

# **Strategic Directive 9**

# **Economic Development**

Update to the Tacoma Public Utility Board

**May 12, 2021**



# ●●● 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 efforts to create, retain and attract businesses and jobs; to foster a pro-growth tax base and build an inclusive economy.

# ●●● Agenda

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

# ● ● ● Economic Development

## **2020 Accomplishments**

- New collaborations and partnerships were formed
- Established partnerships were expanded
- New internal processes solidified
- Continued activity on prospects including manufacturing, office, HQs and electrofuels
- Actively engaged in the land use regulatory process
- Development and passage of the electrofuels tariff pilot
- Completion of the peer port cities power rates comparison

# 2020 Summary

- Pierce County continues to be attractive to development and new business
- COVID stimulus funds were critical to keeping businesses open
- C&I bad debt is relatively low

## Commercial Account Closures

Services	2019	2020
Water Only	276	227
Power Only	1806	1652
Power & Water	471	391

## Commercial Account Openings

Services	2019	2020
Water Only	302	262
Power Only	2353	1889
Power & Water	464	410

# Electrofuels Tariff Pilot

- While the electrofuels tariff was partially a result of industry demand, industry has responded positively to the announcement of the rate.
- There is potential to create a green energy and renewable fuels cluster here in Tacoma-Pierce County
- There are multiple electrofuel firms looking at locating in our service area.
- Issues include
  - Tightening of industrial land availability and size of sites
  - Changes in industrial land use regulations in Tacoma
  - Power supply and price
- Securing an electrofuels customer will continue to be a focus throughout 2021

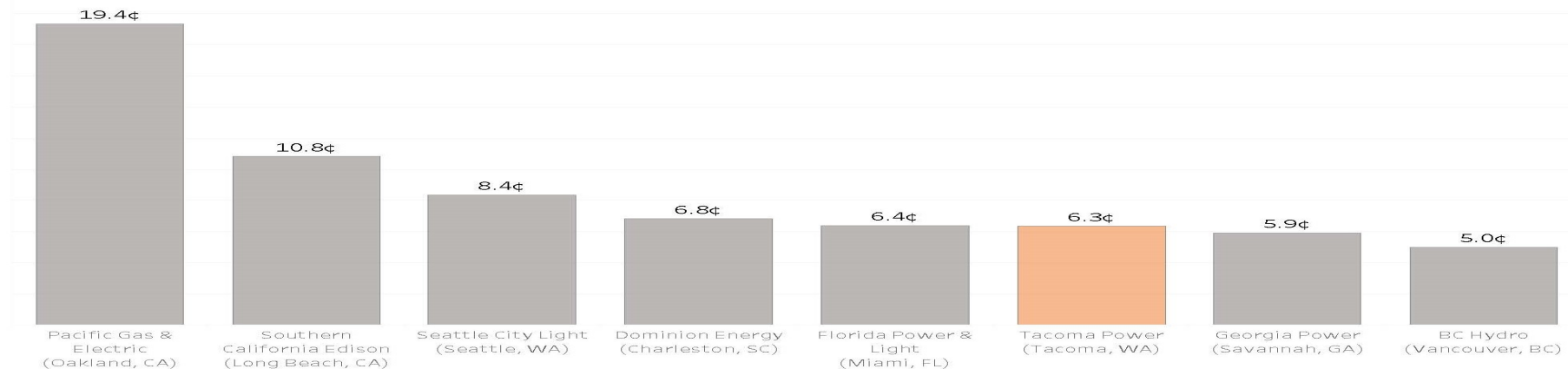
# Peer Port Competitiveness

- Tacoma Power conducted a rate competitiveness analysis of peer ports around the country and BC
- Tacoma Power is competitively priced relative to our peer port city utilities

