CITY OF AUBURN WASHINGTON	**City Council Meeting** **July 15, 2024 - 7:00 PM** **City Hall Council Chambers** **AGENDA** **Watch the meeting LIVE!** **Watch the meeting video** Meeting videos are not available until 72 hours after the meeting has concluded.

I. CALL TO ORDER

II. LAND ACKNOWLEDGMENT

We would like to acknowledge the Federally Recognized Muckleshoot Indian Tribe, the ancestral keepers of the land we are gathered on today. We thank them for their immense contributions to our state and local history, culture, economy, and identity as Washingtonians.

III. PUBLIC PARTICIPATION

1. Public Participation

   The Auburn City Council Meeting scheduled for Monday July 15, 2024 at 7:00 p.m. will be held in person and virtually.

   Virtual Participation Link:

   To view the meeting virtually please click the below link, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

   https://www.youtube.com/user/watchauburn/live/?nomobile=1

   To listen to the meeting by phone or Zoom, please call the below number or click the link:

   Telephone: 253 205 0468
   Toll Free: 888 475 4499
   Zoom: https://us06web.zoom.us/j/87809145944

A. Pledge of Allegiance

IV. Roll Call

V. ANNOUNCEMENTS, MAYOR'S PROCLAMATIONS, AND PRESENTATIONS

VI. AGENDA MODIFICATIONS

VII. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. Audience Participation

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

   Participants can submit written comments via mail, fax, or email. All written comments must be received prior to 5:00 p.m. on the day of the scheduled meeting and must be 350 words or less.
   Please mail written comments to:
   City of Auburn
   Attn: Shawn Campbell, City Clerk
   25 W Main St
   Auburn, WA 98001

   Please fax written comments to:
   Attn: Shawn Campbell, City Clerk
   Fax number: 253-804-3116

   Email written comments to:
   publiccomment@auburnwa.gov

   If an individual requires an accommodation to allow for remote oral comment because of a difficulty attending a meeting of the governing body, the City requests notice of the need for accommodation by 5:00 p.m. on the day of the scheduled meeting. Participants can request an accommodation to be able to provide remote oral comment by contacting the City Clerk's Office in person, by phone (253) 931-3039, or email to publiccomment@auburnwa.gov

B. **Correspondence - (There is no correspondence for Council review.)**

VIII. COUNCIL AD HOC COMMITTEE REPORTS

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Council Rules of Procedure Ad Hoc Committee (Chair Amer)

2. Finance Ad Hoc Committee (Chair Baldwin)

IX. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the July 1, 2024, City Council Meeting

B. Minutes of the July 8, 2024, Study Session Meeting

C. Claims Vouchers (Thomas)

Claims voucher list dated July 10, 2024 which includes voucher number 476478 through voucher 476648, and voucher 476650, in the amount of $11,428,400.56, eleven electronic fund transfers in the amount of $2,936.71, and two wire transfers in the amount of $715,106.74

D. Claims Voucher (Thomas)

Claims voucher list dated July 10, 2024 which includes voucher number 476649, in the amount of $2,500.00

E. Payroll Voucher (Thomas)

Payroll check numbers 539595 through 539599 in the amount of $178,484.26, electronic deposit transmissions in the amount of $2,869,315.81, for a grand total of $3,047,800.07 for the period covering June 27, 2024 to July 10, 2024

(RECOMMENDED ACTION: Move to approve the Consent Agenda.)

X. UNFINISHED BUSINESS

XI. NEW BUSINESS

XII. ORDINANCES

A. Ordinance No. 6943 (Thomas)

An Ordinance amending Sections 3.53.020, 3.53.040, and 3.54.150 of the Auburn City Code relating to the administration of the City Business & Occupation (B&O) Tax

(RECOMMENDED ACTION: Move to approve Ordinance No. 6943.)

B. Ordinance No. 6944 (Thomas)

An Ordinance amending Auburn City Code Section 3.52.020 and repealing Auburn City Code Section 3.52.040 related to the administration of City Admissions Tax

(RECOMMENDED ACTION: Move to approve Ordinance No. 6944.)

XIII. RESOLUTIONS

A. Resolution No. 5774 (Faber)

A Resolution authorizing the Mayor to execute an agreement between the City of Auburn and the Cascade Bicycle Club to accept and expend grant funds for the operation of two City Bicycle Programs

(RECOMMENDED ACTION: Move to adopt Resolution No. 5774.)

XIV. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. **From the Council**

B. **From the Mayor**

XV. **ADJOURNMENT**

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (http://www.auburnwa.gov), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Minutes of the July 1, 2024, City Council Meeting

Date:
July 11, 2024

Department:
City Council

Attachments:
07-01-2024 Minutes

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Background for Motion:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff:

Meeting Date: July 15, 2024

Item Number: CA.A

CITY OF AUBURN WASHINGTON	**City Council Meeting** **July 1, 2024 - 7:00 PM** **City Hall Council Chambers** **MINUTES** **Watch the meeting LIVE!** **Watch the meeting video** Meeting videos are not available until 72 hours after the meeting has concluded.

I. CALL TO ORDER

Mayor Backus called the meeting to order at 7:00 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street.

II. LAND ACKNOWLEDGMENT

III. PUBLIC PARTICIPATION

1. Public Participation

The City Council Meeting was held in person and virtually.

A. Pledge of Allegiance

Mayor Backus led those in attendance in the Pledge of Allegiance.

IV. Roll Call

Councilmembers present: Hanan Amer, Cheryl Rakes, Clinton Taylor, Tracy Taylor, and Acting Deputy Mayor Yolanda Trout-Manuel. Councilmember Kate Baldwin attended the meeting virtually, and Deputy Mayor Larry Brown was excused.

Mayor Nancy Backus and the following staff members present included: Acting City Attorney Doug Ruth, Chief of Police Mark Caillier, Director of Public Works Ingrid Gaub, Acting Director of Community Development Jason Krum, Director of Special Projects Jeff Tate, Acting City Attorney Charlotte Storey, Business Systems Analyst Chrissy Malave, and City Clerk Shawn Campbell.

V. ANNOUNCEMENTS, MAYOR'S PROCLAMATIONS, AND PRESENTATIONS

There were no announcements, Mayor's proclamations, or presentations.

VI. APPOINTMENTS

A. Auburn Junior City Council

City Council to approve the appointment of Lillyann Mertens to the Auburn Junior City Council for a two year term expiring August 31, 2026

Acting Deputy Mayor Trout-Manuel moved and Councilmember C. Taylor seconded to approve the appointment of Lillyann Mertens to the Auburn Junior City Council for a two-year term expiring on August 31, 2026.

MOTION CARRIED UNANIMOUSLY. 6-0

VII. AGENDA MODIFICATIONS

There were no modifications to the agenda.

VIII. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. Audience Participation

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

Written Comments:

Sharanjit Singh - Auburn, WA
Sharanjit expressed concerns regarding inoperable vehicles, garbage, and rats in their neighborhood.

April Poirier - Auburn, WA
April expressed concerns regarding the use of toxic biosolids as fertilizer and compost.

In-Person Comments:

Ron Boyle - Belfair WA
Ron expressed concerns regarding crime at his vacant rental property.

Alexander Ollivant - Auburn, WA
Alexander expressed concerns about short term rentals and the cost of housing in the area.

Diana Johnson - Auburn, WA
Diana expressed concerns regarding crime and violence in the City of Auburn.

B. Correspondence

There was no correspondence for Council to review.

IX. COUNCIL AD HOC COMMITTEE REPORTS

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Council Rules of Procedure Ad Hoc Committee (Chair Amer)

   Councilmember Amer, Chair of the Council Rules of Procedure Ad Hoc Committee, reported they met last week, and requested all proposed changes be emailed to the City Clerk.

2. Finance Ad Hoc Committee (Chair Baldwin)

   Councilmember Baldwin, Chair of the Finance Ad Hoc Committee, reported she and Councilmember Amer reviewed the claims and payroll vouchers described on the agenda this evening and recommended their approval.

X. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the June 17, 2024 City Council Meeting

B. Minutes of the June 24, 2024 Study Session Meeting

C. Claims Vouchers (Thomas)

Claims voucher list dated June 26, 2024 which includes voucher number 476317 through voucher 476477, in the amount of $3,159,665.70, five electronic fund transfers in the amount of $1,889.09, and three wire transfers in the amount of $871,128.35

D. Payroll Voucher (Thomas)

Payroll check numbers 539594 through 539594 in the amount of $639,202.07, electronic deposit transmissions in the amount of $2,745,664.21, for a grand total of $3,384,866.28 for the period covering June 13, 2024 to June 26, 2024

Acting Deputy Mayor Trout-Manuel moved and Councilmember Rakes seconded to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY. 6-0

XI. UNFINISHED BUSINESS

There was no unfinished business.

XII. NEW BUSINESS

There was no new business.

XIII. ORDINANCES

A. Ordinance No. 6942 (Gaub)

An Ordinance granting to Zayo Group, LLC, a Delaware Limited Liability Company, a Franchise for Wireline Telecommunications

Councilmember T. Taylor moved and Councilmember C. Taylor seconded to approve Ordinance No. 6942.

MOTION CARRIED UNANIMOUSLY. 6-0

XIV. RESOLUTIONS

A. Resolution No. 5773 (Tate)

A Resolution approving the South King Housing and Homelessness Partners 2025 Work Plan and 2025 Operating Budget

Councilmember C. Taylor moved and Councilmember T. Taylor seconded to adopt Resolution No. 5773.

MOTION CARRIED UNANIMOUSLY. 6-0

XV. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. **From the Council**

Councilmember Baldwin reported she attended the Association of Washington Cities (AWC) Conference, and the Juneteenth Celebration.

Councilmember Rakes reported she attended the AWC Conference, Juneteenth Celebration, and Ribbon Cutting events for Third Dimension Salon and Facelines Beauty Studio.

Councilmember T. Taylor reported she attended the AWC Conference, and the Piece County Transit Board Meeting.

Acting Deputy Mayor Trout-Manuel reported she attended the National Association of Latino Elected & Appointed Officials (NALEO) Conference, Juneteenth Celebration, Kids Day Event, Sound Cities Association Meeting, and the Arts of Love Island Fest event.

B. **From the Mayor**

Mayor Backus reported she attended the AWC Board of Directors meeting, the AWC Conference, and the Juneteenth Celebration.

XVI. **ADJOURNMENT**

There being no further business to come before the Council, the meeting was adjourned at 7:30 p.m.

APPROVED this 15th day of July 2024.

NANCY BACKUS, MAYOR Shawn Campbell, City Clerk

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (http://www.auburnwa.gov), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Minutes of the July 8, 2024, Study Session Meeting

Date:
July 11, 2024

Department:
City Council

Attachments:
07-08-2024 Minutes

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Background for Motion:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff:

Meeting Date: July 15, 2024

Item Number: CA.B

CITY OF AUBURN WASHINGTON	**City Council Study Session** **July 8, 2024 - 5:30 PM** **Finance and Internal Services SFA - City Hall Council Chambers** **MINUTES** **Watch the meeting video** Meeting videos are not available until 72 hours after the meeting has concluded.

