

# Exhibit to Agenda Item #8

Accept the monitoring report for Strategic Direction SD-13,  
Economic Development.

Board of Directors Meeting

Thursday, July 16, 2020, scheduled to begin at 5:30 p.m.

# Economic Development Policy

## SD-13:

“Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.

## Specifically:

- a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.
- b) SMUD shall align its economic development activities with regional economic development initiatives.
- c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.
- d) SMUD shall offer economic development rates and program incentives.
- e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.”

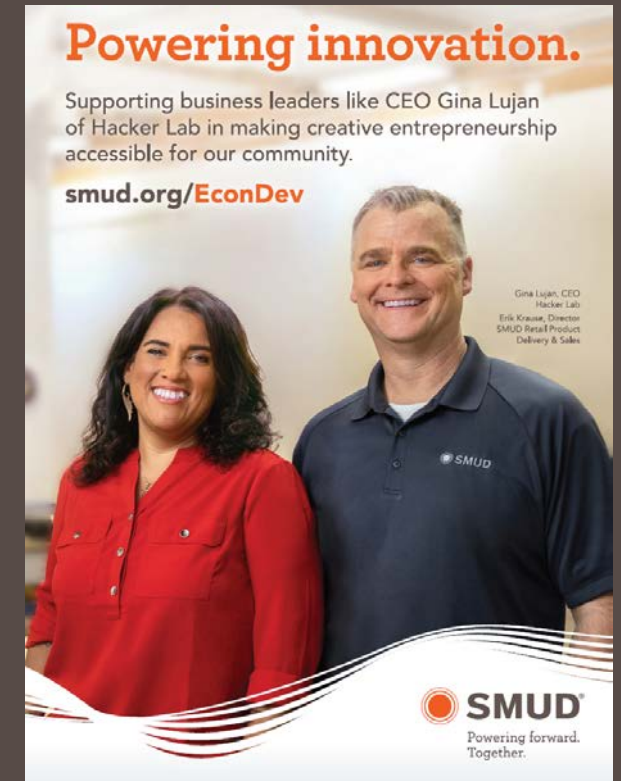
# General Strategy & Approach

- Competitive Rates & Incentives
- Attraction, Retention & Expansion
- Developer Community Support
- Advancing Innovation and Entrepreneurship
- Small Business Contracting Opportunities
- Partnerships with local agencies & non-profits
- Sustainable Communities Initiative

## a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

### Innovation Ecosystem Engagement

- **Hacker Lab**
  - Entrepreneurial education
  - Career pathway development program
- **InnoGrove**
  - STEM education programming
  - Technology Camp
- **CleanStart**
  - Clean Tech Annual Progress Report
  - Monthly Meetups
  - Clean Tech Showcase
- **Startup Sac**
  - Educating and connecting entrepreneurs
  - Regional resource website
- **The Urban Hive & I/O Labs**
  - Continued buildout of new coworking spaces
- **Entrepreneurs Campus**
  - Global Impact Venture Summit



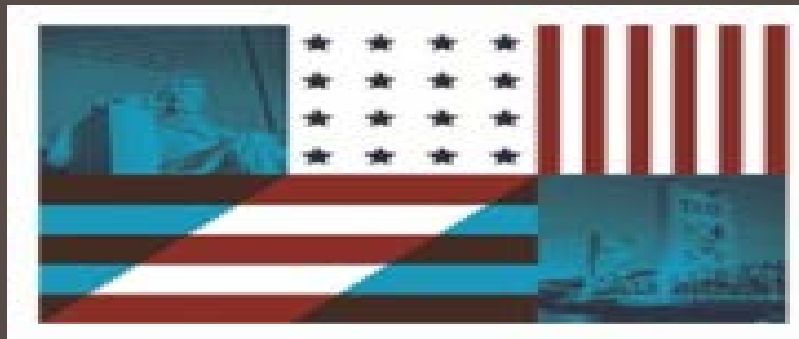
## b) SMUD shall align its economic development activities with regional economic development initiatives.

### Workforce & Equitable Economic & Community Development

- Sustainable Communities Program, Promise Zone and Oak Park Promise Neighborhood, Powering Futures Scholarships and Shine Program

### Leadership in Economic Development Initiatives & Programs

- Capital Region Executive Leadership Mission, Cap-to-Cap, Prosper, Indianapolis Study Mission and Internal Study Mission
- Prosperity Plan (CEDS)



c) **SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.**

**Project Successes:** 23 projects in 2019, resulting in 5 wins and an estimated 525 jobs

- EA Sports
- Metro Mail
- Dental Masters
- Amazon
- EI and EI Woodworks

**Business Attraction Missions:** 9 conferences and trade shows

**Small Business Development Center:** 36 new business start ups, 2,539 jobs retained, 474 jobs created and \$15.5 million in loans

**Small and Mid-Size Business (SMB) Team:** 3,712 customers provided personalized assistance and tailored advice and solutions

**Commercial Development Team:** Actively engaged with more than 240 commercial, mixed-use and residential project developers

**Indoor Cultivation:** Point of contact and support for all customer inquiries

d) SMUD shall offer economic development rates and program incentives.

**Economic Development Rate:**

Size	Term	Industry Requirements	Job Requirements	Full Service Requirement	Discount (2 options)
300kW+	10 years	No limitations	No minimum requirement	No	<p><b>Standard EDR</b></p> <p><u>Opt A:</u> 6% for years 1-5, declining 1% per year for years 6-10</p> <p><u>Opt B:</u> 4.5% for 10 years</p> <p><b>Rate for Disadvantaged Communities</b></p> <p><u>Opt A:</u> 8% for years 1-5, declining 1.5% per year for years 6-10</p> <p><u>Opt B:</u> 6% for 10 years</p>

**Programs & Services:**

- Integrated Design Solutions, Custom Energy Efficiency, Complete Energy Solutions, and Express Energy Solutions programs
- Go Electric rebates

- e) **SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.**

### **Contracting Outcomes**

- Exceeded 20% target: 33.81%
- Total dollar amount \$130M
- 184 contracts with SEED Participation
- Implemented SB-605

### **Targeted Small Business Outreach & Marketing**

- Conducted 12 SEED informational workshops, orientations and panels
- Participated in over 112 outreach events
- Launch of SEED Quarterly Newsletter
- Created Internal SEED Road Show and Ambassador Program

(continued)





## e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers. (continued)

### Major Small Business Contracting Events

- Connecting Point
- 8<sup>th</sup> Annual Meet the Buyers
- Capital Region Small Business Week – “Powered by” Sponsor

### Business Advisory Council (BAC)

- Local Chamber, PBID and business association members
- Raises local business awareness about SMUD’s programs, services and contracting
- Awarded over 67 contracts for \$80M to BAC members’ vendors
- Business Advisory Council (BAC) Member Survey



"The SEED program is a game changer for small business."  
Jon Burgess  
Co-Founder  
Burgess Brothers

**Wonder** why we awarded over **\$130 million** in local small business contracts last year?

We're community-owned, not-for-profit.

Our SEED program helps local small businesses participate in our competitive bid process and become contractors. With partnerships, education and small business incentives, we're actively supporting our economy.

Learn more at [smud.org/SEED](http://smud.org/SEED)

 **SMUD**

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# Conclusion

- 2019 SMUD efforts were in compliance with SD-13
- Requested Action: Accept the monitoring report for Strategic Direction SD-13, Economic Development