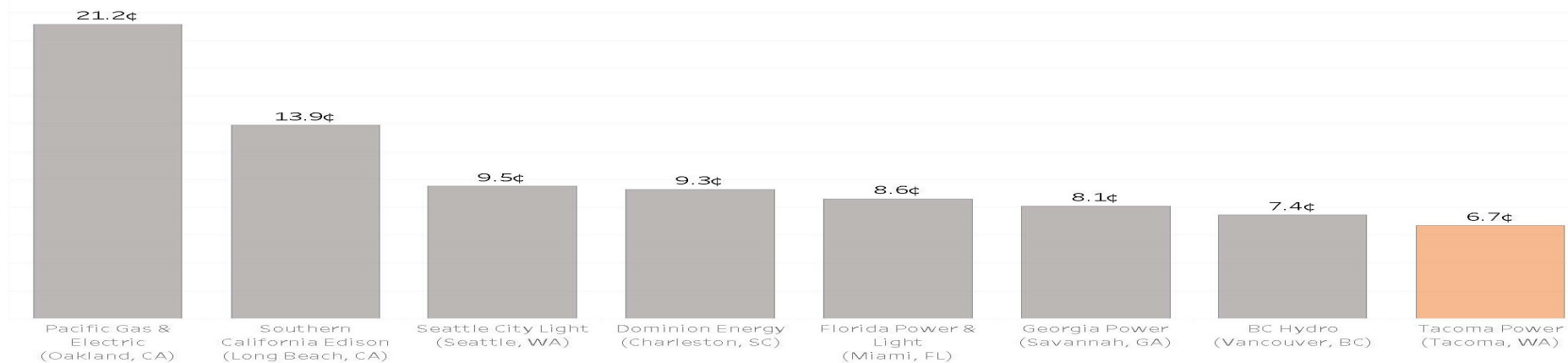
Port	Serving Utility	System Average Rates (bundled services)
Charleston, SC	Dominion Energy	11.2¢
Long Beach, CA	Southern California Edison	14.8¢
Miami, FL	Florida Power & Light	9.9¢
Norfolk, VA	Dominion Energy	11.2¢
Oakland, CA	Pacific Gas & Electric	21.6¢
Prince Rupert, BC	BC Hydro	8.1¢
Savannah, GA	Georgia Power	9.4¢
Seattle, WA	Seattle City Light	10.1¢
Vancouver, BC	BC Hydro	8.1¢
Tacoma, WA	Tacoma Power	7.9¢



**Port Cities Average Industrial Class Rates**  
reflects bundled services



**Port Cities Average Non-Residential Class Rates**  
reflects bundled services



# ● ● ● Economic Development

## **COVID-19 Impacts**

- Pivoted to business retention and response - keeping businesses viable during the pandemic
- Prospect pipeline remained active throughout 2020
- TPU sponsors the EDB/Chamber weekly conference calls and the South Sound Rapid Response Team
- Additional focus on equity and economic/health outcomes for women and minorities
- Business COVID resources page
- CARES Act utility assistance grants

# COVID Business Resources

[About TPU](#)[MyAccount](#)[Contact](#)[Careers](#)[ENGLISH](#) ▼[PAYMENT & BILLING](#)[OUTAGES & SAFETY](#)[WAYS TO SAVE](#)[COMMUNITY & ENVIRONMENT](#)[CUSTOMER SERVICE](#)[Business Center](#) > Resources for businesses in response to COVID-19

## Resources for businesses in response to COVID-19

### Resources for businesses in response to COVID-19

Updated Thursday, April 15

We know this has been a tough time on our small business community. Business customers can qualify for extended payment plans and waived late fees. The Mayor has also suspended disconnections for all customers, including businesses.

**Business Solutions Advocates at Tacoma Public Utilities** are available 8 a.m. to 4:30 p.m. Monday through Friday to support business customers with billing inquiries and to set up payment plans on utility accounts. Call us at 253-502-8606 or email [businesssolutions@cityoftacoma.org](mailto:businesssolutions@cityoftacoma.org).

**Water System Restoration:** Flushing your water system now is important for businesses that have been closed or significantly reduced their water use under Washington's "Stay Home, Stay Healthy" order. [Click here to read our steps to take to prepare your business water pipes after periods of low flow or no-flow conditions.](#)

#### HVAC system operations during the COVID-19 pandemic

For up to date guidance on managing the spread of COVID-19 with respect to HVAC systems, including building readiness, guides, and resources, [visit ASHRAE.org](#).

# Utility Assistance Grant

Applications Received	Applications Approved	Applications Denied*	Total Funds Disbursed
895	794	101	\$750,000

\*Denial Reasons: Not in city of Tacoma; Duplicate applications;  
Does not meet other eligibility requirements.