I. CALL TO ORDER

Acting Deputy Mayor Trout-Manuel called the meeting to order at 5:32 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street in Auburn.

II. PUBLIC PARTICIPATION

A. Public Participation

The City Council Meeting was held in person and virtually.

B. Roll Call

Councilmembers present: Acting Deputy Mayor Yolonda Trout-Manuel, Hanan Amer, Cheryl Rakes, and Clinton Taylor. Deputy Mayor Brown and Councilmember Tracy Taylor were excused. Councilmember Kate Baldwin was unexcused.

Mayor Nancy Backus and the following staff members present included: Acting City Attorney Doug Ruth, Assistant Chief of Police Samuel Betz, Acting Director of Community Development Jason Krum, Director of Finance Jamie Thomas, Planning Services Manager Alexandria Teague, Development Review Engineer Shannon Howard, Acting City Attorney Charlotte Storey, Business Systems Analyst Chrissy Malave, and City Clerk Shawn Campbell.

III. AGENDA MODIFICATIONS

There were no modifications to the agenda.

IV. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

A. Briefing - Permit Timelines and Legislative Mandates (Krum) (30 Minutes)

Presentation on permitting timeline requirements and upcoming changes in response to recent Washington State Legislation

Acting Director Krum, Manager Teague, and Engineer Howard provided Council with a presentation on permit timelines and legislative mandates

including a background of RCW 36.70B regarding Local Project Review, House Bill (HB) 5290 which amends RCW 36.70B, new City requirements under HB 5290, City plans to meet the new requirements of HB 5290, plans to update Title 14 of the Auburn City Code, and the next steps of implementation of updates.

Council discussed staff's ability to meet the abbreviated timelines.

B. REDI Report Out

Mayor Backus provided Council with an update on the Racially Equitable, Diverse, and Inclusive (REDI) Program.

V. FINANCE AND INTERNAL SERVICES DISCUSSION ITEMS

A. Ordinance No. 6943 (Thomas) (5 Minutes)

An Ordinance amending Sections 3.53.020, 3.53.040, and 3.54.150 of the Auburn City Code relating to the administration of the City Business & Occupation (B&O) Tax

Councilmember Amer Chaired this portion of the meeting.

Director Thomas provided Council with an overview of Ordinance No. 6943 regarding cleaning up language for consistency within the Auburn City Code, and updates of the Administrative Conditions Section of the B&O Tax Code.

B. Ordinance No. 6944 (Thomas) (5 Minutes)

An Ordinance amending Auburn City Code Section 3.52.020 and repealing Auburn City Code Section 3.52.040 related to the administration of City Admissions Tax

Director Thomas provided Council with an overview of Ordinance No. 6944 clarifying the changes to the Admissions Tax Code, and removing the requirement of a Certificate of Registration.

Council discussed how City staff confirms businesses are charging the Admissions Tax.

VI. ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 6:05 p.m.

APPROVED this 15th day of July 2024.

_____ _____

LARRY BROWN, DEPUTY MAYOR Shawn Campbell, City Clerk

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (http://www.auburnwa.gov), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Claims Vouchers (Thomas)

Date:
July 11, 2024

Department:
Finance

Attachments:
No Attachments Available

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Approve Claim Vouchers.

Background for Motion:

Background Summary:

Claims voucher list dated July 10, 2024 which includes voucher number 476478 through voucher 476648, and voucher 476650, in the amount of $11,428,400.56, eleven electronic fund transfers in the amount of $2,936.71, and two wire transfers in the amount of $715,106.74.

Reviewed by Council Committees:

Councilmember: Kate Baldwin
Staff: Jamie Thomas
Meeting Date: July 15, 2024
Item Number: CA.C

AGENDA BILL APPROVAL FORM

Agenda Subject:
Claims Voucher (Thomas)

Date:
July 11, 2024

Department:
City Attorney

Attachments:
No Attachments Available

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Approve Claim Voucher.

Background for Motion:

Background Summary:

Claims voucher list dated July 10, 2024 which includes voucher number 476649, in the amount of $2,500.00.

Reviewed by Council Committees:

Councilmember: Kate Baldwin
Staff: Jamie Thomas
Meeting Date: July 15, 2024
Item Number: CA.D

AGENDA BILL APPROVAL FORM

Agenda Subject:
Payroll Voucher (Thomas)

Date:
July 11, 2024

Department:
Finance

Attachments:
No Attachments Available

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Approve Payroll Vouchers.

Background for Motion:

Background Summary:

Payroll check numbers 539595 through 539599 in the amount of $178,484.26, electronic deposit transmissions in the amount of $2,869,315.81, for a grand total of $3,047,800.07 for the period covering June 27, 2024 to July 10, 2024.

Reviewed by Council Committees:

Councilmember: Kate Baldwin
Staff: Jamie Thomas
Meeting Date: July 15, 2024
Item Number: CA.E

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 6943 (Thomas)

Date:
July 8, 2024

Department:
Finance

Attachments:
Ordinance No. 6943

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

City Council to approve Ordinance No. 6943.

Background for Motion:

Ordinance No. 6943 amends language to the City's Business and Occupation Tax Code to add clarity and consistent language throughout the code, as well as clarifying provisions for eligible interest and penalty waiver requests.

Background Summary:

Ordinance No. 6943 amends portions of Auburn City Code (ACC) 3.53 and 3.54 as it relates to the City's B&O Tax and Administrative Provisions. This amendment provides for clarification for the definition of "warehouse" and conditions for consideration of waiver requests for penalties and interest.

The warehouse definition further clarifies and identifies the types of items and activities that are considered "stored". Additionally, this amendment clarifies that outdoor warehouse space is measured based on the space available for warehousing, not solely on the size or amount of goods currently being stored.

Changes to the administrative Code for penalty and interest waivers add conditions for eligibility if the following are met: the taxpayer has paid and filed all required taxes within the past 24-months; and any underpaid amounts which resulted in penalties and interest were the result of written instruction from the Director.

Reviewed by Council Committees:

Councilmember: Kate Baldwin
Staff: Jamie Thomas
Meeting Date: July 15, 2024
Item Number: ORD.A

ORDINANCE NO. 6943

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON AMENDING SECTIONS 3.53.020, 3.53.040, AND 3.54.150 OF THE AUBURN CITY CODE RELATING TO THE ADMINISTRATION OF THE CITY BUSINESS & OCCUPATION (B&O) TAX

WHEREAS, Auburn City Code (ACC) Chapter 3.53 enacts the City's B&O tax and ACC 3.54 adopts corresponding provisions administering the B&O tax; and

WHEREAS, the Auburn B&O tax is imposed on business gross receipts and on the square footage of business warehouses located in Auburn; and

WHEREAS, the Auburn City Code contains penalties that the City may impose on a business for failure to pay the B&O tax while also providing for the Finance Director to waive penalties and interest under certain circumstances; and

WHEREAS, certain provisions in ACC 3.53.020, ACC 3.53.040 and ACC 3.54.150 concerning the definition of "warehouse" and the waiver of tax penalties and interest require revision to promote consistency and uniformity throughout the code, and to enable greater clarity and precision in the administration and implementation of the City's B&O tax; and

WHEREAS, the revisions proposed in this ordinance are in the best interest of the City and its taxpayers.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, DO ORDAIN as follows:

Section 1. Amendment to City Code. Section 3.53.020 is hereby amended to read as set forth in Exhibit A attached to this Ordinance.

Section 2. **Amendment to City Code.** Section 3.53.040 is hereby amended to read as set forth in Exhibit A attached to this Ordinance.

Section 3. **Amendment to City Code.** Section 3.54.150 is hereby amended to read as set forth in Exhibit B attached to this Ordinance.

Section 4. **Implementation.** The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 5. **Severability.** The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of the application of it to any person or circumstance, will not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 6. **Effective date.** This Ordinance will take effect and be in force five days from and after its passage, approval, and publication as provided by law.

INTRODUCED: _____

PASSED: _____

APPROVED: _____

_____
NANCY BACKUS, MAYOR

ATTEST:

_____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

_____
Douglas Ruth, Acting City Attorney

Published: _____

3.53.020 Definitions.

In construing the provisions of this chapter, the following definitions shall be applied. Words in the singular number shall include the plural, and the plural shall include the singular.

A. "Adult family home" means a residential home licensed by the Washington State Department of Social and Health Services (DSHS) pursuant to Chapter 70.128 RCW in which a person or persons provides personal care, special care, room and board to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services.

B. *Advance, Reimbursement.*

1. "Advance" means money or credits a taxpayer receives from a customer or client for the purpose of paying costs or fees on behalf of the customer or client.

2. "Reimbursement" means money or credits a taxpayer receives from a customer or client to repay the taxpayer for money or credits expended by the taxpayer in payment of costs or fees of the customer or client.

C. *Agricultural Product, Farmer.*

1. "Agricultural product" means any product of plant cultivation or animal husbandry including, but not limited to: a product of horticulture, grain cultivation, vermiculture, viticulture, or aquaculture as defined in RCW 15.85.020; plantation Christmas trees; turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in RCW 15.85.020, or a bird, or insect, or the substances obtained from such animal. "Agricultural product" does not include animals intended to be pets, marijuana, or marijuana-infused products as defined by RCW 69.50.101(y) and (ff).

2. "Farmer" means any person engaged in the business of growing or producing, upon the person's own lands or upon lands in which the person has a present right of possession, any agricultural product whatsoever for sale. "Farmer" does not include a person using such products as ingredients in a manufacturing process, or a person growing or producing such products for the person's own consumption.

"Farmer" does not include a person selling any animal or substance obtained therefrom in connection with the person's business of operating a stockyard or a slaughter or packing house. "Farmer" does not include any person in respect to the business of taking, cultivating, or raising timber. "Farmer" does not include any person engaged in the business of growing, producing, processing, selling or distributing marijuana.

D. *Artistic or Cultural Organization.*

1. The term "artistic or cultural organization" means an organization which is organized and operated exclusively for the purpose of providing artistic or cultural exhibitions, presentations, or performances or cultural or art education programs, as defined in subsection (D)(10) of this section, for viewing or attendance by the general public.

2. The organization must be a not-for-profit corporation under Chapter 24.03 RCW.

3. The organization must be managed by a governing board of not less than eight individuals none of whom is a paid employee of the organization or by a corporation sole under Chapter 24.12 RCW.

4. No part of its income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except in the form of services rendered by the corporation in accordance with its purposes and bylaws.

5. Salary or compensation paid to its officers and executives must be only for actual services rendered, and at levels comparable to the salary or compensation of like positions within the state.

6. Assets of the organization must be irrevocably dedicated to the activities for which the exemption is granted and, on the liquidation, dissolution, or abandonment by the organization, may not inure directly or indirectly to the benefit of any member or individual except a nonprofit organization, association, or corporation which also would be entitled to the exemption.

7. The organization must be duly licensed or certified when licensing or certification is required by law or regulation.

8. The amounts received that qualify for exemption must be used for the activities for which the exemption is granted.

9. Services must be available regardless of race, color, national origin, ancestry, religion, age, sex, marital status, Vietnam or disabled veteran status, sexual orientation, or the presence of any mental or physical disability.

