

08/27/18
09/10/18

ORDINANCE M- _____

AN ORDINANCE amending Vancouver Municipal Code (VMC) Sections 5.04.020, 5.04.075, 5.04.095, 5.92.010, 5.93.010, 5.94.030, 14.04.210, 14.14.230, and 14.09.060 to amend business license fee limitations and exemptions; to increase water, sewer, and stormwater rate and taxes; and to increase solid waste taxes to fund additional police protection services; and repealing Section 5.04.096 business license fees based on square footages for commercial, industrial, and multi-family residential rental properties; providing for savings, severability, ratification, and an effective date.

WHEREAS, the City business license fee provided for under VMC 5.04.095 is for purposes of revenue, and not regulatory purposes; and

WHEREAS, the City Council in 2016 appointed a 20-member Community Resource Team (CRT), representing community, business, faith organizations, neighborhoods and the City Council, whose charter was to develop sustainable approach to funding an increase in police service level between 2017 and 2020. The CRT recommended imposing a per square foot business license surcharge on retail, commercial and industrial properties and per multi-family unit business license surcharges on multi-family dwellings over four units to fund a large portion of the new revenue. and

WHEREAS, City Council, pursuant to the recommendations in the report of the CRT, adopted two ordinances M-4192 making changes to the City business license tax ordinance and M-4193 making changes to the City utility tax ordinance; and

WHEREAS, the local businesses and housing community has requested the Council to replace the per square foot license and per multi-family unit surcharge with an alternate revenue source and simplify the business license surcharge tool; and

WHEREAS, after adoption of 2017 business license and utility ordinances, the City Council initiated the Vancouver Strong process to engage the community in a discussion about a comprehensive, long term structural solution to funding the city's capital and service needs; and

WHEREAS, the Vancouver Strong Executive Sponsors Council, reviewed the funding mechanisms approved by the City Council to support police services and recommended a simpler way to raise the needed revenue; and

WHEREAS, the Vancouver Strong Executive Sponsors Council recommended elimination of the per square foot business license surcharges and per multi-family unit business license surcharge and replacement of the lost revenue by an increase in the utility tax and elimination of certain exemptions and limitations to the employee business license surcharge;

WHEREAS, Council agrees with the Vancouver Strong Executive Sponsors Council recommendations; and

WHEREAS, the revenue-raising purpose for businesses license surcharge does not require precision in making classifications but does require a rational basis in establishing fees among different classes of taxpayers; and

WHEREAS, Council has exempted non-profits from the surcharge in the past to support such non-profits charitable purpose and because such non-profits are typically small organizations and the surcharge will be an administrative and financial burden on them; and

WHEREAS, Council concludes that larger non-profits, with more than twenty employees, are in a better position to absorb the financial and administrative costs the surcharge will have; and

WHEREAS, Council believes that the classification of taxpayers based on the number of employees and their nonprofit status established under this ordinance is rationally based to establish an equitable method of sharing the costs of enhanced police services.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VANCOUVER:

SECTION 1. Legislative Findings. The recitals set forth above are adopted as the legislative findings of the City Council of the City of Vancouver in support of adoption of this ordinance.

SECTION 2. Vancouver Municipal Code Section 5.04.020 as last amended by M-4192 is amended to read as follows:

Section 5.04.020 Definitions.

In construing the provisions of this chapter, except where otherwise declared or clearly apparent from the context, the following definitions shall be applied:

- a. "Tax" or "taxable year" means either the calendar year or the taxpayer's fiscal year when permission is obtained from the Director of Financial & Management Services to use a fiscal year in lieu of the calendar year.
- b. "Person" or "company," herein used interchangeably, means any person, individual, receiver, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise, and also includes the United States or any instrumentality thereof, provided a valid tax may be levied upon or collected there from under the provisions of this chapter.

- c. "Sale" includes the exchange of property as well as the sale thereof for money; and also includes conditional sales contracts, leases with option to purchase and any other 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 shall also be construed to include the furnishing of food, drink, or meals for compensation, whether consumed upon the premises or not.
- d. "Gross proceeds of sales" means the value proceeding or accruing from the sale of tangible personal property and for 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.
- e. "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.
- f. "Value proceeding or accruing" means the consideration, whether money, credits, rights or other property expressed in terms of money, 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. The Director of

Financial & Management Services may provide by regulation that the value proceeding or accruing from sales on the installment plan under conditional contracts of sale may be reported as of the dates when the payments become due.

- g. "Extractor" means every person who, from his 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 commercial 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 or other natural products, or takes, cultivates, or raises fish, shellfish or other sea or inland water foods or products.
- h. "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 his own materials or ingredients any articles, substances, or commodities. When the owner of equipment or facilities furnishes or sells to the customer prior to manufacture, all or a portion of the materials that become a part or whole of the manufactured article, the Director of Financial & Management Services shall prescribe equitable rules for determining tax liability.
- i. "To manufacture" embraces all the activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different or useful article of tangible personal property is produced for sale or commercial or industrial use and shall include the production or fabrication of special-made or custom-made articles.
- j. "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.

k. "Engaging in business" means ~~commencing, conducting or continuing in business, leasing or renting living space to residential tenants, 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.~~

1. 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 section 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 minimus business activities in the City without having to pay a business license fee. The activities listed in this section are illustrative only and are not intended to narrow the definition of "engaging in business" in subsection (1). 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, consultants, 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 acting on its behalf.
- (4) If a person, or its 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.
- (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 director 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 the City's trade show or multiple vendor event ordinances.

(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 (4).

The City expressly intends that engaging in business include any activity sufficient to establish nexus for purposes of applying the license fee 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.

- l. "Cash discount" means a deduction from the invoice price of goods or charge for services which is allowed if the bill is paid on or before a specified date.
- m. "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; provided, that the term "educational institution," as herein used, shall be construed to mean only those institutions created or generally accredited as such by the state 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, trade schools or similar institutions.
- n. "Successor" means any person who shall, through direct or mesne conveyance, purchase or succeed to the business, or portion thereof, or the whole or any part of the stock of goods, wares or merchandise or fixtures or any interest therein of a taxpayer quitting, selling out, exchanging or otherwise disposing of his business. Any person obligated to

fulfill the terms of a contract shall be deemed a successor to any contractor defaulting in the performance of any contract as to which such person is surety or guarantor.

- o. "Taxpayer" includes any individual, group of individuals, corporations or associations required to have a business license hereunder, or liable for any license fee or tax, or for the collection of any license fee or tax hereunder, or who engages in any business, or who performs any act, service, or labor receiving wages, salary, commission or other compensation having monetary value.
- p. Words in the singular number include the plural, and the plural include the singular.
Words in one gender include the other gender also.
- q. "Quarterly period" means the three-month period beginning on the first day of either the first, fourth, seventh or tenth month of any given year and ending on the last day of the third, sixth, ninth or twelfth month thereof.
- r. "City" means the City of Vancouver.

SECTION 3. Vancouver Municipal Code Section 5.04.075 as last amended by M-4192 is amended to read as follows:

Section 5.04.075 Exemptions - Review by director.

The following persons and organizations shall be exempt from paying the base business license fee and the business license fee surcharge, provided that they seek and obtain review and approval of same from the Director of Financial and Management Services or his or her

designate and are issued a determination of exemption, as set forth in VMC 5.04.180~~Section 7 of this amendatory ordinance.~~

A. Gross receipts threshold. A person who generates less than twelve thousand (\$12,000) dollars of ~~average~~ annual gross receipts from engaging in business within the city.