## Information At A Glance

Women/ Minority Owned	Average Number of Employees	Zip Codes w/Most Applications	Business Type w/Most Applications
54%	8	98409 = 23% 98402 = 15% 98405 = 11%	Restaurant/ Hospitality = 28% Retail = 17% Service Provider = 13%

# ● ● ● Economic Development

## **Focus for 2021**

- Continue business retention and response efforts
- Transition to recovery efforts when appropriate
- Build on collaborations and partnerships
- Look for new partnership opportunities
- Continue focus on women and minority owned small businesses
- Identify trends that may require changes to ED marketing and strategies
- Continued engagement with the land use planning process

# ●●● Tacoma Power

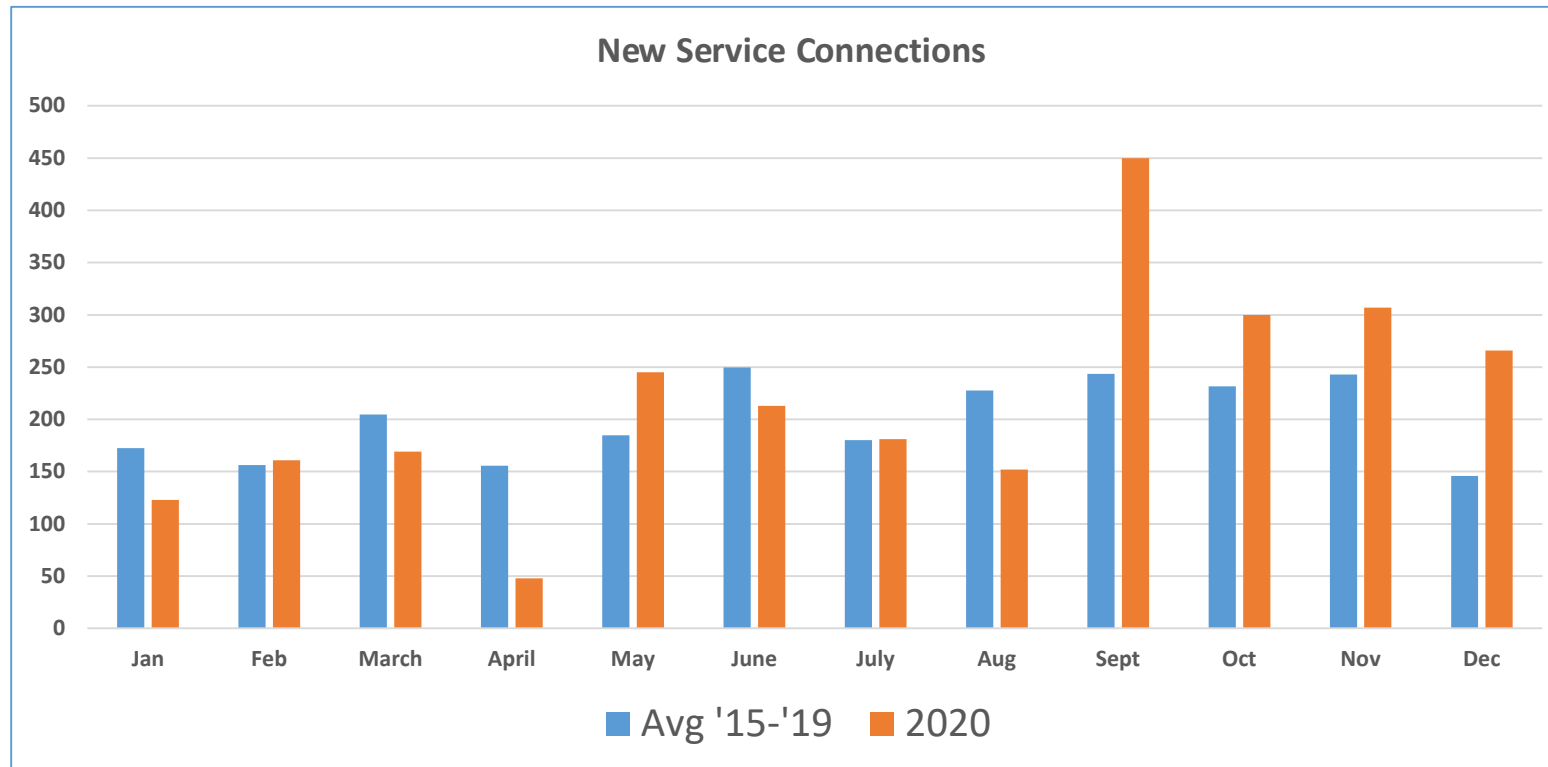
## **2020 Electrical Services Accomplishments**