10. The term “artistic or cultural exhibitions, presentations, or performances or cultural or art education programs” is limited to:

a. An exhibition or presentation of works of art or objects of cultural or historical significance, such as those commonly displayed in art or history museums;

b. A musical or dramatic performance or series of performances; or

c. An educational seminar or program, or series of such programs, offered by the organization to the general public on an artistic, cultural, or historical subject.

E. “Assisted living facility” means any home or other institution, however named, which is advertised, announced, or maintained for the express or implied purpose of providing housing, basic services, and assuming general responsibility for the safety and well-being of the residents, and may also provide domiciliary care. “Assisted living facility” shall not include facilities certified as group training homes pursuant to RCW 71A.22.040, nor any home, institution or section thereof which is otherwise licensed and regulated under the provisions of state law providing specifically for the licensing and regulation of such home, institution or section thereof. Nor shall it include any independent senior housing, independent living units in continuing care retirement communities, or other similar living situations including those subsidized by the Department of Housing and Urban Development.

F. “Athletic or fitness facility” means an indoor or outdoor facility or portion of a facility that is primarily used for: exercise classes; strength and conditioning programs; personal training services; tennis, racquetball, handball, squash, or pickleball; or other activities requiring the use of exercise or strength training equipment, such as treadmills, elliptical machines, stair climbers, stationary cycles, rowing machines, pilates equipment, balls, climbing ropes, jump ropes, and weightlifting equipment.

G. “Business” includes all activities engaged in with the object of gain, benefit, or advantage to the taxpayer or to another person or class, directly or indirectly.

H. “Business and occupation tax” or “gross receipts tax” means a tax imposed on or measured by the value of products, the gross income of the business, or the gross proceeds of sales, as the case may be, and that is the legal liability of the business.

I. “City” means the city of Auburn, Washington.

J. “Commercial or industrial use” means the following uses of products, including by-products, by the extractor or manufacturer thereof:

1. Any use as a consumer; and

2. The manufacturing of articles, substances or commodities.

K. “Competitive telephone service” means the providing by any person of telecommunications equipment or apparatus, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which can be provided by persons that are not subject to regulation as telephone companies under RCW Title 80 and for which a separate charge is made.

L. “Consumer” means the following:

1. Any person who purchases, acquires, owns, holds, or uses any tangible or intangible personal property irrespective of the nature of the person’s business. “Consumer” includes, among others and without limiting its scope, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for a consumer other than for the purpose of:

a. Resale as tangible or intangible personal property in the regular course of business;

b. Incorporating such property as an ingredient or component of real or personal property when installing, repairing, cleaning, altering, imprinting, improving, constructing, or decorating such real or personal property of or for consumers;

c. Incorporating such property as an ingredient or component of a new product or as a chemical used in processing a new product when the primary purpose of

such chemical is to create a chemical reaction directly through contact with an ingredient of a new product; or

d. Consuming the property in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon;

2. Any person engaged in any business activity that is taxable under ACC 3.53.040;

3. Any person who purchases, acquires, or uses any competitive telephone service as herein defined, other than for resale in the regular course of business;

4. Any person who purchases, acquires, or uses any personal, business, or professional service defined as a retail sale or retail service in this section, other than for resale in the regular course of business;

5. Any person who is an end user of software;

6. Any person engaged in the business of “public road construction” with respect to tangible personal property when that person incorporates the tangible personal property as an ingredient or component of a publicly owned street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle by installing, placing, or spreading the property in or upon the right-of-way of a publicly owned street, place, road, highway, easement, bridge, tunnel, or trestle, or in or upon the site of a publicly owned mass public transportation terminal or parking facility;

7. Any person who is an owner, lessee, or has the right of possession to or an easement in real property which is being constructed, repaired, decorated, improved, or otherwise altered by a person engaged in business;

8. Any person who is an owner, lessee, or has the right of possession to personal property which is being constructed, repaired, improved, cleaned, imprinted, or otherwise altered by a person engaged in business; or

9. Any person engaged in “government contracting.” Any such person shall be a consumer within the meaning of this subsection with respect to tangible personal

property incorporated into, installed in, or attached to such building or other structure by such person. Nothing contained in this or any other subsection of this section shall be construed to modify any other definition of “consumer.”

M. “Delivery” means the transfer of possession of tangible personal property between the seller and the buyer or the buyer’s representative. Delivery to an employee of a buyer is considered delivery to the buyer. Transfer of possession of tangible personal property occurs when the buyer or the buyer’s representative first takes physical control of the property or exercises dominion and control over the property. “Dominion and control” means the buyer has the ability to put the property to the buyer’s own purposes. It means the buyer or the buyer’s representative has made the final decision to accept or reject the property, and the seller has no further right to possession of the property and the buyer has no right to return the property to the seller, other than under a warranty contract. A buyer does not exercise dominion and control over tangible personal property merely by arranging for shipment of the property from the seller to itself. A buyer’s representative is a person, other than an employee of the buyer, who is authorized in writing by the buyer to receive tangible personal property and take dominion and control by making the final decision to accept or reject the property. Neither a shipping company nor a seller can serve as a buyer’s representative. It is immaterial where the contract of sale is negotiated or where the buyer obtains title to the property. Delivery terms and other provisions of the Uniform Commercial Code (RCW Title 62A) do not determine when or where delivery of tangible personal property occurs for purposes of taxation.

N. “Director” means the finance director of the city or any officer, agent or employee of the city designated to act on the director’s behalf.

O. “Digital automated service,” “digital code” and “digital goods” have the same meaning as in RCW 82.04.192.

P. “Digital products” means digital goods, digital codes, digital automated services, and the services described in RCW 82.04.050(2)(q) and (6)(b).

Q. “Eligible gross receipts tax” means a tax which:

1. Is imposed on the act or privilege of engaging in business activities within ACC 3.53.040; and

2. Is measured by the gross volume of business, in terms of gross receipts, and is not an income tax or value added tax; and

3. Is not, pursuant to law or custom, separately stated from the sales price; and

4. Is not a sales or use tax, business license fee, franchise fee, royalty or severance tax measured by volume or weight, or concession charge, or payment for the use and enjoyment of property, property right or a privilege; and

5. Is a tax imposed by a local jurisdiction, whether within or without the state of Washington, and not by a country, state, province, or any other nonlocal jurisdiction above the county level.

R. *Engaging in Business.*

1. The term “engaging in business” means commencing, conducting, or continuing in business, and also the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.

2. This subsection sets forth examples of activities that constitute engaging in business in the city, and establishes safe harbors for certain of those activities so that a person who meets the criteria may engage in de minimis business activities in the city without having to register and obtain a business license or pay city business and occupation taxes. The activities listed in this section are illustrative only and are not intended to narrow the definition of “engaging in business” in subsection (R)(1) of this section. If an activity is not listed, whether it constitutes engaging in business in the city shall be determined by considering all the facts and circumstances and applicable law.

3. Without being all inclusive, any one of the following activities conducted within the city by a person, or its employee, agent, representative, independent contractor, broker or another acting on its behalf constitutes engaging in business and requires a person to register and obtain a business license:

a. Owning, renting, leasing, maintaining, or having the right to use, or using, tangible personal property, intangible personal property, or real property permanently or temporarily located in the city.

b. Owning, renting, leasing, using, or maintaining an office, place of business, or other establishment in the city.

c. Soliciting sales.

d. Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.

e. Providing technical assistance or service, including quality control, product inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf.

f. Installing, constructing, or supervising installation or construction of real or tangible personal property.

g. Soliciting, negotiating, or approving franchise, license, or other similar agreements.

h. Collecting current or delinquent accounts.

i. Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.

j. Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services, security system services, surveying, and real estate services including the listing of homes and managing real property.

k. Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, veterinarians.

l. Meeting with customers or potential customers, even when no sales or orders are solicited at the meetings.

m. Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the city, acting on its behalf, or for customers or potential customers.

n. Investigating, resolving, or otherwise assisting in resolving customer complaints.

o. In-store stocking or manipulating products or goods, sold to and owned by a customer, regardless of where sale and delivery of the goods took place.

p. Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or another person acting on its behalf.

4. If a person, or their employee, agent, representative, independent contractor, broker or another acting on the person's behalf, engages in no other activities in or with the city but the following, it need not register and obtain a business license and pay tax:

a. Meeting with suppliers of goods and services as a customer.

b. Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions.

c. Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with tangible personal property sold by the person or on its behalf. This provision does not apply to any board of directors member or attendee engaging in business such as a member of a board of directors who attends a board meeting.

d. Renting tangible or intangible property as a customer when the property is not used in the city.

e. Attending, but not participating in, a "trade show" or "multiple vendor events." Persons participating at a trade show shall review Chapter 2.23 ACC, Special Event Permits.

f. Conducting advertising through the mail.

g. Soliciting sales by phone from a location outside the city.

5. A seller located outside the city merely delivering goods into the city by means of common carrier is not required to register and obtain a business license;

provided, that it engages in no other business activities in the city. Such activities do not include those in subsection (R)(4) of this section.

6. The city expressly intends that engaging in business include any activity sufficient to establish nexus for purposes of applying the tax under the law and the Constitutions of the United States and the state of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus-generating contact or subsequent contacts.

S. "Extracting" is the activity engaged in by an extractor and is reportable under the extracting classification.

T. *Extractor.*

1. "Extractor" means every person who from the person's own land or from the land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services, for sale or for commercial or industrial use, mines, quarries, takes or produces coal, oil, natural gas, ore, stone, sand, gravel, clay, mineral or other natural resource product; or fells, cuts or takes timber, Christmas trees other than plantation Christmas trees, or other natural products; or takes fish, shellfish, or other sea or inland water foods or products.

2. "Extractor" does not include persons performing under contract the necessary labor or mechanical services for others; persons meeting the definition of "farmer" under RCW 82.04.213, or persons producing cannabis.

3. When an "extractor" is also a "manufacturer" under this chapter, the principles of WAC 458-20-135 (as now enacted or hereafter amended) shall apply.

U. "Extractor for hire" means a person who performs under contract necessary labor or mechanical services for an extractor.

V. "Gross income of the business" means the value proceeding or accruing by reason of the transaction of the business engaged in and includes gross proceeds of sales, compensation for the rendition of services, gains realized from trading in stocks, bonds, or other evidences of indebtedness, interest, discount, rents, royalties, fees, commissions, dividends, and other emoluments however designated, all without any deduction on account of the cost of tangible property sold, the cost of materials used,

labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.

W. "Gross proceeds of sales" means the value proceeding or accruing from the sale of tangible personal property, digital goods, digital codes, digital automated services or for other services rendered, without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest, discount paid, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.

X. "Gross receipts" has the same meaning as gross income.

Y. "Hospital" means any institution, place, building, or agency which provides accommodations, facilities and services over a continuous period of 24 hours or more, for observation, diagnosis, or care, of two or more individuals not related to the operator who are suffering from illness, injury, deformity, or abnormality, or from any other condition for which obstetrical, medical, or surgical services would be appropriate for care or diagnosis. "Hospital" as used in this chapter does not include hotels, or similar places furnishing only food and lodging, or simply domiciliary care; nor does it include clinics, or physician's offices where patients are not regularly kept as bed patients for 24 hours or more; nor does it include nursing homes, as defined and which come within the scope of Chapter 18.51 RCW; nor does it include birthing centers, which come within the scope of Chapter 18.46 RCW; nor does it include psychiatric hospitals, which come within the scope of Chapter 71.12 RCW; nor any other hospital or institution specifically intended for use in the diagnosis and care of those suffering from mental illness, intellectual disability, convulsive disorders, or other abnormal mental condition. Furthermore, nothing in this chapter or the rules adopted pursuant thereto shall be construed as authorizing the supervision, regulation, or control of the remedial care or treatment of residents or patients in any hospital conducted for those who rely primarily upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well recognized church or religious denominations.

