (2)
8. **Energy costs** (8)
9. Corporate tax rate (7)
10. Highway Accessibility (11)

2023 Summary

- The economy and financial constraints continue to be a drag on new business
- Pace of new C&I development has decreased

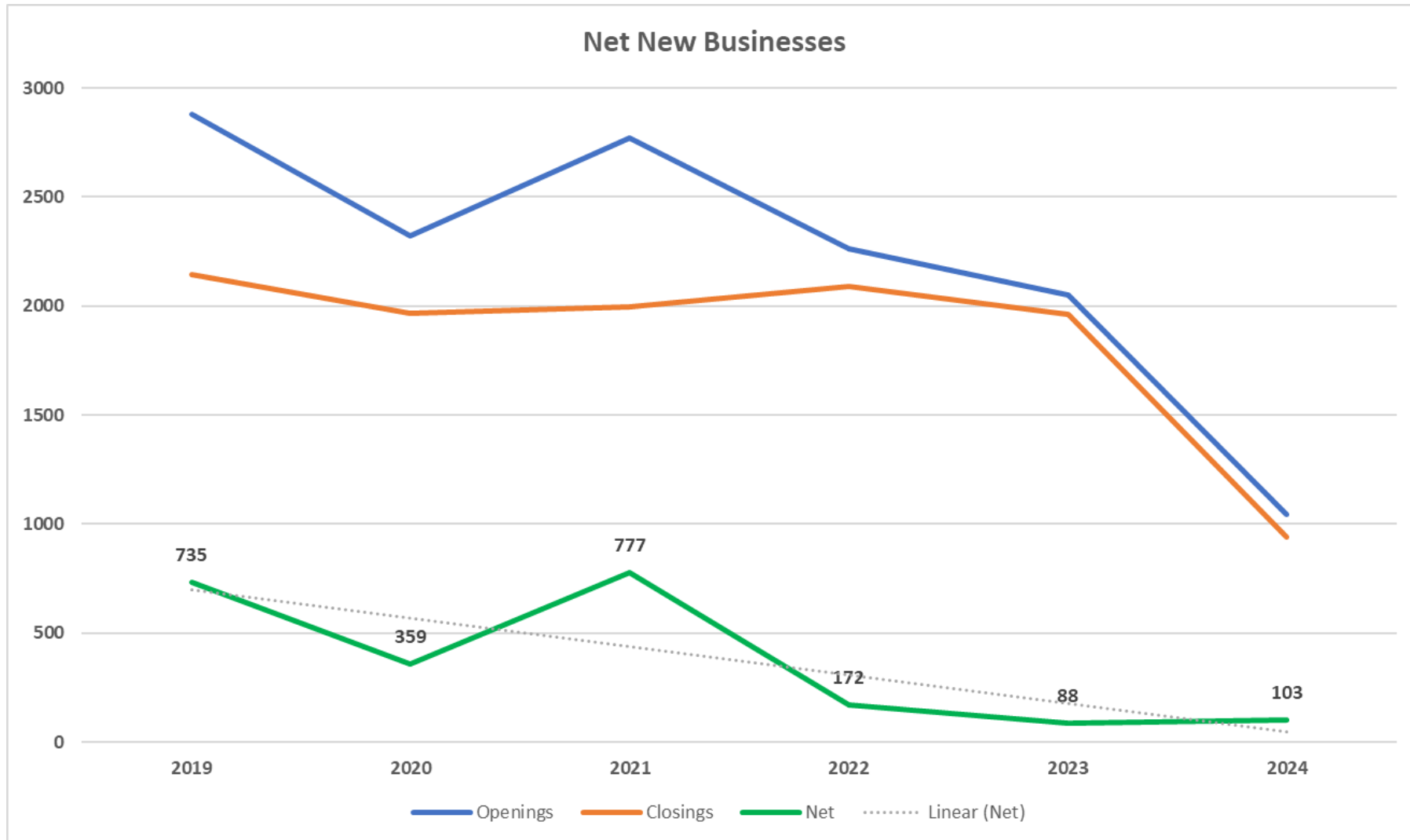
Account Openings

Account Class	Services	⌘	Year Opened					
			2019	2020	2021	2022	2023	2024
Commercial	Power & Water		305	256	265	291	242	132
	Power Only		2,357	1,893	2,307	1,777	1,641	822
	Water Only		216	172	201	195	165	91
	Total		2,878	2,321	2,773	2,263	2,048	1,045
Industrial	Power Only		1	3				
	Total		1	3				
Grand Total			2,879	2,324	2,773	2,263	2,048	1,045