B. Governmental entities. A governmental entity engaging the exercise of governmental functions.

C. ~~Nonprofits and certain organizations exempt from federal income tax including but not limited to~~ The Persons identified in C1 – C32 below are exempt from paying the base business license fee and the business license surcharge but are required to obtain a nonprofit license:

1. Religious. A nonprofit business operated exclusively ~~for a religious purpose~~ as a place of worship.

2. ~~Civic, service and social organizations. Civic groups, service clubs, and social organizations that are not engaged in any profession, trade, calling, or occupation, but are organized to provide civic, service, or social activities.~~

32. Certain Organizations Exempt from Federal Income Tax. An organization that files with the city a copy of its current IRS 501(c)(3) exemption certificate issued by the Internal Revenue Service and which does not generate revenues from retail sales or services; provided that this exemption shall not apply to non-profits with twenty or more employees.

D. Casual or isolated sales. A person who engages only in casual and isolated sales, which means a sale made by a person who is not engaged in the business of selling the type of property involved. Persons who hold themselves out to the public as making sales at retail or

wholesale are deemed to be engaged in business, and sales made by them of the type of property which they hold themselves out as selling are not casual or isolated sales even though such sales are not made frequently.

E. State or federal preemption. A person whose business activities are exempt from business licensing due to preemption by state or federal law.

F. Medicaid funded nursing and boarding homes. Nursing homes licensed under Chapter 18.51 RCW and boarding homes licensed under Chapter 18.20 RCW which provide care under contract with the department of social and health services to persons who are Medicaid recipients.

~~G. Publicly funded multi-family housing, of more than one unit per facility, specifically provided for persons earning less than 60% of the Area Median Income (AMI) calculated annually by the United States Department of Housing and Urban Development for the Portland-Vancouver-Hillsboro metropolitan statistical area and adjusted based on household size, including senior and disabled persons.~~

SECTION 4. Vancouver Municipal Code Section 5.04.090 as last amended by Ordinance M-4091 is amended to read as follows:

Section 5.04.090 Business license required.

Except as provided in this chapter, no person shall engage in any business or activity in the city without having first obtained and being the holder of a valid and subsisting license so to do, to be known as a business license, issued under the provisions of this chapter, as hereinafter provided, and without paying the license fee or tax imposed by this chapter, if any; provided that those Persons exempted by VMC 5.04.075 shall not be required to pay a license fee.

Payment of the license fee, shall accompany the application for the license. Such license shall

expire on the last day of the month which is one calendar year from the day it was issued. The license may be prorated to match existing expiration dates. A new license and fee shall be required for each year. Application for the license shall be made to and issued by the City Manager or his designee on forms provided by him.

The license shall be personal and nontransferable.

There shall be a separate business license for each separate locate at which business is transacted.

For business licenses issued or renewed on or after January 1, 2007, the annual base business license fee shall be a flat fee of one hundred twenty five (\$125) dollars for each separate location at which business is transacted.

Each license shall be numbered, shall show the name, place and character of business of the taxpayer, such other information as the city manager or his designee deems necessary, and shall at all times be conspicuously posted in the place of business for which it is issued. Where a place of business of the taxpayer is changed, the taxpayer shall return such license to the City Manager or his designee, and a new license shall be issued for the new place of business free of charge.

A Business License Application must be filed with the State Department of Revenue Business Licensing Service to apply for a City business license. Special licenses may be issued by the City of Vancouver Finance Department. A business license does not authorize illegal activities.

No person to whom a license has been issued pursuant to this chapter shall allow any person for whom a separate license is required to operate under or to display his license, nor shall such other person operate under or display such license.

SECTION 5. Vancouver Municipal Code Section 5.04.095 as last amended by Ordinance M-4192 is amended to read as follows:

Section 5.04.095 Business license fee surcharge - calculation.

A. In addition to the annual base business license fee set forth in Section 1 of this ordinance and codified in VMC 5.04.090, there shall be a business license fee surcharge calculated as set forth in this section of this amendatory ordinance. The business license surcharge fee shall apply to business licenses issued or renewed after expiration on or after January 1, 2007.

B. The business license fee surcharge shall be calculated on the basis of ~~fifty~~ninety (\$~~50~~90) dollars per employee ~~up to four hundred (400) employees, and not to exceed a total business license fee surcharge of \$20,000 per business;~~ provided that:

1. Effective January 1, 201~~9~~6, the business license fee surcharge set forth in Subsection B above shall be applied up to a maximum of 799 employees per Taxpayer until January 1, 2020 ~~increased by ten dollars (\$10) per employee, to a total of sixty dollars (\$60) per employee.~~ ~~up to four hundred (400) employees, and not to exceed a total business license fee surcharge of \$24,000 per business; and~~

2. Effective ~~January 1, 2020~~May 1, 2017, the business license fee surcharge set forth in Subsection B and Subsection B.1 above shall be applied to all employees of the Taxpayer.~~increased by an additional 20 (\$20) dollars per employee, to a total of eighty dollars (\$80) per employee up to four hundred employees, and not to exceed a total business license fee surcharge of \$32,000 per business. Revenues from this increase shall be used to fund police staffing and associated services consistent with the recommendations from the Community Resource Team, presented to the Council on December 12, 2106~~ 2016.

3. ~~Effective January 1, 2018, the business license fee surcharge set forth in Subsection B and Subsection B.1 above shall be increased by an additional ten dollars (\$10) per employee, to a total of ninety dollars (\$90) per employee. up to four hundred (400) employees, and not to exceed a total business license fee surcharge of \$36,000 per business. Revenues from this increase for the first 400 employees per business shall be used to fund the street initiative. Revenue from this increase for employees in excess of 400 per business shall be used for funding police services.~~

3. The revenue from the business license surcharge set forth in Subsection B above shall be distributed as follows:

a.) \$70 of the surcharge assessed on the first 400 employees of the Taxpayer shall be distributed for transportation funding. The remaining \$20 of the surcharge shall be distribute for police funding, except as provided in c. below;

b.) \$90 of the surcharge assessed on the employees over 400 of the Taxpayer shall be distributed to fund police staffing and associated services consistent with the recommendations from the Community Resource Team, presented to the

Council on December 12, 2106, except as provided in c. below;

c.) \$90 of the surcharge assessed upon Taxpayers that are nonprofits shall be distributed to fund police staffing and associated services consistent with the recommendations from the Community Resource Team, presented to the Council on December 12, 2106.

C. Definition of “employee.” For the purposes of the per employee business license fee surcharge, the term “employee” means and includes each of the following persons who are not required by the city to have a separate city of Vancouver business license:

1. Any person who is on the business’ payroll, and includes all full-time, part-time, and temporary employees or workers; and
2. Self-employed persons, sole proprietors, owners, managers, and partners; and
3. Any other person who performs work, services or labor at the business, except:
 - a. An independent contractor who has a separate City of Vancouver business license;
 - b. An employee of a temporary employment agency provided that such temporary employment agency has a separate City of Vancouver business license and pays the per employee business license fee surcharge based on its own employees.

D. A person with some business activities or functions that are exempt from the basic business license fee and some that are not exempt shall pay the per employee business license surcharge based on the number of its employees that are involved in the functions or activities that are not exempt.