Z. *International Investment Management Services.*

1. "International investment management services" includes investment research, investment consulting, fund administration, fund distribution, investment transactions, or related investment services provided to persons for or on behalf of a collective investment fund. A person is considered to be engaged in providing

international investment management services if such person is providing investment management services and/or is a member of an affiliated group (as defined by RCW 82.04.293(2)(b)) primarily in the business of providing investment management services to collective investment funds, and at least 15 percent of the gross income of the person and/or affiliated group is derived from providing investment management services to any of the following:

a. Persons or collective investment funds residing outside the United States; or

b. Collective investment funds with at least 50 percent of their investment assets located or issued outside the United States.

2. For the purpose of this section, "collective investment fund" includes:

a. A mutual fund or other regulated investment company as defined in 26 USC §851(a), as now enacted or hereafter amended;

b. An investment company, as defined in 15 USC § 80(a)(3) (as now enacted or hereafter amended), as well as any entity that would be an investment company for this purpose but for the exemptions contained in 15 USC § 80(a)(3);

c. An employee benefit plan, which includes any plan, trust, commingled employee benefit trust, or custodial arrangement that is subject to 29 USC §1001 et seq., or that is described in 26 USC §§125, 401, 403, 408, 457, 501(c)(9), and 501(c)(17) through (24), or a similar plan maintained by a state or local government, or a plan trust, or custodial arrangement established to self-insure benefits required by federal, state, or local law;

d. A fund maintained by a tax exempt organization, as defined in 26 USC §501(c)(3) for operating, quasi-endowment, or endowment purposes;

e. Funds that are established for the benefit of such tax exempt organizations, such as charitable remainder trusts, charitable lead trusts, charitable annuity trusts, or other similar trusts; or

f. Collective investment funds similar to those described in subsections (Z)(2)(a) through (Z)(2)(e) of this section created under the laws of a foreign jurisdiction.

AA. “Liquor” shall have the same meaning as RCW 66.44.010.

BB. “Lottery commissions” are commissions received from sales of lottery and scratch tickets to a consumer.

CC. “Manufacturing” means the activity conducted by a manufacturer and is reported under the manufacturing classification.

DD. “Manufacturer,” “To Manufacture.”

1. “Manufacturer” means every person who, either directly or by contracting with others for the necessary labor or mechanical services, manufactures for sale or for commercial or industrial use from the person’s own materials or ingredients any products. When the owner of equipment or facilities furnishes, or sells to the customer prior to manufacture, materials or ingredients equal to less than 20 percent of the total value of all materials or ingredients that become a part of the finished product, the owner of the equipment or facilities will be deemed to be a processor for hire, and not a manufacturer. A business not located in this city that is the owner of materials or ingredients processed for it in this city by a processor for hire shall be deemed to be engaged in business as a manufacturer in this city.

2. “To manufacture” means all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials or ingredients so that as a result thereof a new, different or useful product is produced for sale or commercial or industrial use, and shall include:

a. The production of special made or custom made articles;

b. The production of dental appliances, devices, restorations, substitutes, or other dental laboratory products by a dental laboratory or dental technician;

c. Crushing and/or blending of rock, sand, stone, gravel, or ore; and

d. The producing of articles for sale, or for commercial or industrial use from raw materials or prepared materials by giving such materials, articles, and substances of trade or commerce new forms, qualities, properties or combinations including, but not limited to, such activities as making, fabricating, processing, refining, mixing, slaughtering, packing, aging, curing, mild curing,

preserving, canning, and the preparing and freezing of fresh fruits and vegetables.

"To manufacture" shall not include the production of digital goods or the production of computer software if the computer software is delivered from the seller to the purchaser by means other than tangible storage media, including the delivery by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser.

EE. *Newspaper, Magazine, Periodical.*

1. "Newspaper" means a publication offered for sale regularly at stated intervals at least once per week and printed on newsprint in tabloid or broadsheet format folded loosely together without stapling, glue, or any other binding of any kind.

2. "Magazine" or "periodical" means any printed publication, other than a newspaper, issued and offered for sale regularly at stated intervals at least once every three months, including any supplement or special edition of the publication. Any publication meeting this definition qualifies regardless of its content.

FF. "Office" or "place of business" means a fixed location or permanent facility where the regular business of the person is conducted and which is either owned by the person or over which the person exercises legal dominion and control. The regular business of the person is presumed conducted at a location:

1. Whose address the person uses as their business mailing address; and

2. Where the place of primary use is shown on a telephone billing or a location containing a telephone line, listed in a public telephone directory or other similar publication, under the business name; and

3. Where the person holds themselves out to the general public as conducting regular business through signage or other means; and

4. Where the person is required to obtain any appropriate state and local business license or registration unless the person is exempted by law from such requirement.

A vehicle such as a pick-up, van, truck, boat or other motor vehicle is not an office or place of business. A post office box is not an office or place of business.

If a person has an office or place of business, the person's home is not an office or place of business unless it meets the criteria for office or place of business above. If a person has no office or place of business, the person's home or apartment within the city will be deemed the place of business.

GG. "Option to purchase" shall mean a continuing offer or contract by which owner stipulates with another that the latter shall have the right to buy property at a fixed dollar price within a certain time. An agreement is only an option when no obligation rests on the potential buyer to make any payment except such as may be agreed upon by the parties as consideration to support the option until the potential buyer has made up their mind within a time specified to complete the purchase. The use of the term "fair market value" or any other like term shall not be substituted for a fixed dollar price in determining if an "option to purchase" exists.

HH. "Person" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, co-partnership, joint venture, club, company, joint stock company, business trust, municipal corporation, political subdivision of the state of Washington, corporation, limited liability company, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise and the United States or any instrumentality thereof.

II. "Processing for hire" means the performance of labor and mechanical services upon materials or ingredients belonging to others so that as a result a new, different or useful product is produced for sale, or commercial or industrial use. A processor for hire is any person who would be a manufacturer if that person were performing the labor and mechanical services upon that person's own materials or ingredients. If a person furnishes, or sells to the customer prior to manufacture, materials or ingredients equal to 20 percent or more of the total value of all materials or ingredients that become a part of the finished product the person will be deemed to be a manufacturer and not a processor for hire.

JJ. "Product" means tangible personal property, including articles, substances, or commodities created, brought forth, extracted, or manufactured by human or mechanical effort. "By-product" means any additional product, other than the principal or intended product, which results from extracting or manufacturing activities and which has a market value, without regard to whether or not such additional product was an expected or intended result of the extracting or manufacturing activities.

KK. “Retailing” means the activity of engaging in making sales at retail and is reported under the retailing classification.

LL. “Retail floor space” means the area where items are on display for sale to the public, together with the walkways and open spaces associated with such display.

MM. “Retail service” shall include the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:

1. Amusement and recreation services including but not limited to golf, pool, billiards, skating, bowling, swimming, bungee jumping, ski lifts and tows, basketball, racquetball, handball, squash, tennis, batting cages, day trips for sightseeing purposes, and others, when provided to consumers. “Amusement and recreation services” also include the provision of related facilities such as basketball courts, tennis courts, handball courts, swimming pools, and charges made for providing the opportunity to dance. The term “amusement and recreation services” does not include instructional lessons to learn a particular activity such as tennis lessons, swimming lessons, or archery lessons;

2. Abstract, title insurance, and escrow services;

3. Credit bureau services;

4. Automobile parking and storage garage services;

5. Landscape maintenance and horticultural services but excluding (a) horticultural services provided to farmers and (b) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;

6. Service charges associated with tickets to professional sporting events; and

7. The following personal services: physical fitness services, tanning salon services, tattoo parlor services, steam bath services, Turkish bath services, escort services, and dating services.

8. The term shall also include the renting or leasing of tangible personal property to consumers and the rental of equipment with an operator.

NN. “Royalties” means compensation for the use of intangible property, such as copyrights, patents, licenses, franchises, trademarks, trade names, and similar items.

OO. *Sale, Casual or Isolated Sale.*

1. “Sale” means any transfer of the ownership of, title to, or possession of, property for a valuable consideration and includes any activity classified as a “sale at retail,” “retail sale,” or “retail service.” It includes renting or leasing, conditional sale contracts, leases with option to purchase, and any contract under which possession of the property is given to the purchaser but title is retained by the vendor as security for the payment of the purchase price. It also includes the furnishing of food, drink, or meals for compensation whether consumed upon the premises or not.

2. “Casual or isolated sale” means a sale made by a person who is not engaged in the business of selling the type of property involved on a routine or continuous basis.

PP. *Sale at Retail, Retail Sale.*

1. “Sale at retail” or “retail sale” means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers, other than a sale to a person who presents a resale certificate under RCW 82.04.470, and who:

a. Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person; or

b. Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person; or

c. Purchases for the purpose of consuming the property purchased in producing for sale a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a

chemical reaction directly through contact with an ingredient of a new article being produced for sale; or

d. Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or

e. Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065. The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in subsections (PP)(1)(a) through (PP)(1)(e) of this section following such use.

f. Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in subsection (PP)(7) of this section, if such tangible personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.

2. "Sale at retail" or "retail sale" also means every sale of tangible personal property to persons engaged in any business activity which is taxable under ACC 3.53.040(A)(7).

3. "Sale at retail" or "retail sale" shall include the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following:

a. The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of coin-operated laundry facilities when such facilities are situated in an apartment house, rooming house, or mobile home park for the exclusive use of tenants thereof, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;

b. The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and shall also include the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;

c. The charge for labor and services rendered in respect to constructing, repairing, or improving any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;

d. The sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; and for purposes of this section the term “janitorial services” shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term “janitorial services” does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;

e. The sale of or charge made for labor and services rendered in respect to automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under Chapter 82.16 RCW;

f. The sale of and charge made for the furnishing of lodging and all other services, except telephone business and cable service, by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real

property and not a mere license to use or enjoy the same. For the purposes of this subsection, it shall be presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same;

g. The installing, repairing, altering, or improving of digital goods for consumers;

h. The sale of or charge made for tangible personal property, labor and services to persons taxable under subsections (PP)(3)(a) through (PP)(3)(g) of this section when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection shall be construed to modify subsection (PP)(1) of this section and nothing contained in subsection (PP)(1) of this section shall be construed to modify this subsection.

4. "Sale at retail" or "retail sale" shall also include the providing of competitive telephone service to consumers.