- Telework: Maintain permitting, inspection, and engineering services
  - Call taking and payment processing
- Paper to Electronic
  - Letters of Agreement (LOA)
  - Electrical Plan Reviews (400 Amp Services)
- Disconnect/Reconnect schedule lead times

## **COVID Impacts to Electrical Services**

- Anticipated a downturn but continued strong
- Staffing levels were difficult to manage
- Power connected 2,615 services, previous 5 years averaged 2,395

## COVID -19 Impacts Continued



# ●●● Tacoma Power

## **Electrical Services Focus for 2021**

- New Service Engineering
  - Staffing
  - Work management
  - Schedule transparency
- On line permitting enhancement planning
- Tacoma Power Customer Service Policy update
- Project deployments
  - Mobile Work Force Connect
  - Advanced Meter Mass Deployment
- Biennial Customer Survey



# ●●● Tacoma Water

## **2020 Water Services Accomplishments**

- Telework: Maintain Construction and Development services
  - Call taking and payment processing
  - Praise for answering the phone!
- Paper to Electronic
  - DocuSign for Private Contract Design Agreement
  - Converting to e-files.

## **COVID -19 Impacts to Water Services**

Staffing levels were affected

Onboarding new staff virtually

Collecting mailed check payments, and researching paper records

# ●●● Tacoma Water

## **Water Customer Experience Focus for 2021**

- On boarding new staff (3)
- Employee Survey Results Action Plan, workload and operational effectiveness
- Customer Paid for Work,
  - Process improvements to automating workflow steps and easily identify project status
- DocuSign for Private Contract Construction Agreement
- Project deployments
  - Mobile Work Force Connect
  - Advanced Meter Mass Deployment
  - Customer Engagement Portal
- Strategic Initiative - Water Customer Intent Statement

# Tacoma Rail

## **2020 Accomplishments**

- Rail maintained its exceptional service levels and strong financial position by matching expenses to reduced revenues while staying focused on our customers' needs.

## **COVID -19 Impacts**

- Delayed construction on the locomotive serving facility upgrade until 2021.
- All other functions proceeded normally.

# ●●● Tacoma Rail

## Focus for 2021

Growth of ethanol unit train business and resumption of locomotive servicing facility upgrade



# ● ● ● Measurement 1

Number of customers and prospects assisted in 2020

- Economic Development – 60
- Rail - 4
- Power - 63 Commercial Agreements & 2,503 permits
- Account Executives - 600
- Business Solutions Office – 65 per week

# ● ● ● Measurement 1 - Water

## Number of customers and prospects assisted in 2020

- Plan review and comments on 1,585 permits
- Assisted 43 commercial customers with new services

## Private Contracts and main extension program

- 2020 – Installed 10.9 miles of main with 29 projects
  - 5 projects were Commercial and Schools, rest were Residential
  - In design, 13 Commercial projects and 20 Residential projects

# ● ● ● Measurement 2

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

## ● ● ● Measurement 2 - SMB

Small and Medium Business Customer Satisfaction survey  
conducted in February 2021

Across  $\approx$  80 utilities, TPU ranks number one in three areas:

- Being easy to do business with
- Having friendly and courteous employees
- Having knowledgeable and well-trained employees