E. In the event that the taxpayer has a physical location within the city, the per employee business license fee surcharge shall be assessed based upon a rebuttable presumption that all of

the taxpayer's employees are working within the city of Vancouver.

F. In the event that the taxpayer has no physical location within the city, the applicable per employee portion of the business license fee surcharge shall be based upon the number of employees working within the city calculated based on the total number of Full Time Equivalent (FTE) employees working within the city or, alternatively, based on the total number of hours worked by employees within the city divided by two thousand eighty (2080). The minimum applicable per employee portion of the business license fee surcharge for such taxpayer shall be the amount for one (1) employee.

G. Calculating the number of employees. In determining the amount of the per employee business license fee surcharge to be paid for the upcoming license year, the number of employees shall be the total of the following:

1. Based upon the number of worker hours or units reportable by the business to the Washington Department of Labor and Industries (L&I) in the last four (4) quarterly reports of the business.

- a. Each employee who worked more than two thousand eighty hours (2080) during the previous four (4) quarters (including paid time off) shall be counted as one (1) employee.

- b. For individual employees who worked less than two thousand eighty (2080) hours during the previous four (4) quarters, the total number of hours worked by all such employees during the previous four (4) quarters shall be added together and divided by two thousand eighty (2080). A fraction of 0.5 or over shall be rounded up.

2. For persons who are defined as employees for business license fee surcharge

purposes, but for whom the business is not required to report hours to L & I, including but not limited to sole proprietors, owners, managers or partners:

a. Each such person shall be counted as one (1) employee for surcharge purposes if such person devotes more than two thousand eighty (2080) hours during the previous four (4) quarters to the business; and

b. For such persons who work less than two thousand eighty (2080) hours per year, the total number of hours worked by all such persons during the previous four (4) quarters shall be added together and divided by two thousand eighty (2080). A fraction of 0.5 or over shall be rounded up.

3. The Director of Financial and Management Services may require the business to submit copies of its L & I reports. The businesses that did not file the report may be required to file an affidavit with the City reporting hours worked or the equivalent number of employees.

H. New businesses. The per employee business license fee surcharge for a business that did not submit reports for each of the last four (4) quarters to L & I shall be based on the estimated number of employees of that business. The business shall provide its estimate of the average number of employees for the upcoming four (4) quarters. The city will determine the number of employees that will be used in calculating the amount of the per employee business license fee surcharge. If, during the license year, the city determines that the actual number of employees is more than twenty (20%) percent different than estimated, then the amount of the per employee business license surcharge will be recalculated for the new business. If the revised per employee business license fee surcharge is higher, the business shall pay the difference within thirty (30) days after notification. If the revised

surcharge is lower, then the difference will be refunded.

I. Over-reporting number of employees. A licensee may request that the city refund a portion of the per employee business license fee surcharge overpaid on the basis that the business miscounted the number of employees by more than twenty (20%) percent, resulting in payment of an excess surcharge. The request must be in writing and the city must receive the request and all supporting documentation no later than sixty (60) days after the end of the licensee's business license year in which the error was made. If the city is satisfied that the licensee paid an excess surcharge, then the city will refund the excess surcharge paid by the licensee for the immediately preceding license year.

J. Under-reporting of employees. If the city determines that the number of employees was under-reported by more than twenty (20%) at the time of application or renewal, the business shall pay the balance of the applicable per employee business license fee surcharge together with a penalty of twenty percent (20%) of such balance due. The business shall also reimburse the city for any accounting, legal, or administrative expenses incurred by the city in determining the under-reporting or in collecting the additional amounts. The Director of Financial and Management Services shall mail written notice of the amount to be paid and the business shall pay said amount to the city within thirty (30) days.

K. Waiver of Employee Surcharge. To promote business development, the City Manager may grant a waiver of the Business License Fee Surcharge provided for herein for businesses which meet the following requirements:

1. The Business License Fee Surcharge may be waived as specified in Table 1

for an initial five-year period from the date of the company's move or the date of expansion of an existing business. For purposes of Table 1, Median Individual Income shall be the median individual income in the Portland-Vancouver Metropolitan Statistical Area. The business owner shall commit, through a Development Agreement approved by City Council, to locate a number of new employees in conformance with the Business License Fee Surcharge Incentive in Table 1. The Development Agreement shall provide that in the event employment declines below the numbers specified in Table 1 that the fee waiver shall be reimbursed to the City.

Table 1 - Business License Fee Surcharge Incentive

Tier	Median Salary of All Business Employees	Number of New Full-Time Equivale	Annual Waiver
1	200% of Median Individual Income	200 - 249	Surcharge Waiver, \$10,000 - \$12,450 Effective January 1, 2016: Surcharge Waiver, \$12,000 - \$14,940 Effective May 1, 2017: Surcharge Waiver, \$14,000 - \$17,430 Effective January 1, 2018: Surcharge Waiver, \$16,000
2	175% of Median Individual Income	250 - 299	Surcharge Waiver, \$12,500 - \$14,950 Effective January 1, 2016: Surcharge Waiver, \$15,000 - \$17,940 Effective May 1, 2017: Surcharge Waiver, \$17,500 - \$20,930 Effective January 1, 2018: Surcharge Waiver, \$20,000 - \$23,920

3	175% of Median Individual Income	300 - 399	Surcharge Waiver, \$15,000 - \$19,950 Effective 1, 2016: Surcharge Waiver: \$18,000 - \$23,940 Effective May 1, 2017: Surcharge Waiver, \$21,000 - \$27,930 Effective 1, 2018: Surcharge Waiver: \$24,000 - \$31,920 Effective January 1, 2019: Surcharge Waiver: \$26,000 - \$33,960
4	150% of Median Individual Income	400 - 499	Surcharge Waiver, \$20,000 capped Effective January 1, 2016: Surcharge Waiver: \$24,000 capped Effective May 1, 2017: Surcharge Waiver: \$28,000 capped Effective January 1, 2018: Surcharge Waiver: \$32,000 capped Effective January 1, 2019: Surcharge Waiver: \$36,000 capped
5	150% of Median Individual Income	500 - 599	Surcharge Waiver, \$20,000 capped Effective January 1, 2016: Surcharge Waiver: \$24,000 capped Effective May 1, 2017: Surcharge Waiver, \$28,000 capped Effective January 1, 2018: Surcharge Waiver \$32,000 capped Effective January 1, 2019: Surcharge Waiver: \$36,000 capped
6	125% of Median Individual Income	600 +	Surcharge Waiver, \$20,000 capped Effective January 1, 2016: Surcharge Waiver: \$24,000 capped Effective May 1, 2017: Surcharge Waiver: \$28,000 capped Effective January 1, 2018: Surcharge Waiver \$32,000 capped Effective January 1, 2019: Surcharge Waiver: \$36,000 capped

2. For any business specified in 5.04.095(K)(1) that retains the initial additional employment provided for therein and adds 20% or greater of additional new employee-filled positions during the first five-year period, of which 75% must meet the income levels specified in 5.04.095 (K)(1), the business license surcharge shall be waived for a

second five-year period; and

3. For any business specified in 5.04.095(K)(2) that retains the initial additional employment provided for in such subsection and adds 20% or greater of additional new employee-filled positions during the second 5-year period, of which 75% must meet the income levels specified in 5.04.095(K)(1), the business license surcharge shall be waived for a third five-year period.