5. "Sale at retail" or "retail sale" shall also include the sale of prewritten software other than a sale to a person who presents a resale certificate under RCW 82.04.470, regardless of the method of delivery to the end user.

a. For purposes of this subsection (PP)(5), the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser.

b. The term "sale at retail" or "retail sale" does not include the sale of or charge made for custom software; or the customization of prewritten software.

c. The term also includes the charge made to consumers for the right to access and use prewritten computer software, where possession of the software is maintained by the seller or a third party, regardless of whether the

charge for the service is on a per use, per user, per license, subscription, or some other basis.

i. The service described in this subsection (PP)(5)(c) includes the right to access and use prewritten software to perform data processing.

ii. For purposes of subsection (PP)(5)(c)(i) of this section “data processing” means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.

6. “Sale at retail” or “retail sale” shall also include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state, the state of Washington, or by the United States and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind (public road construction).

7. “Sale at retail” or “retail sale” shall also include the sale of or charge made for an extended warranty to a consumer. For purposes of this subsection, “extended warranty” means an agreement for a specified duration to perform the replacement or repair of tangible personal property at no additional charge or a reduced charge for tangible personal property, labor, or both, or to provide indemnification for the replacement or repair of tangible personal property, based on the occurrence of specified events. The term “extended warranty” does not include an agreement, otherwise meeting the definition of “extended warranty” in this subsection, if no separate charge is made for the agreement and the value of the agreement is included in the sales price of the tangible personal property covered by the agreement.

8. “Sale at retail” or“ retail sale” shall also include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to Chapter 35.82 RCW, including the installing

or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation (government contracting).

9. “Sale at retail” or “retail sale” shall not include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor shall the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other by-products of weapons production and nuclear research and development. (This should be reported under the service and other classification as defined under ACC 3.53.040(A)(7).)

10. “Sale at retail” or “retail sale” shall not include the sale of or charge made for labor and services rendered for environmental remedial action. (This should be reported under the service and other classification as defined under ACC 3.53.040(A)(7).)

11. “Sale at retail” or “retail sale” shall also include the following sales to consumers of digital goods, digital codes, and digital automated services:

a. Sales in which the seller has granted the purchaser the right of permanent use;

b. Sales in which the seller has granted the purchaser a right of use that is less than permanent;

c. Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and

d. Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

A retail sale of digital goods, digital codes, or digital automated services under this subsection (PP)(11) includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

For purposes of this subsection, “permanent” means perpetual or for an indefinite or unspecified length of time. A right of permanent use is presumed to

have been granted unless the agreement between the seller and the purchaser specifies or the circumstances surrounding the transaction suggest or indicate that the right to use terminates on the occurrence of a condition subsequent.

12. "Sale at retail" or "retail sale" shall also include the installing, repairing, altering, or improving of digital goods for consumers.

QQ. "Sale at wholesale" or "wholesale sale" means any sale of tangible personal property, digital goods, digital codes, digital automated services, prewritten computer software, or services described in subsection (PP)(5)(b) of this section, which is not a retail sale, and any charge made for labor and services rendered for persons who are not consumers, in respect to real or personal property and retail services, if such charge is expressly defined as a retail sale or retail service when rendered to or for consumers. Sale at wholesale also includes the sale of telephone business to another telecommunications company as defined in RCW 80.04.010 for the purpose of resale, as contemplated by RCW 35.21.715.

RR. "Service" means any sale or charge made for personal, business or professional service, including amounts designated as rents, fees, or admissions, not otherwise included within any other tax classification defined herein; provided, that the term "service" excludes retail or wholesale services.

SS. *Software, Prewritten Software, Custom Software, Customization of Canned Software, Master Copies, Retained Rights.*

1. "Prewritten software" or "canned software" means computer software, including prewritten upgrades, that is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more prewritten computer software programs or prewritten portions thereof does not cause the combination to be other than prewritten computer software. Prewritten computer software includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than such purchaser. Where a person modifies or enhances computer software of which such person is not the author or creator, the person shall be deemed to be the author or creator only of the person's modifications or enhancements. Prewritten computer software or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains prewritten computer software;

however, where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for the modification or enhancement, the modification or enhancement shall not constitute prewritten computer software.

2. “Custom software” means software created for a single person.

3. “Customization of canned software” means any alteration, modification, or development of applications using or incorporating canned software to specific individualized requirements of a single person. Customization of canned software includes individualized configuration of software to work with other software and computer hardware but does not include routine installation. Customization of canned software does not change the underlying character or taxability of the original canned software.

4. “Master copies” of software means copies of software from which a software developer, author, inventor, publisher, licensor, sublicensor, or distributor makes copies for sale or license. The software encoded on a master copy and the media upon which the software resides are both ingredients of the master copy.

5. “Retained rights” means any and all rights, including intellectual property rights such as those rights arising from copyrights, patents, and trade secret laws, that are owned or are held under contract or license by a software developer, author, inventor, publisher, licensor, sublicensor, or distributor.

6. “Software” means any information, program, or routine, or any set of one or more programs, routines, or collections of information, used, or intended for use, to convey information that causes one or more computers or pieces of computer-related peripheral equipment, or any combination thereof, to perform a task or set of tasks. “Software” includes the associated documentation, materials, or ingredients, regardless of the media upon which that documentation is provided, that describe the code and its use, operation, and maintenance and that typically are delivered with the code to the consumer. All software is classified as either canned or custom.

TT. “Taxpayer” means any “person,” as herein defined, required to have a business license under this chapter or liable for the collection of any tax or fee under this chapter, or who engages in any business or who performs any act for which a tax or fee is imposed by this chapter.

UU. "Tuition fee" includes library, laboratory, health service, and other special fees, and amounts charged for room and board by an educational institution when the property or service for which such charges are made is furnished exclusively to the students or faculty of such institution. "Educational institution," as used in this section, means only those institutions created or generally accredited as such by the state and includes educational programs that such educational institution cosponsors with a nonprofit organization, as defined by 26 USC §501(c)(3), as hereafter amended, if such educational institution grants college credit for coursework successfully completed through the educational program, or an approved branch campus of a foreign degree-granting institution in compliance with Chapter 28B.90 RCW, and in accordance with RCW 82.04.4332 or defined as a degree-granting institution under RCW 28B.85.010(3) and accredited by an accrediting association recognized by the United States Secretary of Education, and offering to students an educational program of a general academic nature or those institutions which are not operated for profit and which are privately endowed under a deed of trust to offer instruction in trade, industry, and agriculture, but not including specialty schools, business colleges, other trade schools, or similar institutions.

VV. "Value proceeding or accruing" means the consideration, whether money, credits, rights, or other property expressed in terms of money, a person is entitled to receive or which is actually received or accrued. The term shall be applied, in each case, on a cash receipts or accrual basis according to which method of accounting is regularly employed in keeping the books of the taxpayer.

WW. *Value of Products.*

1. The value of products, including by-products, extracted or manufactured, shall be determined by the gross proceeds derived from the sale thereof whether such sale is at wholesale or at retail, to which shall be added all subsidies and bonuses received from the purchaser or from any other person with respect to the extraction, manufacture, or sale of such products or by-products by the seller.

2. Where such products, including by-products, are extracted or manufactured for commercial or industrial use; and where such products, including by-products, are shipped, transported or transferred out of the city, or to another person, without prior sale or are sold under circumstances such that the gross proceeds from the sale are not indicative of the true value of the subject matter of the sale; the value shall

correspond as nearly as possible to the gross proceeds from sales in this state of similar products of like quality and character, and in similar quantities by other taxpayers, plus the amount of subsidies or bonuses ordinarily payable by the purchaser or by any third person with respect to the extraction, manufacture, or sale of such products. In the absence of sales of similar products as a guide to value, such value may be determined upon a cost basis. In such cases, there shall be included every item of cost attributable to the particular article or article extracted or manufactured, including direct and indirect overhead costs. The director may prescribe rules for the purpose of ascertaining such values.

3. Notwithstanding subsection (WW)(2) of this section, the value of a product manufactured or produced for purposes of serving as a prototype for the development of a new or improved product shall correspond to (a) the retail selling price of such new or improved product when first offered for sale; or (b) the value of materials incorporated into the prototype in cases in which the new or improved product is not offered for sale.

XX. "Warehouse" means every structure or any part thereof that is used for the storage of merchandise, goods, wares, commodities, inventory, materials, equipment or other items (whether or not for compensation) in furtherance of engaging in business, including but not limited to ~~wherein facilities are offered for the storage of tangible personal property. It includes~~ the following:

1. "Storage warehouse" means a building or structure, or any part thereof, in which goods, wares, or merchandise are ~~received for storage~~stored whether or not for compensation, except field warehouses, fruit warehouses, fruit packing plants, unroasted coffee bean warehouses, warehouses licensed under Chapter 22.09 RCW (which are agricultural commodities warehouses), public garages storing automobiles, railroad freight sheds, docks and wharves. ~~, and "self-storage" or "mini-storage" facilities whereby customers have direct access to individual storage areas by separate access.~~

2. "Cold storage warehouse" means a storage warehouse used to store fresh and/or frozen perishable fruits or vegetables, meat, seafood, dairy products, or fowl, or any combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing. This term does not include freezer space or frozen food lockers.

3. “Automobile storage garage” means any off-street building, structure, or area where vehicles are parked or stored, for any period of time, for a charge.

YY. “Warehouse, outdoor” means an area that is outdoors and is primarily used for the storage of merchandise, goods, wares, commodities, inventory, materials, equipment or other items (whether or not for compensation) in furtherance of engaging in business.

ZZ. “Wholesaling” means engaging in the activity of making sales at wholesale, and is reported under the wholesaling classification.

3.53.040 Imposition of the tax – Tax or fee levied.

Except as provided in subsection C of this section, effective January 1, 2022, at 12:01 a.m. there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the city of Auburn, whether the person’s office or place of business be within or without the city. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

A. *Gross Receipts Tax.*

1. Upon every person engaging within the city in business as an extractor; as to such persons, the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the city for sale or for commercial or industrial use, multiplied by the rate of 0.100 of one percent (0.001). The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the city.

2. Upon every person engaging within the city in business as a manufacturer; as to such persons, the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured within the city, multiplied by the rate of 0.100 of one percent (0.001). The measure of the tax is the value of the products, including by-products, so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the city.

3. Upon every person engaging within the city in the business of making sales at wholesale; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business multiplied by the rate of 0.180 of one percent (0.0018).

4. Upon every person engaging within the city in the business of making sales at retail; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business multiplied by the rate of 0.050 of one percent (0.0005).

5. Upon every person engaging within the city in the business of (a) printing, (b) both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items, (c) publishing newspapers, magazines and periodicals, (d) extracting for hire, and (e) processing for hire; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of 0.100 of one percent (0.001).

6. Upon every person engaging within the city in the business of making sales of retail services; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales multiplied by the rate of 0.150 of one percent (0.0015).

7. Upon every other person engaging within the city in any business activity other than or in addition to those enumerated in the above subsections; such persons shall report gross receipts under the “service and other tax” classification, and the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of 0.100 of one percent (0.001). This classification includes (among others, without limiting its scope and whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale): persons engaged in the business of developing or producing custom software or of customizing canned software, persons producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

8. Lottery commissions are commissions received from the sales of lottery and scratch tickets to a consumer. Taxpayers must report commissions received from

such sales on the excise tax return under service and other B&O tax classification. Lottery payouts do not qualifty for the payouts deduction.