Account Closures

Account Class	Services	⌘	Year Closed					
			2019	2020	2021	2022	2023	2024
Commercial	Power & Water		315	251	276	301	267	141
	Power Only		1,651	1,558	1,539	1,627	1,534	730
	Water Only		160	148	174	156	156	71
	Total		2,126	1,957	1,989	2,084	1,957	942
Industrial	Power & Water		5	3	2	2	1	
	Power Only		9	3	5	3	1	
	Water Only		4	2		2	1	
	Total		18	8	7	7	3	
Grand Total			2,144	1,965	1,996	2,091	1,960	942

2023 Summary



Economic Development

12 Month Review

- Continued to work closely with our partners to ensure timely and accurate utility information for prospects and expansions including manufacturing, logistics, SAF, and textile recycling
 - 32 prospects and expansion projects
- Implementing the COT Green Economy Strategy – participant in the GE HUB and GE Recruitment groups.
- SelectUSA Fam Tour of Tacoma (June 20).
- Signing MOU with KOSME to work on placing Korean Startups and SMEs in Tacoma (July 19).

Economic Development

Focus for 2024

- Continued focus on economic development basics – retention, expansion, and recruitment
- Provide our partners support for their projects, programs and efforts
- Continued support for the COT's Green Economy Strategy
- Identify opportunities for new partnerships and collaborations
- Continued engagement with the Tideflats Subarea Plan
- Signing MOU with KOSME to work on placing Korean Startups and SMEs in Tacoma.

●●● Tacoma Power

2023 Electrical Services Accomplishments

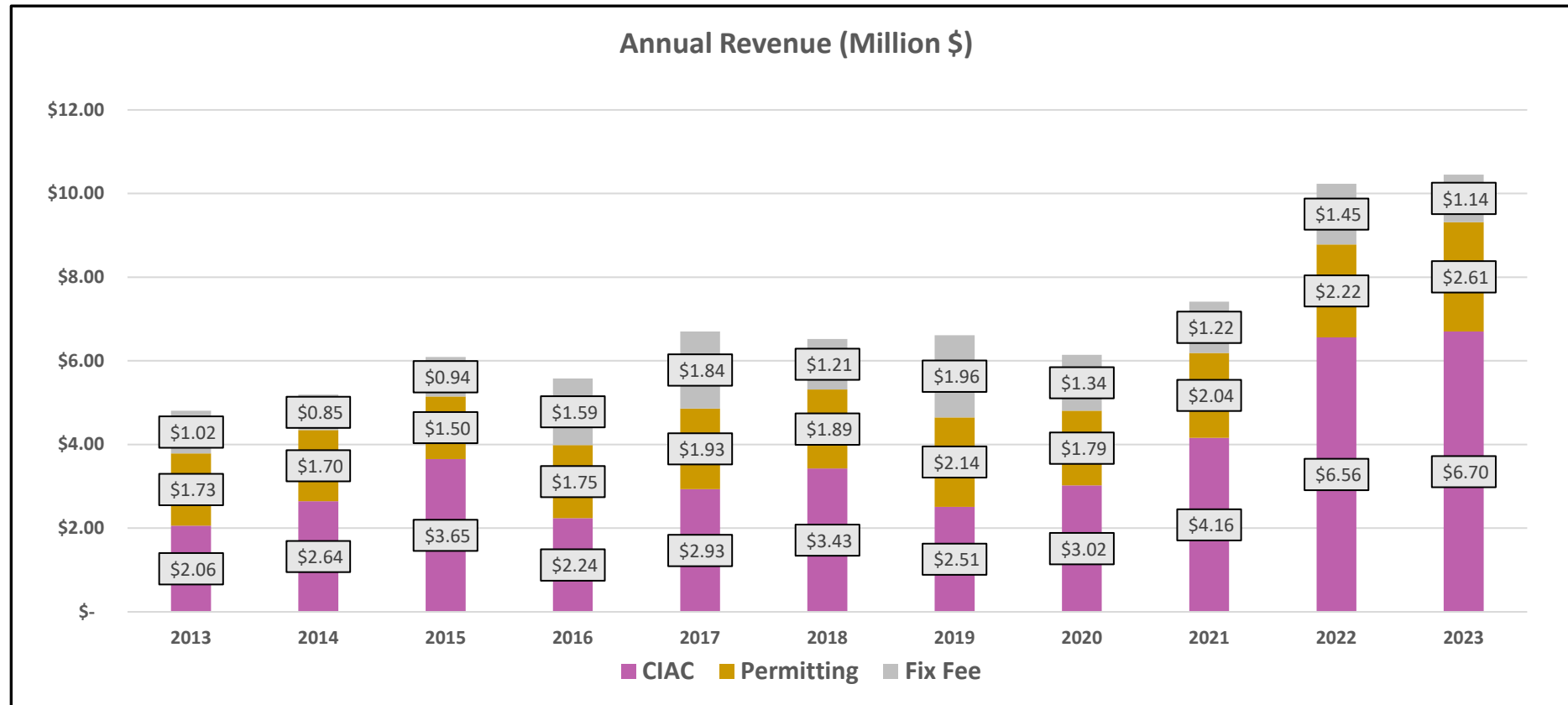
- Advanced Meter C&I deployment complete
- Many large projects including 34 apartment buildings
 - 2024 has 16 new apt complexes to date
- 2,789 New Connections
- Accela permitting site launched mid-March