Each business that meets this waiver will be required to apply for, or annually renew their existing business license with the State of Washington Business Licensing Service (BLS), pay their business license fee plus pay for one FTE surcharge fee at the then-current rate.

Separately, the business must provide an annual report to the City of Vancouver with backup documentation demonstrating how the business met the requirements of the surcharge waiver. If the business meets the waiver requirements, the \$50 surcharge fee paid at the time of initial application or annual renewal will be refunded.

SECTION 6. Vancouver Municipal Code Section 5.04.096 adopted by Ordinance M-4192 is hereby repealed.

~~Section 5.04.096 — Indoor Space License Fee Surcharge Calculation.~~

~~A. Any person subject to the license required by VMC 5.04.090 shall pay, in addition to the fee set forth therein and the surcharge codified at 5.04.095, an additional business license fee surcharge as provided for herein. The business license surcharge fee shall apply to business licenses issued or renewed after expiration on or after January 1, 2019.~~

~~B. Definitions. The following definitions shall apply to this section.~~

1. ~~“Commercial” means any Business activity that is not Industrial, Retail, or Residential.~~
2. ~~“Indoor Space” means the area of all floors, finish wall to finish wall, included in surrounding walls of a building.~~
3. ~~“Industrial” means any on-site Business activity that makes, processes, or stores a tangible thing.~~
4. ~~“Operating” or “Operate” means using directly or leasing to others owned Indoor Space for Business activity.~~
5. ~~“Net Square Footage” means Commercial, Industrial, or Retail Indoor Space in excess of five thousand (5000) square feet.~~
6. ~~“Residential” means Indoor Space, of more than one unit, leased or rented as living quarters that include kitchen and bathroom facilities for periods of one month or longer.~~
7. ~~“Retail” means any Business activity performed through direct on-premises sale to a customer.~~
8. ~~“Multi-family housing” means building(s) having more than one dwelling unit designed for permanent residential occupancy.~~
9. ~~“Unit” means a discreet residential area leased or rented to a Residential tenant for consideration.~~

~~C. Calculation.~~

~~1. Effective January 1, 2019, a Person Operating Retail Indoor Space shall pay an annual business license surcharge fee of \$.10 per square foot on all the Net Square Footage such person Operates in the City of Vancouver at a single or multiple locations.~~

~~B. On January 1, 2020 this fee shall increase to \$.20 per square foot.~~

~~2. Effective January 1, 2019, a Person Operating Multi-Family Residential Indoor Space shall pay an annual business license surcharge fee of \$90.00 per Residential Unit Operated.~~

~~3. Effective January 1, 2019, a Person Operating Commercial Indoor Space shall pay a business license surcharge fee of \$.07 per square foot on all the Net Square Footage such person Operates in the City of Vancouver at a single or multiple locations.~~

~~B. On January 1, 2020 this fee shall increase to \$.15 per square foot.~~

~~4. Effective January 1, 2019, a Person Operating Industrial Indoor Space shall pay an annual~~

~~business license surcharge fee of \$.05 per square foot on all the Net Square Footage such person Operates in the City of Vancouver at a single or multiple locations.~~

~~B. On January 1, 2020 this fee shall increase to \$.10 per square foot.~~

~~D. Exemptions. The following Persons are exempt from the Indoor Space fee provided under for under this section:~~

~~1. A Person Operating Indoor Space used for less than a consecutive 90 day period during a taxable year.~~

~~2. Any person exempt from the business license pursuant to 5.04.075.~~

~~E. Administrative Provisions:~~

~~1. The Director is authorized to adopt regulations to implement this Section.~~

~~2. The provisions of Chapter 5.87 VMC apply to this Section.~~

SECTION 7. Section 5.92.010 of the Vancouver Municipal Code as last amended by Ordinance M-4193, Section 1 is amended to read as follows:

Section 5.92.010 Tax imposed.

There is levied and there shall be collected from the water-sewer department of the City of Vancouver a tax in the amount of sixteen percent of revenue proceeding or accruing from the customer accounts in such department pursuant to VMC 14.04.210 and 14.04.230; provided, the tax is not collected from revenue proceeding or accruing by the city from any public sewer district.

(a) The tax imposed under this section shall increase by four percent to twenty percent, effective January 1, 2009.

(b) The tax imposed under this section shall increase by one and one-half percent (1.5%) to twenty-one and one half percent (21.5%), effective January 1, 2016. This additional

1.5% utility tax shall be dedicated to funding transportation improvement projects contained in the transportation plans of the City of Vancouver, which are the City of Vancouver's Capital Facilities Plan, Transportation Improvement Plan, Pavement Management Plan, and Transportation element of the Comprehensive Plan.

(c) In addition to the increase provided for in subsection (b) the tax imposed under this section shall increase on April 1, 2017, to 24.9%. The tax imposed under this subsection 5.92.010(c) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendations dated December 12, 2016.

(d) In addition to the increase provided for in subsection (c), the tax imposed under this section shall increase on January 1, 2019 by 2.2% to 27.1%. The tax imposed under this subsection 5.92.010(d) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendations dated December 12, 2016.

(e) In addition to the increase provided for in subsection (d), the tax imposed under this section shall increase on January 1, 2020 by 1.8% to 28.9%. The tax imposed under this subsection 5.92.010(e) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendations dated December 12, 2016.

SECTION 8. Section 5.93.010 of the Vancouver Municipal Code as last amended by the Ordinance M-4193, Section 2 is amended to read as follows:

Section 5.93.010 Tax Imposed.

There is levied and there shall be collected from the storm water utility of the City of Vancouver a tax in the amount of twenty percent of the revenue proceeding or accruing from discharges into the City's surface water drainage system pursuant to VMC 14.09.060.

~~(a)~~A. The tax imposed under this section shall increase by one and one-half percent (1.5%) to twenty-one and one half percent (21.5%), effective January 1, 2016. This additional 1.5% utility tax shall be dedicated to funding transportation improvement projects contained in the transportation plans of the City of Vancouver, which are the City of Vancouver's Capital Facilities Plan, Transportation Improvement Plan, Pavement Management Plan, and Transportation element of the Comprehensive Plan.

~~(b)~~B. In addition to the increase provided for in subsection (a) the tax imposed under this section shall increase by three and four-tenths percent (3.4%) to twenty-four and nine-tenths percent (24.9%). The tax imposed under this subsection 5.93.101(c) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendations dated December 12, 2016.

C. In addition to the increase provided for in subsection B, the tax imposed under this section shall increase on January 1, 2019 by an additional 2.2% to 27.1%. The tax imposed under this subsection 5.93.010.C shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendations dated December 12, 2016 .

D. In addition to the increase provided for in subsection C, the tax imposed under this section shall increase on January 1, 2020 by an additional 1.8% to 28.9 The tax imposed

under this subsection 5.93.010.D shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendations dated December 12, 2016 .

SECTION 9. Vancouver Municipal Code Section 5.94.030 as last amended by Ordinance M-4193, Section 3 is hereby amended to read as follows:

Section 5.94.030 Tax Imposed

A. In addition to the other business and license fees required by the ordinances of the city, there is levied upon all persons engaging in or carrying on a business of providing solid waste collection services, a tax equal to twenty (20%) percent of the gross income from such business in the city during the tax year as described in subsection B. herein.