9. Persons otherwise subject to the "service and other tax" classification who engage in business in multiple jurisdictions shall report their service income under the "service and other apportionment" tax classification, and shall allocate their gross receipts in accordance with ACC 3.53.080 by using the city's service income apportionment supplemental form.

B. *Square Footage Tax.* This subsection B applies to any business that uses warehouse space within the city in the course of or in the furtherance of engaging in businessits ~~business activities~~, regardless of any business activity tax classifications in subsection A of this section.

1. Upon every person who leases, owns, occupies, or otherwise maintains a warehouse or outdoor warehouse within the city for purposes of engaging in business activities in the city there shall be a tax measured by the number of square feet of business warehouse floor space or outdoor warehouse space. The amount of the tax shall be equal to $0.10 for each quarterly period of a calendar year for each square foot of warehouse or outdoor warehouse floor space that is leased, owned, occupied, or otherwise maintained within the city during the reporting period, calculated to the nearest square foot.

2. For purposes of this subsection, "warehouse" means every structure or any part thereof that is used for the storage of merchandise, goods, wares, commodities, inventory, materials, equipment or other items (whether or not for compensation) in furtherance of engaging in business, including but not limited to ~~wherein facilities are offered for the storage of tangible personal property. It includes~~ "storage warehouses," "cold storage warehouses" and "automobile storage garage" as defined in ACC 3.53.020(XX).

3. For purposes of this subsection, "outdoor warehouse" means an area that is outdoors and primarily used for the storage of merchandise, goods, wares, commodities, inventory, materials, equipment or other items (whether or not for compensation) in furtherance of engaging in business.

4. For purposes of this subsection, the square footage of a business warehouse shall be computed by measuring to the inside finish of permanent outer building

walls and shall include space used by columns and projections necessary to the building. Square footage shall not include stairs, elevator shafts, flues, pipe shafts, vertical ducts, heating or ventilation shafts, janitor closets, and electrical or utility closets. ~~Outdoor warehouse space is measured based on the entire space used for outdoor warehousing and is not measured solely based on the size of the goods, wares, merchandise, or commodities that are being stored.~~

5. For purposes of this subsection, outdoor warehouse space is measured based on the entire space used for outdoor warehousing and is not measured solely based on the size of the goods, wares, merchandise, or commodities that are being stored. T~~t~~he square footage of an outdoor warehouse shall only include those areas used and/or intended to be used for the storage of goods, wares, merchandise, commodities, inventory, materials, equipment, or other items (whether or not for compensation) in furtherance of engaging in business.

Square footage shall not include: areas used only for employee, customer, or visitor parking; dock high loading areas; buildings or areas used only for retail floor space or rentals to consumers; landscaped areas; storm water facilities; maneuvering areas or drive aisles; areas used only for garbage or recycling pickup; rights-of-way; or other areas clearly not used for the storage of items described in this subsection.

6. Persons with more than one business warehouse or outdoor warehouse within the city must include all business warehouse floor space and outdoor warehouse space for all locations within the city. When a person rents space to another person, the person occupying the rental space is responsible for the square footage business tax on that rental space. Space rented for the storage of goods in a warehouse or outdoor warehouse where no walls or other barriers separate the goods, and where the exclusive right of possession in the space is not held by the person to whom the space is rented, shall be included in the business warehouse floor space of the person that operates the business warehouse, and not by the person renting the warehouse space.

7. If the square footage tax imposed in this subsection B is equal to or less than the gross receipts tax imposed in subsection A of this section, no square footage tax will be due. If the square footage tax imposed in this subsection B exceeds the gross receipts tax imposed in subsection A of this section, the square footage tax will be due, but no gross receipts tax will be due. The taxpayer shall remit the tax

due on the higher of the two categories, but not both, under subsections A and B of this section.

C. *Gross Receipt and Square Footage Tax Thresholds.*

1. *Gross Receipts Threshold.* The gross receipts tax imposed in this section shall not apply to any person whose company-wide gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities during any calendar year is equal to or less than $500,000, nor shall it apply to any person who does not maintain a place of business in the city whose annual value of products, gross proceeds of sales, or gross income of the business in the city is equal to or less than $2,000.

2. *Square Footage Threshold.* The square footage tax imposed in subsection B of this section shall not apply to any person unless that person's total area of business space within the city exceeds one of the following thresholds:

a. Four thousand (4,000) taxable square feet of business warehouse space; or

b. Two hundred sixty-one thousand three hundred sixty (261,360) taxable square feet (six acres) of outdoor warehouse space.

If the square footage tax applies, it applies to all business space leased, owned, occupied, or otherwise maintained by the taxpayer during the applicable reporting period.

6.54.150 Waiver of penalties and interest.

A. The director may cancel any penalties imposed under ACC 3.54.140(A) if the taxpayer shows that its failure to timely file or pay the tax was due to reasonable cause and not willful neglect. Willful neglect is presumed unless the taxpayer shows that it exercised ordinary business care and prudence in making arrangements to file the return and pay the tax but was, nevertheless, due to circumstances beyond the taxpayer's control, unable to file or pay by the due date. The director has no authority to cancel any other penalties or to cancel penalties for any other reason except as provided in subsection C of this section.

B. A request for cancellation of penalties must be received by the director within 30 days after the date the finance department mails the notice that the penalties are due. The request must be in writing and contain competent proof of all pertinent facts supporting a reasonable cause determination. In all cases the burden of proving the facts rests upon the taxpayer.

C. The director may waive or cancel a penalty under ACC 3.54.140(A) when a taxpayer is ineligible for a penalty waiver or cancellation under subsection A of this section, if:

1. The taxpayer has timely filed all tax returns and paid all required taxes due for 24-months immediately preceding the period for which the waiver was requested; or~~.~~

2. The timing of the taxpayer's tax payment was in direct reliance on written instructions from the director to the taxpayer.

D. The director may also waive or cancel interest imposed under this chapter if:

1. The timing of the taxpayer's tax payment was in direct reliance on written instructions from the director to the taxpayer; or

2. The timing of a taxpayer's assessment deficiency payment was based on a due date established for the sole convenience of the director.

E. The director may adopt rules for the waiver or cancellation of penalties and interest under this section.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 6944 (Thomas)

Date:
July 8, 2024

Department:
Finance

Attachments:
Ordinance No. 6944

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

City Council to approve Ordinance No. 6944.

Background for Motion:

Ordinance No. 6944 amends portions of the Admission Tax Code to add clarity to the definition of "admission charge" and remove obsolete licensing requirements.

Background Summary:

Ordinance No. 6944 amends portions of ACC 3.52, the Admissions Tax Code, for added clarity and applicability of admissions tax and to eliminate obsolete requirements.

Additional language has been added to make it clear that rental charges for the exclusive use of specific equipment and space for amusement, is included in the "admission charge" amount for taxability purposes.

When the Code was first created in 1982, the City required a Certificate of Registration for any "person conducting or operating any place for entrance to which an admission charge is made...". It is unclear at what point over the past 42 years the City stopped issuing Certificates of Registration. After considering the existing language and current operations, the City would like to continue operations as-is and remove these requirements from the Code.

Reviewed by Council Committees:

Councilmember: Kate Baldwin
Staff: Jamie Thomas
Meeting Date: July 15, 2024
Item Number: ORD.B

ORDINANCE NO. 6944

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON AMENDING AUBURN CITY CODE SECTION 3.52.020 AND REPEALING AUBURN CITY CODE SECTION 3.52.040 RELATED TO THE ADMINISTRATION OF CITY ADMISSIONS TAX

WHEREAS, ACC Chapter 3.52 imposes and administers the City's admissions tax, which is authorized by RCW 35.21.280; and

WHEREAS, section ACC 3.52.040 requires Auburn businesses that charge an admission to annually apply to the city for a certificate of registration; and

WHEREAS, the City no longer uses a certificate of registration to track businesses that charge admission fees and it has not issued such certificates for many years; and

WHEREAS, repeal of the section simplifies and improves the readability of the code; and

WHEREAS, section ACC 3.52.020 contains a definition of "admission charge," which describes various admission charges including rental charges for equipment used in recreation and amusement activities; and

WHEREAS, the definition of "admission charge" requires revision to promote consistency and uniformity throughout the code, and to enable greater precision in the administration of the Auburn's admission tax; and

WHEREAS, repeal of the antiquated section of ACC 3.52 and the revisions proposed in this ordinance are in the best interest of the City and its taxpayers.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, DO ORDAIN as follows:

Section 1. Repeal of Section of City Code. Section 3.52.040 of the Auburn City Code is hereby repealed.

Section 2. Amendment to City Code. Section 3.52.020 of the Auburn City Code is hereby amended to read as set forth in Exhibit A attached to this Ordinance.

Section 3. Implementation. The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 4. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of the application of it to any person or circumstance, will not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 5. Effective date. This Ordinance will take effect and be in force five days from and after its passage, approval, and publication as provided by law.

INTRODUCED: _____

PASSED: _____

APPROVED: _____

_____
NANCY BACKUS, MAYOR

ATTEST:

_____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

_____
Douglas Ruth, Acting City Attorney

Published: _____

Chapter 3.52
ADMISSION TAX

Sections:

3.52.010 Tax levied.
3.52.020 Definitions.
3.52.030 Sign to be posted.
3.52.040 ~~Certificate of registration~~. Repealed.
3.52.050 Administration, collection and remittance of taxes.
3.52.060 Collection and remittance for transitory or temporary amusements.
3.52.070 Reports and remittances by owner.
3.52.080 Repealed.
3.52.090 Repealed.
3.52.100 Repealed.
3.52.110 Repealed.
3.52.120 Collection of tax by civil action.
3.52.130 Violations – Penalty.
3.52.140 Effective date.

3.52.020 Definitions.

A. "Admission charge," in addition to its usual and ordinary meaning, includes:

1. Charge made for season tickets or subscriptions;

2. A cover charge or a charge made for the use of seats or tables reserved or otherwise, and similar accommodations;

3. A charge made for rental or use of equipment or facilities for purposes of recreation or amusement.~~,~~ If persons renting or using ~~and where the rental of~~ the equipment or facilities also pay a charge to enjoy or participate in the recreation or amusement, the total ~~is necessary to the enjoyment of the privilege for which general admission is charged, the~~ combined charge shall be the admission charge;

4. A charge made for admission to any theater, cabaret, tavern, dance hall, amphitheater, private club, auditorium, observation tower, stadium, athletic pavilion

or field, baseball or athletic park, golf course, or any similar place, and includes equipment to which persons are admitted for purposes of recreation such as merry-go-rounds, ferris wheels, dodge'ems, roller coaster, go carts and other rides, whether such rides are restricted to tracks or not;

5. Charge made for automobile parking where the amount of the charge is determined according to the number of passengers in an automobile;

6. A sum of money referred to as a "donation" which must be paid before entrance is allowed;

7. The amount of an increase in the price of refreshments, service or merchandise in a place if no fixed admission charge or cover charge is imposed, but the price charged for refreshments, service or merchandise is higher during the time entertainment or dancing is provided than at other times.