Supply Impacts to Electrical Services

- Pro-Active communications to customers
- Seeking material and design alternatives

Tacoma Power

Customer Spending



●●● Tacoma Power

Electrical Services Focus for 2024

- Training new NS Engineers (5 of 7 total)
- New Service & Central Business District Engineering
 - Balancing materials and design
- Explore implementation of an Amp Fee (bring to PUB in 2025)
- Synchronizing permit and flat fee reviews with power rates
- Project deployments
 - Continue refinements to the Accela permitting platform
 - Version upgrade to Mobile Workforce Management

2023 Water New Services Accomplishments

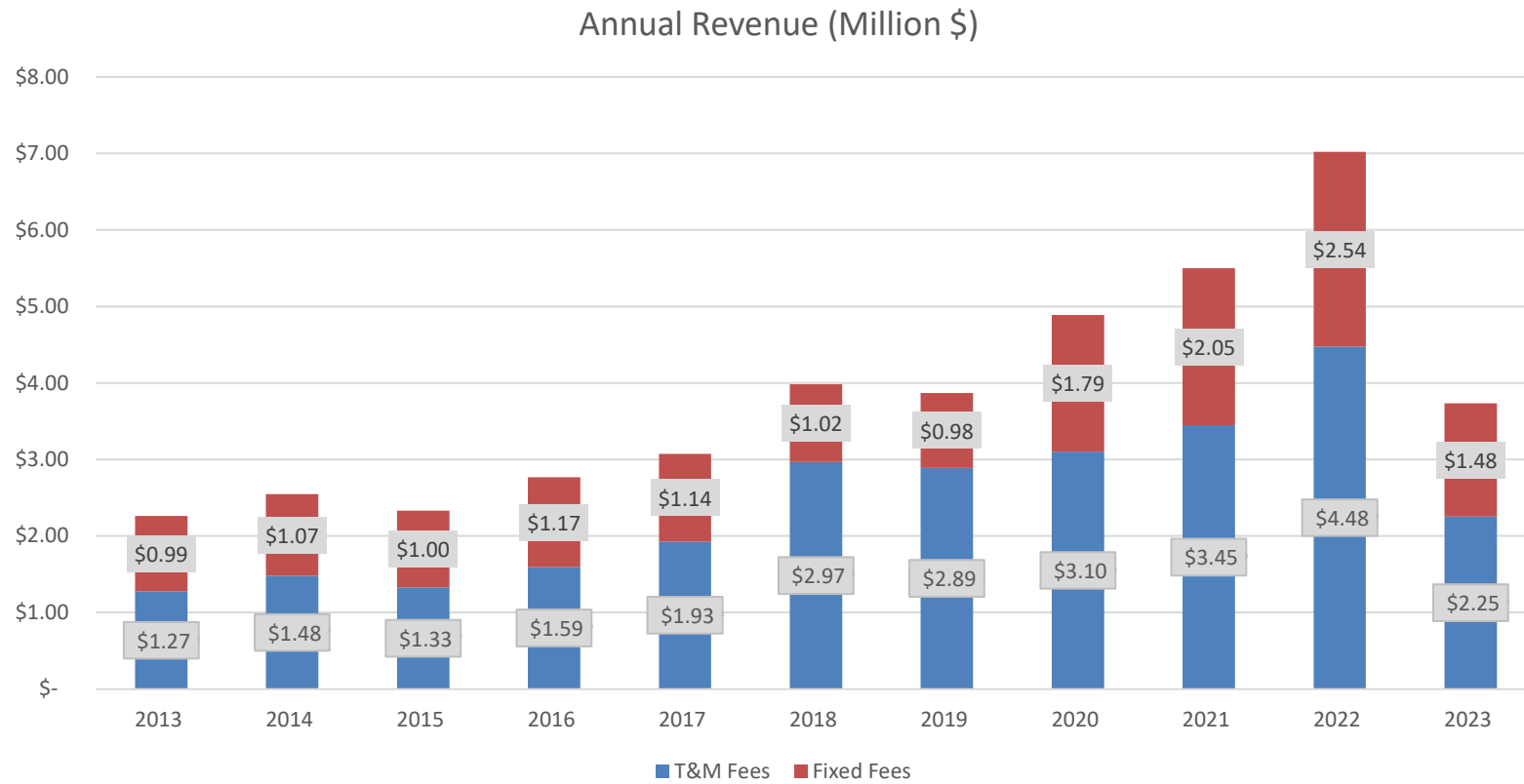
- Improved Water Main Design timelines
 - Operational Improvements and Reduced # of Water Main Projects
- Cautiously optimistic about water service material inventory
 - Large water meters - long lead times
 - No projects were delayed due to supply chain issues