1. The tax imposed under this section shall increase by one and one-half percent (1.5%) to twenty-one and one half percent (21.5%), effective January 1, 2016. This additional 1.5% utility tax shall be dedicated to funding transportation improvement projects contained in the transportation plans of the City of Vancouver, which are the City of Vancouver's Capital Facilities Plan, Transportation Improvement Plan, Pavement Management Plan, and Transportation element of the Comprehensive Plan.

2. In addition to the increase provided for in subsection (A)(1) the tax imposed under this section shall increase on April 1, 2017, to 24.9%. The tax imposed under this subsection 5.94.030(A)(2) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendation dated December 12, 2016.

3. In addition to the increase provided for in subsection (2), the tax imposed under

this section shall increase on January 1, 2019 by 2.2% to 27.1%. The tax imposed under this subsection 5.94.010(3) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendations dated December 12, 2016 .

4. In addition to the increase provided for in subsection (d), the tax imposed under this section shall increase on January 1, 2020 by 1.8% to 28.9%. The tax imposed under this subsection 5.94.010(4) shall be used only for the purpose of funding police staffing and associated services in a manner generally consistent with the Community Resource Team recommendations dated December 12, 2016 .

B. In computing the tax provided in subsection (A), the taxpayer may deduct from total gross income the following items:

1. The actual amount of credit losses and uncollectibles sustained by the taxpayer.
2. Any amount collected for services other than the collection of “solid waste” as defined in VMC section 5.94.010. Including, but not limited to, pass through disposal charges.
3. Any customer late fees authorized to be charged by the taxpayer.
4. Income derived from transactions in interstate and foreign commerce which the city is prohibited from taxing under the laws and Constitution of the United States.

SECTION 10. Vancouver Municipal Code Section 14.04.210 as last amended by

Ordinance M-4193, Section 4 is hereby amended to read as follows:

Section 14.04.210 Water service--User charges.

A. Base charge, all customer classes.

4. For all water customers, each customer shall pay a monthly base charge as follows:
Effective January 1, 2017

<u>Meter Size</u>		<u>Base Charge</u> Inside City Limits	<u>Base Charge</u> Outside City Limits
a. 5/8 x 3/4 inch and under	per month	7.17	10.76
b. 3/4 inch	per month	9.50	14.24
c. 1 inch	per month	14.51	21.76
d. 1 1/2 inch	per month	26.98	40.47
e. 2 inch	per month	41.81	62.72
f. 3 inch	per month	76.65	114.97
g. 4 inch	per month	126.29	189.45
h. 6 inch	per month	250.60	375.91
i. 8 inch	per month	399.73	599.59
j. 10 inch	per month	598.44	897.66
k. 12 inch	per month	1,162.82	1,744.23

Effective April 1, 2017

<u>Meter Size</u>		<u>Base Charge</u> Inside City Limits	<u>Base Charge</u> Outside City Limits
a. 5/8 x 3/4 inch and under	per month	7.49	11.25
b. 3/4 inch	per month	9.93	14.89
c. 1 inch	per month	15.17	22.75
d. 1 1/2 inch	per month	28.20	42.30
e. 2 inch	per month	43.70	65.56
f. 3 inch	per month	80.12	120.18
g. 4 inch	per month	132.01	198.03
h. 6 inch	per month	261.95	392.94
i. 8 inch	per month	417.84	626.75
j. 10 inch	per month	625.55	938.32
k. 12 inch	per month	1,215.50	1,823.24

Effective January 1, 2018

<u>Meter Size</u>		<u>Base Charge</u>	<u>Base Charge</u>
		Inside City Limits	Outside City Limits
a. 5/8 x 3/4 inch and under	per month	7.86	11.81
b. 3/4 inch	per month	10.43	15.63
c. 1 inch	per month	15.93	23.89
d. 1-1/2 inch	per month	29.61	44.42
e. 2 inch	per month	45.89	68.84
f. 3 inch	per month	84.13	126.19
g. 4 inch	per month	138.61	207.93
h. 6 inch	per month	275.05	412.59
i. 8 inch	per month	438.73	658.09
j. 10 inch	per month	656.83	985.24
k. 12 inch	per month	1,276.28	1,914.40

Effective January 1, 2019

<u>Meter Size</u>		<u>Base Charge</u>	<u>Base Charge</u>
		Inside City Limits	Outside City Limits
a. 5/8 x 3/4 inch and under	per month	8.25 <u>8.50</u>	12.40 <u>12.75</u>
b. 3/4 inch	per month	10.95 <u>11.28</u>	16.41 <u>16.92</u>
c. 1 inch	per month	16.73 <u>17.23</u>	25.08 <u>25.85</u>
d. 1-1/2 inch	per month	31.09 <u>32.03</u>	46.64 <u>48.04</u>
e. 2 inch	per month	48.18 <u>49.64</u>	72.28 <u>74.46</u>
f. 3 inch	per month	88.34 <u>91.00</u>	132.50 <u>136.51</u>
g. 4 inch	per month	145.54 <u>149.93</u>	218.33 <u>224.90</u>
h. 6 inch	per month	288.80 <u>297.52</u>	433.22 <u>446.28</u>
i. 8 inch	per month	460.67 <u>474.57</u>	690.99 <u>711.86</u>
j. 10 inch	per month	689.67 <u>710.49</u>	1,034.50 <u>1065.74</u>
k. 12 inch	per month	1,340.09 <u>1380.55</u>	2,010.12 <u>2070.83</u>

Effective January 1, 2020

<u>Meter Size</u>		<u>Base Charge</u> <u>Inside City Limits</u>	<u>Base Charge</u> <u>Outside City Limits</u>
a. 5/8 x 3/4 inch and under	per month	8.66 <u>9.15</u>	13.02 <u>13.73</u>
b. 3/4 inch	per month	11.50 <u>12.15</u>	17.23 <u>18.22</u>
c. 1 inch	per month	17.57 <u>18.55</u>	26.33 <u>27.83</u>
d. 1-1/2 inch	per month	32.64 <u>34.48</u>	48.97 <u>51.72</u>
e. 2 inch	per month	50.59 <u>53.44</u>	75.89 <u>80.16</u>
f. 3 inch	per month	92.76 <u>97.97</u>	139.13 <u>146.96</u>
g. 4 inch	per month	152.82 <u>161.42</u>	229.25 <u>242.13</u>
h. 6 inch	per month	303.24 <u>320.31</u>	454.88 <u>480.47</u>
i. 8 inch	per month	483.70 <u>510.93</u>	725.54 <u>766.39</u>
j. 10 inch	per month	724.15 <u>764.92</u>	1086.23 <u>1147.38</u>
k. 12 inch	per month	1407.09 <u>1486.30</u>	2110.63 <u>2229.45</u>

2. The monthly base charge set in (1) does not include any charge for consumption of water.

3. The monthly base charge for any single family residential customer shall not exceed the charge set in (b) above.

B. Volume Charge (uniform volume).

1. In addition to the monthly base charge in subsection A(1), each customer shall pay the following additional charge on his/her bill, based upon the amount of water consumed per each billing period:

~~Effective January 1, 2017~~

Customer Class	Inside City Limits	Outside City Limits
Single Family:	2.02/CCF	3.03/CCF
Multi-Family:	1.74/CCF	2.62/CCF
Non-Profit Shelters:	0.45/CCF	0.69/CCF
Commercial⁺ and Industrial⁺:	1.74/CCF	2.62/CCF
Government⁺:	1.55/CCF	2.33/CCF