B. "Place" includes, but is not limited to, theaters, dance halls, amphitheaters, auditoriums, stadiums, athletic pavilions and fields, baseball and athletic parks, circuses, side shows, swimming pools, outdoor amusement parks, and such attractions as merry-go-rounds, ferris wheels, dodge 'ems, roller coasters, and observation towers within the city limits.

C. "Subscription" means, in addition to its usual and ordinary meaning, annual membership dues or fees in an organization whose principal purpose is to present theatrical or musical performance for its members.

~~**3.52.040 Certificate of registration.**~~

~~A person conducting or operating any place for entrance to which an admission charge is made shall, on a form prescribed by the finance director, make application to and procure from the city a certificate of registration which certificate shall be valid until the thirty-first day of December of the year in which it was issued. Such certificate of registration shall be posted in a conspicuous place in each ticket or box office where tickets of admission are sold. (Ord. 3801 § 5, 1982.~~

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5774 (Faber)

Date:
July 8, 2024

Department:
Parks/Art and Recreation

Attachments:
Contract with Resolution

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

City Council adopt Resolution No. 5774.

Background for Motion:

Auburn Parks, and Recreation was awarded a grant in the amount of $212,033.49 from the Cascade Bicycle Club for purposes of providing support for a new Middle School biking program. Cascade Bicycle Club and the City of Auburn will work with local bike advocates, educators, and local communities to expand the knowledge of bicycle and pedestrian safety as well as leadership skills to students in systemically underserved communities with the goal of improving the health and wellness of our youth as well as creating a cleaner, greener, and more equitable state.

Background Summary:

Resolution No. 5774 authorizes the Mayor to execute an agreement between the City of Auburn and the Cascade Bicycle Club to accept and expend grant funds in the amount of $212,033.49 for the operation of two City Bicycle Programs.

Reviewed by Council Committees:

Councilmember: Cheryl Rakes **Staff:** Daryl Faber

Meeting Date: July 15, 2024 Item Number: RES.A

RESOLUTION NO. 5774

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF AUBURN AND THE CASCADE BICYCLE CLUB TO ACCEPT AND EXPEND GRANT FUNDS FOR THE OPERATION OF TWO CITY BICYCLE PROGRAMS

WHEREAS, The Washington State Department of Transportation (WSDOT) provides grant funding through the Statewide School-Based Bicycle Safety Education Program, which was created by statute in 2022; and

WHEREAS, the purpose of the program is to make elementary and middle school students more confident bicyclists for transportation and/or recreation by developing their bicycle skills and providing them with street safety knowledge; and

WHEREAS, the Cascade Bicycle Club is an organization that works with WSDOT to identify qualified recipients of grant funding through the School-Based Bicycle Safety Education Program and to administer those grants; and

WHEREAS, the Cascade Bicycle Club has awarded the Auburn Parks, Arts, and Recreation Department grant funding for two middle school programs that teach bike knowledge, bicycle and pedestrian safety, and leadership skills to students from systemically underserved communities.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. The Mayor is authorized to execute an agreement between the City of Auburn and the Cascade Bicycle Club to accept Statewide School-Based Bicycle

Safety Education Program grant funds, and to expend such funds. The agreement will be in substantial conformity with the agreement attached as Exhibit A.

Section 2. The Mayor is authorized to enter into additional agreements and to implement those administrative procedures necessary to carry out the directives of this Resolution.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed: _____

CITY OF AUBURN

_____
NANCY BACKUS, MAYOR

ATTEST:

_____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

_____
Douglas Ruth, Acting City Attorney

EXHIBIT A

CONTRACT BETWEEN

CASCADE BICYCLE CLUB AND

City of Auburn- Parks, Arts & Recreation

This Contract (the "Contract") is entered into by and between the City of Auburn- Parks, Arts & Recreation ("Auburn Parks and Rec" or "CONTRACTOR"), a government entity having its principal place of business at 25 West Main, Auburn WA 98001 and the Cascade Bicycle Club ("CBC"), a non-profit organization, having offices at 7787 62nd Ave NE Seattle, WA 98115.

Effective Date:	July 15, 2024
Contract Amount:	$212,033.49
Period of Performance:	July 1, 2024 – June 30, 2025

1. PURPOSE. This Contract's purpose is to provide support for the program described in Appendix A ("Scope of Work"). The Contractor will furnish all reports and deliverables as set forth in Appendix C ("Payment Schedule"). All Contract funds, including any interest and other income earned thereon, must be expended exclusively for charitable purposes within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") and specifically for the purposes stated above. Contract funds may not be expended for any other purpose without CBC's prior written approval.
2. WSDOT COMPLIANCE. The Contractor has reviewed the Statewide School-Based Bicycle Safety Education Program (the "Statewide Program") agreement between CBC and the Washington State Department of Transportation (WSDOT). The Contractor acknowledges and agrees to any requirements that may be imposed on CBC and pass through to the Contactor. Any violation by the Contractor of the Statewide Program requirements is a breach of this Contract.
3. COMPENSATION AND PAYMENT. CBC is only obligated to reimburse the Contractor for payments approved and reimbursed by WSDOT. It is in CBC's sole discretion to provide funds for anything outside of CBC's reimbursement from WSDOT. As compensation for the Statewide Program's timely completion to CBC's reasonable satisfaction, CBC anticipates paying to the Contractor up to $212,033.49, as laid out in Appendix B. Payments will be made on a reimbursement basis in installments as set forth in Appendix A. CBC may, in its reasonable discretion or at WSDOT's direction, modify payment terms and amounts and CBC will provide 30 days' notice of such changes to the Contractor.

Monthly payments to the Contractor will be made within 30 days of receipt of funding by CBC from WSDOT. The payment of each installment of the fees is further contingent upon (a) the Contractor's progress towards achievement of the Scope of Work's purposes as determined in CBC's sole discretion, including timely and thorough completion and submission of any regular

reporting required by CBC, (b) compliance with this Contract's terms, (c) CBC's reimbursement by WSDOT of the necessary funds, and (d) there having been no material changes in the Contractor's operations, staffing, tax-exempt status, or funding that would adversely affect the Contractor's ability to carry out or accomplish this Contract's purposes.

4. EXPENSE REPORTING AND INVOICING. No amount is due to the Contractor until the Contractor has complied with CBC's Expense and Invoicing Processes, attached as Appendix C- Payment Schedule, and as updated by CBC. CBC shall pay all undisputed invoices within 30 days after CBC's receipt funds from WSDOT. CBC may withhold payment for (a) any disputed expense reports or invoices until the dispute is resolved or (b) until CBC receives the applicable money from WSDOT.

5. TERM. This Contract is for a 1 year time period (July 1, 2024 - June 30, 2025). The Contract may be renegotiated for the following year (July 1, 2025 - June 30, 2026) before this Contract ends. Renegotiation will depend on successful implementation of the deliverables and the Contractor and CBC's desire to extend the Contract and continue the program.

6. INDEPENDENT CONTRACTOR. Nothing herein may at any time be construed so as to create a relationship of employer and employee, partners, principal and agent, or joint venturers between CBC and the Contractor.

7. PUBLICITY. The Contractor shall comply with all CBC marketing and intellectual property policies and any other applicable restrictions imposed by CBC, including but not limited to Climate Commitment Act Brand and Style Guidelines; WSDOT's branding and style guidelines; and CBC's branding and style guidelines. The Contractor will acknowledge CBC and WSDOT's support in any public-facing materials relating to the Contract or the activities supported by the Contract in a manner to be approved by CBC in writing in advance of the publication of such materials.

The Contractor may report CBC as a funder in its annual report, on its website, and in similar public communications and/or to any regulatory or governmental authority. Likewise, CBC may include the Contractor as a contractor or partner in its annual report, on its website, and in similar public communications and/or to any regulatory or government authority. Any other use by the Contractor of CBC's name and trade names, trademarks, or service marks, and all marketing, advertising or other promotional materials referencing CBC and/or its trade names, trademarks or service marks, is subject to CBC's prior written approval.

If CBC submits a request for review and approval to the Contractor, the Contractor has 5 business days to respond. If no response is provided, then CBC's request is automatically approved by the Contractor.

8. MONITORING AND EVALUATION. CBC may monitor and conduct one or more evaluations of the Contractor's activities funded by the Contract. Such monitoring and evaluation may include site visits from CBC personnel, speaking with the Contractor's personnel, or a review of records and materials relating to the Contract activities. The Contractor will cooperate with and agree to provide any information reasonably requested by CBC. If during the Contract's term, the Contractor is audited, the Contractor will provide the audit report to CBC with a detailed plan for remedying any deficiencies observed. The Contractor will promptly notify CBC of: (a) any changes in the Contractor's tax-exempt organization status under Section 501(c)(3) of the Code; (b) any changes in the Contractor's senior management team or key personnel

responsible for carrying out the Contract's purposes; or (c) material changes that has or could have a material effect on the Contractor's ability to carry out the Contract's purposes.

9. RECORDKEEPING. For a minimum of 6 years after the Contract's termination or the expenditure of the funds, whichever is later, the Contractor will maintain records of receipts and expenditures of the Contract funds and will make its books and records available to CBC for inspection as requested. Upon the CBC's request, the Contractor will provide to CBC, at the Contractor's expense, a copy of all data, information, and duplicable materials related to the Contract, within 30 days of CBC's request.

10. AMENDMENT; WAIVER. CBC retains the right to modify, suspend, or discontinue any payment or to terminate the Contract and discontinue the Contract funding if, in CBC's sole discretion, CBC is not reasonably satisfied with the Contractor's progress or determines that the Contractor is not able to carry out or accomplish the Contract's purposes or has failed to comply with any term. CBC's failure to exercise or enforce any right doesn't operate as a waiver. The waiver of a breach does not waive any other provision or operate as a waiver of a subsequent breach of the same provision. If CBC waives any term, provision, or breach, such waiver will not be effective unless it is in writing and signed by CBC. Except for as listed, this Contract and any SOW may be modified or amended only by the parties' mutual written agreement.

11. TERMINATION. CBC may automatically terminate this Contract and any SOWs if (a) the Contractor is in breach of this Contract; (b) CBC does not secure its necessary funding; or (c) WSDOT terminates its agreement or a scope of work with CBC. For any other termination reason, CBC shall give the Contractor 7 days' notice. If this Contract terminates for any reason, then all SOWs automatically terminate unless the Contractor is notified otherwise. CBC shall have no further obligations upon termination.

12. REPAYMENT OF FUNDS AND ASSETS. The Contractor must only use funds and assets purchased with the funds for the Contract's purpose. The Contractor may not use funds to reimburse any expenses incurred prior to the Effective Date. At CBC's request, the Contractor will repay any funds or return assets used or committed in breach of this Contract, as solely determined by CBC. The Contractor must return to CBC any portion of the unused funds and any assets purchased with the funds no later than 10 days after the SOW or Contract's termination.

13. INSURANCE. The Contractor will provide CBC with a Certificate of Insurance, or evidence of Self-Insurance, which documents insurance coverage for personal injury or property damages claims that may arise from, or in connection to, this Contract's performance, with limits of not less than $1,000,000 per occurrence. The Contractor agrees to assume all liability for any damages or losses sustained to property purchased or received for this Contract's purpose. The Contractor acknowledges full responsibility for replacing lost, stolen, or damaged property purchased or acquired through this Contract.