Challenges to Supporting Economic Development

- Operational Effectiveness

Tacoma Water

Development Spending, Residential and Commercial



●●● Tacoma Water

Focus for 2024

- Relationships with Development community – Communicate progress
- Implement New Level of Service for Water Main Design – 15 weeks
- Expand Fixed Fee Construction Charges for New Services up 2” meters
- Continuous improvement to New Services processes
- Large TPU Project Support – SAP Now!
 - Supporting SAP Upgrade efforts to improve Employee and Customer Experience

●●● Tacoma Rail

2023 Accomplishments

- Rail grew its import automobile business by 1,200% over 2022 levels.
- Grants totaling \$16 million were secured to purchase 3 battery-electric locomotives and the charging structures to support them.
- Completed \$5 million upgrade to our locomotive servicing facility.

COVID -19 Impacts

- Supply chain issues have improved and lead times for procurement of track and locomotive parts have been realigned to the “new normal”.

Tacoma Rail

Focus for 2024

Battery-Electric Locomotive procurement



Continuing the process of negotiating a new operational plan for the South Intermodal Yard with the Northwest Seaport Alliance



● ● ● Measurement 1

Number of customers and prospects assisted in 2023

- TPU interacts with customers and prospects in numerous ways.
- These interactions number in the hundreds and include efforts from
 - Economic Development
 - Account Executives
 - Business Solutions Office
 - New Services in Power and Water
 - Rail
 - Customer Energy Programs

● ● ● Measurement 1 - Power

Number of customers and prospects assisted in 2023

- CoT Planning and Dev. Services plan reviews and comments = 444
- Issued Electrical Permits = 11,931
- Received and reviewed Electrical Service Applications = 558
- Executed Letters of Agreement for construction = 85

Measurement 1 - Water

Number of customers and prospects assisted in 2023

- Plan review and comments = 1,596 permits
- Provided construction estimates for new water services = 248
 - 130 Commercial // 76 Multifamily // 42 SFD developments