Effective April 1, 2017

Customer Class	Inside City Limits	Outside City Limits
Single Family:	2.11/CCF	3.17/CCF
Multi-Family:	1.82/CCF	2.74/CCF
Non-Profit Shelters:	0.47/CCF	0.72/CCF
Commercial ¹ and Industrial ¹ :	1.82/CCF	2.74/CCF
Government ¹ :	1.62/CCF	2.44/CCF

Effective January 1, 2018

Customer Class	Inside City Limits	Outside City Limits
Single Family:	2.22/CCF	3.33/CCF
Multi-Family:	1.91/CCF	2.88/CCF
Non-Profit Shelters:	0.49/CCF	0.76/CCF
Commercial ¹ and Industrial ¹ :	1.91/CCF	2.88/CCF
Government ¹ :	1.70/CCF	2.56/CCF

Effective January 1, 2019

Customer Class	Inside City Limits	Outside City Limits
Single Family:	2.33/CCF <u>2.40/CCF</u>	3.50/CCF <u>3.60/CCF</u>
Multi-Family:	2.01/CCF <u>2.07/CCF</u>	3.02/CCF <u>3.10/CCF</u>
Non-Profit Shelters:	0.51/CCF <u>0.53/CCF</u>	0.80/CCF <u>0.80/CCF</u>
Commercial ¹ and Industrial ¹ :	2.01/CCF <u>2.07/CCF</u>	3.02/CCF <u>3.10/CCF</u>
Government ¹ :	1.79/CCF <u>1.84/CCF</u>	2.69/CCF <u>2.76/CCF</u>

Effective January 1, 2020

Customer Class	Inside City Limits	Outside City Limits
Single Family:	2.45/CCF <u>2.59/CCF</u>	3.68/CCF <u>3.88/CCF</u>

Multi-Family:	2.11/CCF <u>2.22/CCF</u>	3.17/CCF <u>3.34/CCF</u>
Non-Profit Shelters:	0.54/CCF <u>0.57/CCF</u>	0.84/CCF <u>0.86/CCF</u>
Commercial ¹ and Industrial ¹ :	2.11/CCF <u>2.22/CCF</u>	3.17/CCF <u>3.34/CCF</u>
Government ¹ :	1.88CCF <u>1.98/CCF</u>	2.82/CCF <u>2.97/CCF</u>

Note ¹: As this use is classified under Vancouver Municipal Code Title 20

2. All volume charges are computed per hundred cubic feet (CCF).

3. "Single family customer" class shall include single dwelling unit with one meter, mobile homes either on individual lots or in mobile home parks. This definition is for utility billing purposes only.

4. "Multi-family customer" class shall apply to customers with two or more living units per meter. This definition is for utility billing purposes only.

5. "Non-profit Shelter" For the purpose of applying the rates as set forth in subsection B(1) above, the term non-profit shelters shall be defined to mean a facility operated by a non-profit organization that provides clients with on site food, beds or shelter for free or at significantly below market rates.

C. Charges for Cutting Off and Restoring Service.

1. Service cut off.

a. Cutting off service for non payment. There shall be a forty dollar (\$40) charge to cut off service for nonpayment. There shall be no additional charge for restoring service after such cut-off.

b. Emergencies - cut off. No cut-off charge shall be made if service is cut off to meet an actual emergency.

c. Customer request. No cut-off charge shall be made if service is cut off at customer's request for the first such request.

2. Starting or Restoring Service.

a. For starting or restoring service at the customer's request, the charge shall be no charge for the first such request during regular working hours, and a fee of fifty dollars for each such request outside of regular office hours.

b. Altered service. If the meter or service has been altered without the written authorization of the Director Public Works or designee, the charge shall be fifteen dollars additional to all other charges in this section.

c. Multiple cut off/restoration requests. For customers who require more than one trip to the service address to cut off or restore service at their request, there shall be a fee of twenty-five dollars per each additional trip during office hours.

D. Testing Meters - Customer's Request. Schedule of meter test charges for test of a meter at the request of a customer where meter is found not defective:

1 inch and under	\$50.00
1-1/2 inch	\$60.00
2 inch	\$60.00
3 inch	\$80.00
4 inches or more	At Cost
Meter Resets	\$50.00

Meters tested and found to be defective will be replaced at no cost to the customer for testing or for replacement.

E. Testing Meters - Other Than at Customer's Request. The city reserves the right to test meters at any time. No charge will be made to the customer for meters tested pursuant to this subsection.

F. Temporary Water Use from Hydrant fees shall be set by the Director pursuant to VMC 14.04.100.L.

SECTION 11. Vancouver Municipal Code Section 14.04.230 as last amended by Ordinance M-4193, Section 5 is hereby amended to read as follows:

Section 14.04.230 Sanitary sewer service--User charges.

A. Monthly User Charges.

~~1.~~ Residential customers. Each residential customer shall pay a monthly user charge as follows: ~~Effective~~

~~January 1, 2017~~

Customer Class	Inside City Limits	Outside City Limits
a. Single Family Residential	\$48.10 per mo. or \$4.81 CCF	\$72.20 per mo. or \$7.22 per CCF
b. Multi Family Residential	\$38.48 per mo. or \$4.81 per CCF	\$57.76 per mo. or \$7.22 per CCF
c. Non Profit Shelter	\$1.30 per CCF	\$1.95 per CCF

~~Effective April 1, 2017~~

Customer Class	Inside City Limits	Outside City Limits
a. Single Family Residential	\$50.30 per mo. or \$5.03 CCF	\$75.50 per mo. or \$7.55 per CCF
b. Multi-Family Residential	\$40.24 per mo. or \$5.03 per CCF	\$60.40 per mo. or \$7.55 per CCF
c. Non-Profit Shelter	\$1.36 per CCF	\$2.04 per CCF

Effective January 1, 2018

Customer Class	Inside City Limits	Outside City Limits
a. Single-Family Residential	\$51.80 per mo. or \$5.18 CCF	\$77.80 per mo. or \$7.78 per CCF
b. Multi-Family Residential	\$41.44 per mo. or \$5.18 per CCF	\$62.24 per mo. or \$7.78 per CCF
c. Non-Profit Shelter	\$1.40 per CCF	\$2.10 per CCF

Effective January 1, 2019

Customer Class	Inside City Limits	Outside City Limits
a. Single-Family Residential	\$53.40 per mo. or \$5.34 per CCF \$54.96 per mo. or \$5.50 CCF	\$80.10 per mo. or \$8.01 per CCF \$82.44 per mo. or \$8.24 per CCF
b. Multi-Family Residential	\$42.72 per mo. or \$5.34 per CCF \$43.97 per mo. or \$5.50 per CCF	\$64.08 per mo. or \$8.01 per CCF \$65.95 per mo. or \$8.24 per CCF
c. Non-Profit Shelter	\$1.44 per CCF \$1.53 per CCF	\$2.16 per CCF \$2.29 per CCF

Effective January 1, 2020

Customer Class	Inside City Limits	Outside City Limits
a. Single-Family Residential	\$55.00 per mo. or \$5.50 per CCF \$58.04 per mo. or \$5.80 CCF	\$82.50 per mo. or \$8.25 per CCF \$87.06 per mo. or \$8.71 per CCF
b. Multi-Family Residential	\$44.00 per mo. or \$5.50 per CCF \$46.43 per mo. or \$5.80 per CCF	\$66.00 per mo. or \$8.25 per CCF \$69.65 per mo. or \$8.71 per CCF
c. Non-Profit Shelter	\$1.48 per CCF \$1.61 per CCF	\$2.22 per CCF \$2.42 per CCF

2. Sewer charges for each single-family or multifamily residential customer shall be based upon that customer's water usage, either in the previous November/January billing period or in the previous December/February billing period provided each customer, other than qualifying low-income seniors as defined in subsection 2(E), is subject to a minimum volume charge of 3 CCF per month.

