

SPU 'Seeds of Resilience' Impact Investment Concept



2 November 2020 – SPU Customer Review Panel



City of Seattle



Kernel Concept

Invest in, incentivize and incubate community led One Water and Zero Waste entrepreneurship that advances local water resiliency, circular economy and grows new, BIPOC job opportunities.



Aligns with Our Vision For Next 50 Years

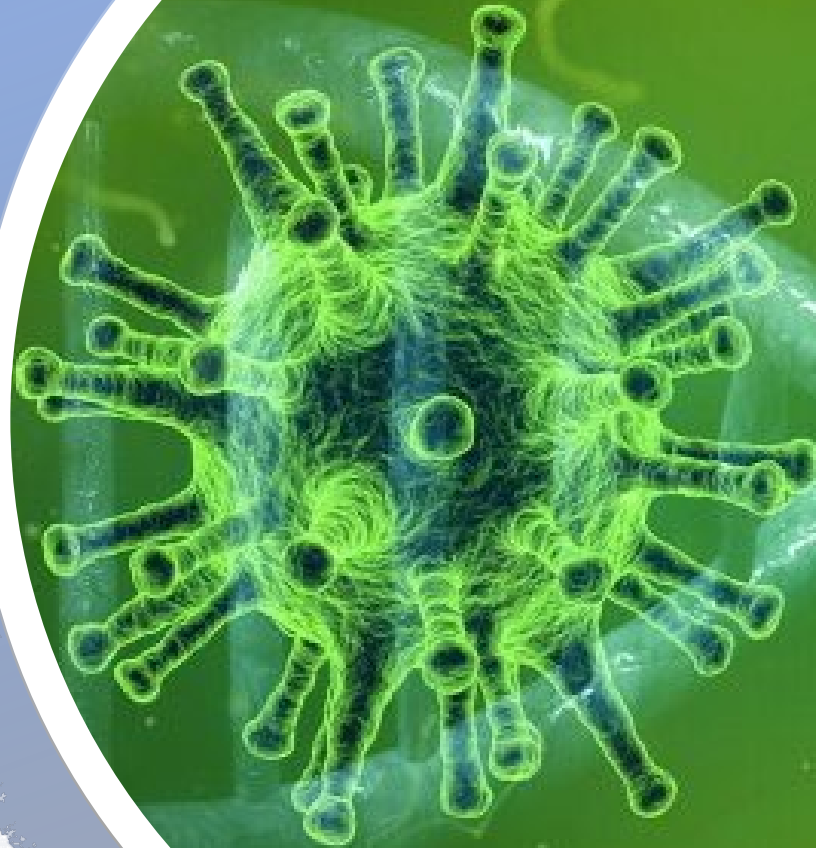
Community Centered, One Water, Zero Waste



City of Seattle

Response to Pandemic Recovery...

- Emergent effort (*vs planned*).
- Need time to be thoughtful about structure and approach.
- Include in Strategic Business Plan as an assessment.
- Be transparent about the work and commit to sharing detail when ready.



SPU's Economic Impact

- Water and Waste Environmental Sectors
- Annual Revenue Impact = \$1.4 Billion / Year
- SPU Employment and Apprenticeships = 1,400+ SPU jobs + City support jobs
- City Utility Tax Impact = \$100 Million / Year
- Capital Project Delivery, Contracting and Procurement = \$250 Million / Year business activity and job generation
- Anchor Potential = at least 5% of regional water sector workforce's 24,000 jobs + local property, projects, asset presence

Water Sector Nationally (*Brookings 2018*)

- 1.7 Million Jobs
- Pays Well = Avg wage exceeds national avg especially at low end
- Accessible Jobs = 53% high school diploma or less. Favors applied learning vs formal education

National Utility Precedence: Circular Charlotte, Milwaukee Water Council

Community Wealth Building

Community wealth building refers to approaches which aim at improving the ability of communities and individuals to increase asset ownership, anchor jobs locally, help achieve key environmental goals, expand the provision of public services, and ensure local economic stability.

SPU Has Multiple Ways to Create Jobs



So, What Is Concept So Far?

- Impact Investment or Grant Program
- Focus On Market Development
- Reinvest Ratepayer \$ in Community Led Efforts
- All Water and Waste Investments
- Possible Mix of Specific Investment Types
 - *sustaining partnerships (i.e. work force crews)*
 - *business accelerator grants,*
 - *technology, innovation grants*
- Target BIPOC job opportunities
- **STILL A WORK IN PROGRESS**

ECONOMIC THEORY - SPU related jobs have the potential for enhanced public benefit over traditional job creation by factoring in the environmental, health, community, and other benefits criteria to traditional cost-benefit analysis.



Program Design Principles

1. Meet utility funding requirements and address community water and waste needs and climate retooling.
2. Stimulate new job opportunities and local economic growth for BIPOC community related to water and waste.
3. Intent to fund within existing SBP rate path proposal.
4. Structure as 3-year pilot program during 2021-2023 SBP plan with potential to learn and grow.
5. Evaluate SPU return on investment (and potentials) and community impact.
6. Work with non-profit partner(s) skilled at grant giving, auditing and impact evaluation.
7. Partner to leverage and amplify SPU investment => Low City overhead-High Community impact.
8. Identify precedence and build upon successful investment initiatives – OPCD Equitable Development Initiative program, DON Neighborhood grants, Spu Waste Free Community grants, King County grants, etc



Strategic Business Plan Language

Proposed for Strategic Initiatives and Investments Table:

SBP Focus Area	Name	Description	2021-2023 Commitments	Initiative or Investment
Empowering Our Customers, Community and Employees	Seeds of Resilience Impact Investment Program	Assess viable approaches for designing, funding, managing, and evaluating a 3-year pilot program that fosters community-led One Water and Zero Waste entrepreneurship. Investments will build water resiliency, encourage a circular economy, and grow jobs with an emphasis on supporting Black, Indigenous and People of Color (BIPOC) communities.	Develop a proposal and enabling ordinance for Mayor's Office and City Council approval. If approved, launch investment pilot.	Initiative. If/Once approved, investment.

May 2020 Language (previous draft)

SBP Focus Area	Name	Description	2021-2023 Commitments	Initiative or Investment
Empowering Our Community and Employees	Blue-Green Jobs Strategy	Increase economic opportunities and jobs associated with SPU water and waste work through implementation of a blue-green jobs incentive strategy. The strategy should seek to facilitate community led economic and job growth opportunities that advance regional one water and zero waste retooling and equity-based outcomes for disadvantaged populations. Efforts may include but not be limited to apprenticeship program, summer youth employment, incentive grants, and green jobs corps support	Develop a strategy and initial 3-year implementation plan. Pursue 2 pilot innovation projects. Work In Progress	Investment



Timeline And Next Steps

- Aim to have proposal in time for SBP adoption process in Q1 2021.
- Proposal will need to be vetted with the Mayor's Office.
- If that happens, will provide review opportunity for CRP and opportunity for inclusion in letter.