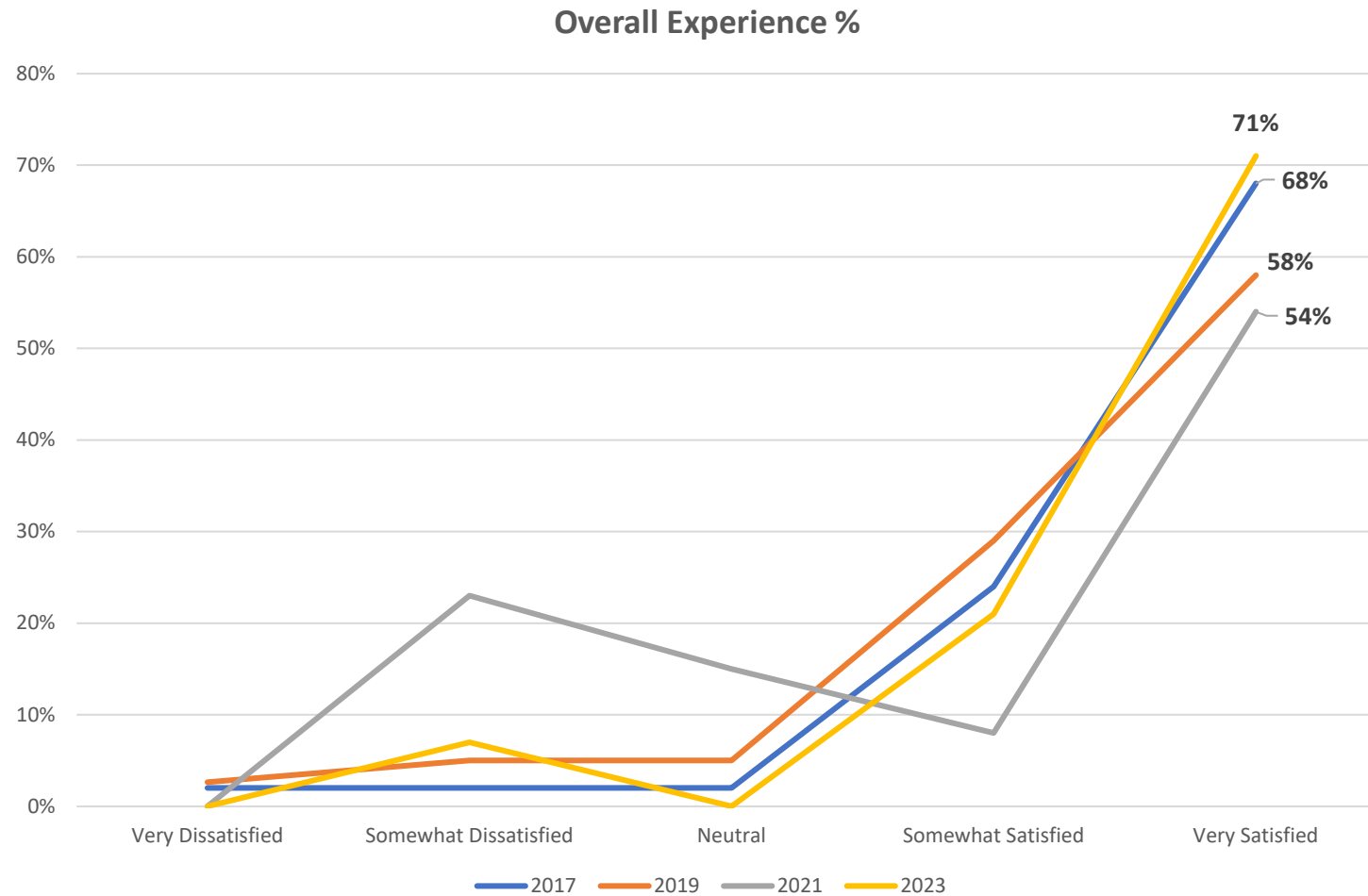
Private Contracts and main extension program in 2023

- 23 projects to Construction, 10.9 miles of new main
 - 5 Commercial // 18 Residential (Multi & SFD)
- 36 projects to the Design phase, 17+ miles proposed
 - 8 Commercial // 28 Residential (Multi & SFD)

●●● Measurement 2

Annually review New Service Engineering (Water and Power) and other relevant customer surveys.

Measurement 2 - Power



●●● Measurement 2 - Water

Water Customer Experience has Qualitative feedback from the Development community.

- In 2023, in coordination with the Master Builders Association, we developed a list of concerns/suggestions that drives prioritization of improvement areas.
- Water participates with Tacoma Permit Advisory Group, listening to concerns/suggestions and reporting out on status/progress.

Measurement 2 – Rail (2023)

1. How satisfied are you with Tacoma Rail's service in its:

Answer Options	Very Satisfied	Satisfied	Needs Improvement	Unsatisfied	N/A	Rating Average	Response Count
Timeliness	13	7	0	0	0	3.65	20
Accuracy	12	8	0	0	0	3.60	20
Dependability	14	6	0	0	0	3.70	20
Communication	14	6	0	0	0	3.70	20
Operations Team	14	6	0	0	0	3.70	20

● ● ● Measurement 3

Track participation with Partners related to Economic Development.

- Biweekly and monthly meetings with economic development partners.
- New priorities have emerged:
 - Small business and entrepreneur assistance
 - Support for women and BIPOC owned businesses
 - Green economy and green jobs
- Continue marketing activities with partners

● ● ● Measurement 4

Linkages between TPU's strategic plan and other economic plans in the community

- Pierce County Economic Development Strategic Plan
- Tideflats Subarea Plan
- COT and State's decarbonization strategy, in particular:
 - PNW Hydrogen Association - Hydrogen Hub effort
 - COT Green Economy Strategy
 - Engagement in updating Tacoma's strategic plan - Tacoma 2025

● ● ● **QUESTIONS**