A. Single-family or multi-family residential customers who have "a complete two-month water consumption history" in either of the two billing periods specified above, shall be charged the applicable inside city or outside city rate per CCF for sewer as set forth in section 1 above. For new accounts in which the two month water consumption history has not been established, an interim rate may be established by the Director of Public Works in accordance with department policies. The Director of Public Works shall approve a written policy for the setting of this interim rate that will include, but not be limited to, how the interim rate is calculated.

B. The applicable inside city or outside city flat rate set forth in section 1 above shall be used as the monthly sewer billing rate for any customer for whom for any reason the provisions of this subsection cannot be used.

C. The Utilities Division shall develop written rules consistent with this subsection and this ordinance for the fair and efficient administration of such sewer rate.

D. For the purpose of applying the rates as set forth in subsection A(1)(c) above, the term non-profit shelters shall be defined to mean a facility operated by a non-profit organization that provides clients with on site food, beds or shelter for free or at significantly below market rates.

E. For the purpose of applying the low income senior minimum sewer flow waiver as set forth in subsection A(2) above, applicants shall meet the following:

1. Applications shall be obtained from and filed with the Public Works director, or his or her designee. The application shall be on a form prescribed by the Public Works director, and shall contain the information necessary to evaluate the applicant's qualification for the low income senior minimum sewer flow waiver.

a. Submission of an application for a utility discount shall constitute a verification by the applicant that all information provided in such application is true and correct to the best of the applicant's knowledge.

b. Once approved by the department, the application shall become effective the next billing cycle after approval of the application.

c. Each application is effective for 12 months commencing the first month the reduced rate becomes effective for the applicant. It shall be the sole responsibility of the applicant to re-apply for successive 12-month periods of eligibility.

d. The rate reduction shall only apply to utility charges for service to a residence. The residence for which the rate reduction is requested must be the applicant's principal place of residence.

e. The applicant must be the head of the household for the residence for which the rate reduction is requested.

f. The utility account must be in the applicant's name or the name of the applicant's spouse.

2. For purposes of this section, the term low income senior shall be defined as follows:

a. Be 62 years of age or older at all times during any period for which a minimum sewer flow waiver is requested; and

b. Have been a sewer customer of the city at all times during any period for which a minimum sewer flow waiver is requested; and

c. Have an income during the calendar year or portion thereof for which a minimum sewer flow waiver is requested, from all sources whatsoever, either (1) not exceeding two hundred (200) percent of the Federal Poverty Guidelines for a household of any size as published by the Secretary of Housing and Urban Development or (2) not exceeding the income qualification for low-income seniors set forth in RCW 84.36.381(5)(a), whichever is greater.

3. Commercial, industrial, electronics and government customers. Each such customer shall pay a monthly user charge per hundred cubic feet (CCF) as follows; provided, each such customer is subject to a minimum user charge equal to the applicable inside or outside city flat monthly rate for one single-family service set forth in subsection A.1. above:

~~Effective January 1, 2017:~~

Customer Class	Inside City Limits	Outside City Limits
a. Commercial	\$5.63 per CCF	\$8.46 per CCF
b. Government	\$3.44 per CCF	\$5.16 per CCF
c. Industrial	\$5.84 per CCF	\$6.06 per CCF
d. Electronics	\$4.30 per CCF ⁷	\$4.45 per CCF ⁸

~~Notes for Electronic Customer Class—Effective January 1, 2017—December 31, 2017:~~

~~⁷For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.44 per CCF.~~

~~⁸For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.55 per CCF.~~

Effective April 1, 2017:

Customer Class	Inside City Limits	Outside City Limits
a. Commercial	\$5.89 per CCF	\$8.84 per CCF
b. Government	\$3.60 per CCF	\$5.39 per CCF
c. Industrial	\$6.10 per CCF	\$6.33 per CCF
d. Electronics	\$4.49 per CCF ⁹	\$4.65 per CCF ¹⁰

~~Notes for Electronic Customer Class—Effective January 1, 2017—December 31, 2017:~~

~~⁹For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.60 per CCF.~~

~~¹⁰For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.71 per CCF.~~

Effective January 1, 2018:

Customer Class	Inside City Limits	Outside City Limits
a. Commercial	\$6.07 per CCF	\$9.11 per CCF
b. Government	\$3.71 per CCF	\$5.55 per CCF
c. Industrial	\$6.28 per CCF	\$6.52 per CCF
d. Electronics	\$4.62 per CCF ¹¹	\$4.79 per CCF ¹²

Notes for Electronic Customer Class - Effective January 1, 2018 - December 31, 2018:

¹¹ For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.71 per CCF.

¹² For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.82 per CCF. Effective January 1, 2019:

Customer Class	Inside City Limits	Outside City Limits
a. Commercial	\$6.25 per CCF <u>\$6.63 per CCF</u>	\$9.38 per CCF <u>\$9.95 per CCF</u>
b. Government	\$3.82 per CCF <u>\$4.05 per CCF</u>	\$5.72 per CCF <u>\$6.08 per CCF</u>
c. Industrial	\$6.47 per CCF <u>\$6.86 per CCF</u>	\$6.72 per CCF <u>\$10.30 per CCF</u>
d. Electronics	\$4.76 per CCF ¹¹ <u>\$5.05 per CCF</u> ¹³	\$4.93 per CCF ¹² <u>\$7.58 per CCF</u> ¹⁴

Notes for Electronic Customer Class - Effective January 1, 2019 - December 31, 2019:

¹¹ ~~For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.82 per CCF.~~

¹² ~~For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.93 per CCF.~~¹³

For monthly average flows above 2.88 million gallons per day, the rate shall be \$4.04 per CCF.

¹⁴ For monthly average flows above 2.88 million gallons per day, the rate shall be \$6.06 per CCF.

Effective January 1, 2020:

Customer Class	Inside City Limits	Outside City Limits
a. Commercial	\$6.44 per CCF <u>\$7.00 per CCF</u>	\$9.66 per CCF <u>\$10.50 per CCF</u>
b. Government	\$3.93 per CCF <u>\$4.28 per CCF</u>	\$5.89 per CCF <u>\$6.42 per CCF</u>
c. Industrial	\$6.66 per CCF <u>\$7.25 per CCF</u>	\$6.92 per CCF <u>\$10.87 per CCF</u>
d. Electronics	\$4.90 per CCF ¹³ <u>\$5.33 per CCF</u> ¹⁵	\$5.08 per CCF ¹⁴ <u>\$8.00 per CCF</u> ¹⁶

Notes for Electronic Customer Class - Effective January 1, 2020 - December 31, 2020:

¹³ ~~For monthly average flows above 2.88 million gallons per day, the rate shall be \$3.93 per CCF.~~

¹⁴ ~~For monthly average flows above 2.88 million gallons per day, the rate shall be \$4.05 per CCF.~~

¹⁵ For monthly average flows above 2.88 million gallons per day, the rate shall be \$4.27 per CCF.