## ● ● ● Measurement 2 - SMB

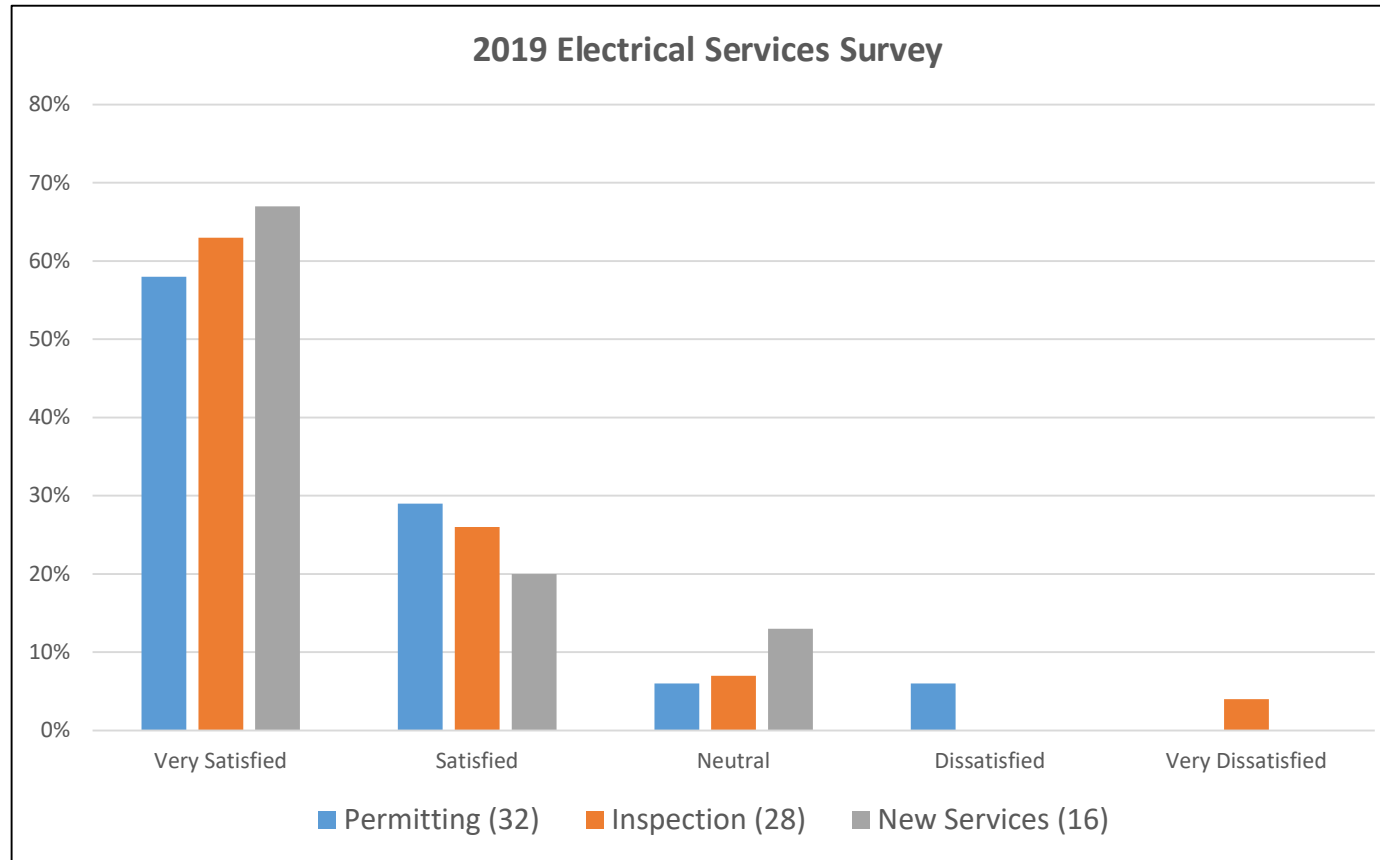
### Overall satisfaction with service provided

- Power - 84%
- Water – 79%

### Reliability of service

- Power - 93%
- Water – 93%

# ●●● Measurement 2 – Power (2019)



# Measurement 2 - Water



“transaction times are too long”

**NEW** Qmatic surveys for lobby walk-in customers

# Measurement 2 – Rail (2019)

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	2	0	1	3.50	23
Accuracy	14	6	2	0	1	3.55	23
Dependability	12	7	2	0	1	3.48	23
Communication	11	9	2	0	1	3.41	23
Operations Team	13	8	1	0	1	3.55	23

# ● ● ● Measurement 3

## Track participation with Partners related to Economic Development.

- While the level of participation was high pre-COVID, it increased significantly during COVID.
- Focus has changed over time as the pandemic evolved
- Response → Recovery → Expansion
- New groups emerged to focus on COVID issues

# ● ● ● Measurement 4

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

- We share input and feedback on the Economic Development Strategic Plans of the City of Tacoma and Pierce County
- GSP Regional Economic Recovery Taskforce
- Port of Tacoma Strategic Plan
- Tideflats Subarea Plan
- Workforce Central "Future of Work Taskforce"
- COT Climate Justice Action Plan – Green Economy Implementation Team

# ● ● ● Measurement 5

## Evaluate effectiveness of the Brewery District pilot program

- Pilot ran from April 1, 2018 to March 31, 2021
- Total contribution was \$469,825.11
- Two developers in the Brewery District considered participating, one did
- Underground conversion in urban corridors is very expensive
  - \$1M-\$6M/mile plus
- Administratively intensive
  - Collecting developer & sub-contractor receipts, calculating & reviewing contributions
- There have been no other formal inquiries to offer underground contributions in other commercial areas

# QUESTIONS