14. INDEMNIFICATION. The Contractor agrees to indemnify, save, and hold CBC—and CBC's employees, contractors, owners, and agents—harmless from and against any and all losses, expenses (including, but not limited to, payroll and income taxes and attorneys' fees) and damages arising from any third party claims, demand, proceedings, or actions that are the result of the Contractor's misconduct, gross negligence, or breach of this Contract.

15. COMPLIANCE WITH LAWS; RESTRICTIONS ON USE OF FUNDS. The Contractor will not use Contract funds, directly or indirectly, in support of activities (a) prohibited by U.S. laws related to combating terrorism, (b) with persons on the List of Specially Designated

Nationals maintained by the U.S. Treasury Department (the "SDN List") or entities owned or controlled by such persons, or (c) with countries against which the U.S. maintains sanctions programs unless such programs are permitted under applicable law. The Contractor certifies that it does not knowingly employ individuals or contribute funds to persons on the SDN List or owned or controlled by such persons or which are otherwise prohibited under applicable law. The Contractor further agrees that it will not offer or provide money, gifts or other items of value, directly or indirectly, to anyone in order to improperly influence an act or decision relating to activities funded by the Contract, including by assisting any party to secure an improper advantage. Further, the Contractor will not use any Contract funds to intervene in or influence the outcome of any specific public election or support or oppose any political party or candidate for any public office anywhere in the world, and the Contractor will not use any Contract funds to carry on propaganda or otherwise attempt to influence legislation within the meaning of Code Section 4945(d)(1) without CBC's prior written approval.

16. REPRESENTATIONS AND WARRANTIES. The Contractor represents that it is exempt from federal income tax under Section 501(c)(3) of the Code and is not a private foundation under Section 509(a) of the Code.

17. MISCELLANEOUS.

a. Governing Law: This Contract is governed by, and will be construed in accordance with, the laws of the State of Washington.

b. Dispute Resolution. The parties shall first attempt to resolve any dispute arising out of or relating to this Agreement informally amongst themselves. If the parties cannot resolve the dispute, the parties agree to formal mediation. If the parties cannot resolve a dispute through mediation, then the matter shall be resolved by binding arbitration. Arbitration will be before a single arbitrator that CBC selects. Arbitration will take place in Seattle, Washington. An arbitration judgment may be entered and enforced by a court of competent jurisdiction, whose judgment shall include the costs and attorneys' fees for the prevailing party at arbitration.

c. Assignment: This Contract may not be assigned without CBC's prior written consent.

d. Severability: If any term in this Contract is determined by a competent authority to be unenforceable, void, or contrary to law, all other terms and provisions of this Contract will continue in full force and effect. If a term or provision of this Contract is unenforceable, it will be modified to the extent necessary for enforcement, or replaced by another provision that is enforceable and achieves the same objective and result.

e. Waiver: Waiver of any provision will not be deemed a waiver of any other provision, nor will waiver of any breach of any provision in this Contract be construed as a continuing waiver of any other breaches of the same or other provisions of this Contract.

f. Compliance: The Contractor shall comply with all applicable laws, regulations, or policies. If the Contractor fails to fully comply with any law, regulations, or policies, this Contract may be terminated and the Contractor declared ineligible for further contracts with CBC.

g. Notices: Any notice required pursuant to this Contract may be sent by email, overnight courier or certified or registered mail to the addresses set forth in the signature page or as updated by the parties. Notices may be by email only if the receiving party acknowledges the receipt of the notice.

h. Entire Contract: This Contract constitutes the entire agreement between the parties regarding the subject matter and supersedes all prior contracts, agreements, or understandings between the parties regarding such subject matter.

For the convenience of the parties, this Contract may be executed by email and in counterparts, each of which will be deemed to be an original, and both of which taken together will constitute one agreement binding on both parties. Each party represents and warrants that its signatory to this Contract has the authority to execute this Contract and bind such party hereby.
IN WITNESS WHEREOF, the parties have caused this Contract to be signed by their duly authorized representatives on the dates below.

By: _____
Name: Lee Lambert
Title: Executive Director
Cascade Bicycle Club
Date: _____
Notice Email: Leel@cascade.org
Notice Address: 7787 62nd Ave NE
Seattle, WA 98115

By: _____
Name: Nancy Backus
Title: Mayor
City of Auburn- Parks, Arts & Recreation
Date: _____
Notice Email: nbackus@auburnwa.gov
Notice Address: 25 West Main, Auburn WA 98001

Main Point of Contact This individual is the primary contact for communication for day to day program needs and updates.		
Contact Information	CBC	City of Auburn Parks
Title	Youth Development Partnership Manager	Recreation Coordinator
Name	Rachel Longest	Kjerstin Lange
Email	rachell@cascadebicycleclub.org	Klange@auburnwa.gov

APPENDIX A- Scope of Work

In March 2022, the Washington State Legislature passed a comprehensive, 16-year transportation package (“Move Ahead Washington”) that includes $216M to be spent on a new statewide school based bicycle safety education grant program (“Statewide Program”). The grant will support two programs: one for elementary and middle school (“In-Class Program"); and one for junior high and high school aged youth (“Youth Development Program”) to develop the skills and street safety knowledge to be more confident bicyclists for transportation and/or recreation. Eligible students will also have an opportunity to receive a bike, helmet, light, and lock free of cost. The Washington State Department of Transportation (“WSDOT”) has selected Cascade Bicycle Club (“CBC” or “Cascade”) to design and administer the Statewide Program, and distribute funding to educational service districts, school districts and non-profit organizations.

Founded in 1970 and currently serving over 10,000 members, Cascade Bicycle Club is both the state’s largest bicycling nonprofit and an expert in delivering two high-quality, school-based bicycle education programs. The Let’s Go program provides elementary schools with the resources to implement an in-class bicycle and pedestrian safety program for elementary and middle school students. The Let’s Go curriculum is implemented in Physical Education classes to teach students the fundamentals of bicycle safety, which builds confidence, inspires the joy of riding, and encourages biking to school. Cascade’s Major Taylor Project (MTP) mentors students from systemically underserved communities, teaching them bike knowledge and leadership skills in after school settings. These two programs will serve as inspiration models for the Statewide Program.

Cascade will work with local bike advocates, educators, and local communities to expand these two programs statewide. Together, these programs are expected to reach 90 percent of Washington State students by 2039, with the goal of improving the health and wellness of our youth and creating a cleaner, greener, and more equitable state.

EQUITY METRICS

In selecting schools and partner organizations for the State Program, CBC must consider, at a minimum, the following criteria:

- Population impacted by poverty, as measured by free and reduced lunch population or 200 percent federal poverty level;
- People of color;
- People of Hispanic heritage;
- People with disabilities;
- Environmental health disparities, such as those indicated by the diesel pollution burden portion of the WA environmental health disparities map developed by the department of health, or other similar indicators;
- Location on or adjacent to an Indian reservation;
- Geographic location throughout WA;
- Crash experience involving pedestrians and bicyclists;
- Access to a community facility or commercial center; and
- Identified need in the state active transportation plan or a regional, county, or community plan.

Responsibilities of Cascade Bicycle Club
Cascade Bicycle Club will:

1. Draft, finalize, and execute subcontracts with Community Partners. Subcontracts will include the information submitted in the Contractor's grant proposal application during the Request for Proposal (RFP) process.
2. Provide a curriculum and supporting materials to Community Partners. The curriculum will include key learning outcomes and evaluative tools that support the assessment of youth's learning progress.
3. Organize and facilitate trainings for Community Partners on facilitating the provided curriculum.
4. Provide procurement support which may include program equipment and materials
5. Design the program evaluation and support partners in using evaluative tools and processes where appropriate.
6. Provide technical support to Community Partners on topics such as youth bike programming best practices, and best use of provided data collection tools
7. Collect, review, and submit partner monthly budget reports, and quarterly narrative reports to WSDOT.
8. Distribute funds to Community Partners upon approval from WSDOT finance team.

Program Deliverables:

Youth Development Program Deliverables Year 2 (07/01/24-06/30/25)	By Date:
1. Develop an outreach plan detailing the efforts to encourage youth participation, including specific efforts to invite and support youth representing priority populations.	09/30/24
2. Develop a plan for regular fleet maintenance.	09/30/24
3. Establish supplementary criteria and process(es) for youth to receive a bike, helmet, light, and lock	09/30/24
4. Submit Program Scope and Sequence Report.	10/15/24 (with Narrative Report 1)
5. Complete renewal process for continued funding.	Spring 2025
6. Achieve at least 90% accuracy in budgeted spending (please see Budget)	07/07/25
7. Achieve at least 90% accuracy in stated goals for youth participation (Please see Program Scope).	07/15/25
8. Submit monthly budget reports.	7 days after the close of the month
9. Submit quarterly narrative reports.	Report 1 due 10/15/24 Report 2 due 01/15/25 Report 3 due 04/15/25 Report 4 due 07/15/25
10. Host staff from Cascade, and potentially the Washington Department of Transportation, for one or more site visits.	To be decided
11. Update the Youth Participation Report bi-weekly.	Throughout the life of the program
12. Deliver high quality bicycle safety education programming to youth in grades 6-12 using the provided curriculum.	Throughout the life of the program
13. Assess youth's progress toward learning outcomes using the evaluation tools contained in the provided curriculum.	Throughout the life of the program
14. Track fleet maintenance.	Throughout the life of the program
15. Continually track the number of youth participating in programming	Throughout the life of the

and demographic data about those youth using the provided data collection tool(s).	program
16. Participate in monthly check-in meetings with Cascade staff and other grant recipients to discuss challenges and successes, build community, and share best practices.	Throughout the life of the program
17. Attend periodic training and/or professional development provided by Cascade Bicycle Club	Throughout the life of the program

APPENDIX B- Budget

Auburn Parks and Rec	
Project Management (Personnel)	$160,422.14
Bike fleet	$5,000.00
Earn a Bike	$0.00
Travel	$0.00
Other supplies	$29,104.00
Indirect Rate (9%)	$17,507.35
Total Budget	**$212,033.49**

APPENDIX C- Payment Schedule

SCHEDULE
Contractor agrees to provide the following Report Deliverables to CBC by the due date specified. Any delays in submission will be communicated in advance of the due date.

Report Deliverables	Report Due Date	Payment Amount	Estimated Payment Date
Monthly Budget Report	7 Days after the close of the month	As billed and approved by WSDOT and CBC	Within thirty (30) days of receipt of funding by CBC from WSDOT

Contractor agrees to review reports with CBC staff as requested. In addition, Contractor agrees to provide informal updates to CBC as needed. CBC agrees to provide 2-day notice should this need arise.

Description Of Reports

Program Scope and Sequence Report
Contractors will be provided a table upon execution of their contract to outline the locations and dates of programs planned for the contract year.

Youth Participation Report
Contractors will be provided a document to keep updated bi-weekly to document youth participation in their project.

Monthly Budget Report
Contractors will be provided a document to complete and submit monthly to report on spending for their project based on the contracted budget.

Quarterly Narrative Report
Contractors will be provided a document to complete and submit on a quarterly basis documenting their project's progress and outcomes.