¹⁶ For monthly average flows above 2.88 million gallons per day, the rate shall be \$6.40 per CCF.

4. The rate for discharging septage at the City's Publicly Owned Treatment Works (POTW) as provided for in VMC 5.72 effective January 1, 2013, shall be \$125.00 for each one thousand (1,000) gallons, or fraction thereof discharged in to POTW. If required, there shall also be added to such charge a tipping fee as determined by the Clark County Public Health District to support the Department's Septic System Preventive Maintenance Program.

5. INDUSTRIAL CUSTOMER is defined as an industrial user of the public sewer system who:

a. Has a discharge flow of ten thousand gallons or processed wastewater or more per average work

day; or

b. Has a concentration of biochemical oxygen demand (BOD) and suspended solids (SS) in excess of two hundred milligrams per liter per average work day; or

c. Is found by the city, State Department of Ecology or U.S. Environmental Protection Agency to have potential for a significant impact on the wastewater treatment system.

6. ELECTRONICS USER is defined as an industrial user of the public sewer system who:

a. Has a discharge flow of five hundred thousand gallons or more per average work day; and

b. Has a concentration of biochemical oxygen demand (BOD) and suspended solids (SS) less than two hundred milligrams per liter per average work day.

B. Liquids Not Originating From City Water System.

Any person discharging into the city sanitary sewerage system sewage which has in it liquids which did not originate from the city water system shall meter or measure by some method approved by the Director of Public Works all water used in the premises, whether the water is obtained from the municipal water supply system or from wells, private water systems or other sources.

C. Used Water Not Flowing Into Sewer System.

Where the user of water is such that a portion of all of the water used does not flow into a city sewer but is lost by evaporation or is used in manufacture or processes such as ice, beverages, foods or the like and the person in control provides proof of this fact and installs a meter or other measuring device approved by the Director of

Public Works to measure the amount of water so used or lost, no charge shall be made for sewerage because of water so used or lost.

D. Computation of Utility Rates.

For the purpose of computing water and sewer bills, all residences, regardless of number of units, shall be deemed residential, and each unit therein shall be deemed a residence. All other uses shall be deemed commercial, industrial or government.

SECTION 12. Vancouver Municipal Code Section 14.09.060 as last amended by Ordinance M-4193, Section 6 is hereby amended to read as follows:

Section 14.09.060 Rates for storm and surface water management.

A. Because all real property in the city contributes stormwater runoff to and/or benefits from the city's stormwater system, the owners thereof shall pay monthly charges as set forth in this section. Monthly charges will have two components as follows:

1. Operation and Maintenance. To provide for administrative and field operations, billing, accounting, and for the maintenance, repair and upgrade of existing stormwater facilities.

2. Capital Expenditures. To provide for basin-wide and system master planning and subsequent capital improvement projects as identified in the stormwater capital plan.

B. The water and sewer utility is authorized to establish charges for the use and discharge to the city's stormwater system. Such charges shall be based on the cost of providing stormwater service to all properties within the city and may be different for properties receiving different classes of service. Monthly charges shall be established as follows:

Effective January 1, 2017

Single Family	Multi-Family	Commercial	Industrial
\$9.23 per month	\$9.23 per 2,500 sq. ft. hard surface per month (\$9.23 minimum)	\$9.23 per 2,500 sq. ft. hard surface per month (\$9.23 minimum)	\$9.23 per 2,500 sq. ft. hard surface per month (\$9.23 minimum)

Effective April 1, 2017

Single Family	Multi-Family	Commercial	Industrial
\$9.65 per month	\$9.65 per 2,500 sq. ft. hard surface per month (\$9.65 minimum)	\$9.65 per 2,500 sq. ft. hard surface per month (\$9.65 minimum)	\$9.65 per 2,500 sq. ft. hard surface per month (\$9.65 minimum)

Effective January 1, 2018

Single Family	Multi-Family	Commercial	Industrial
\$10.13 per month	\$10.13 per 2,500 sq. ft. hard surface per month (\$10.13 minimum)	\$10.13 per 2,500 sq. ft. hard surface per month (\$10.13 minimum)	\$10.13 per 2,500 sq. ft. hard surface per month (\$10.13 minimum)

Effective January 1, 2019

Single Family	Multi-Family	Commercial	Industrial
\$10.64 per month <u>\$10.96 per month</u>	\$10.64 per 2,500 sq. ft. hard surface per month (\$10.64 minimum) <u>\$10.96 per 2,500 sq. ft. hard surface per month (\$10.96 minimum)</u>	\$10.64 per 2,500 sq. ft. hard surface per month (\$10.64 minimum) <u>\$10.96 per 2,500 sq. ft. hard surface per month (\$10.96 minimum)</u>	\$10.64 per 2,500 sq. ft. hard surface per month (\$10.64 minimum) <u>\$10.96 per 2,500 sq. ft. hard surface per month (\$10.96 minimum)</u>

Effective January 1, 2020

Single Family	Multi-Family	Commercial	Industrial
<u>\$11.17 per month</u> <u>\$11.80 per</u> <u>month</u>	<u>\$11.17 per 2,500 sq. ft.</u> <u>hard surface per month</u> <u>(\$11.17 minimum)</u> <u>\$11.80</u> <u>per 2,500 sq. ft. hard</u> <u>surface per month (\$11.80</u> <u>minimum)</u>	<u>\$11.17 per 2,500 sq. ft. hard</u> <u>surface per month (\$11.17</u> <u>minimum)</u> <u>\$11.80 per 2,500 sq.</u> <u>ft. hard surface per month</u> <u>(\$11.80 minimum)</u>	<u>\$11.17 per 2,500 sq. ft.</u> <u>hard surface per month</u> <u>(\$11.17 minimum)</u> <u>\$11.80</u> <u>per 2,500 sq. ft. hard</u> <u>surface per month (\$11.80</u> <u>minimum)</u>

C. "Multi-family Customer" class shall apply to customers with living units that share a common wall.

1. Multi-family customers with two or more living units per meter will be charged the effective rate per 2,500 sq. ft. of impervious surface.

2. Multi-family customers with one water meter per living unit will be charged the prevailing "Single-family customer rate" per unit.

D. State Highway Charge. Pursuant to RCW 90.03.525, the monthly charge for all state highway properties within the city shall be 30% of the charge provided in paragraph B above, unless the city and state agree to a different rate or unless the court of competent jurisdiction holds otherwise.

E. Application to Publicly Owned Properties. Other publicly owned properties shall be charged at the industrial rate as set forth herein.

F. Application to active gravel mining operations and publicly owned streets, alleys and rights of way. Active gravel mining operations, publicly owned streets, alleys and rights of way shall be charged at the State Highway Charge rate provided in paragraph D as set forth herein.

G. Application to certain qualifying properties. For qualifying properties meeting all of the following criteria, the monthly charge shall be 30% of the charge provided in paragraph B above.

1. The qualifying property is subject to a stormwater management program regulated by and in compliance with the requirements for a Secondary Permittee as defined by Special Condition S6 of the NPDES Western Washington Phase II Municipal Stormwater Permit, and as hereafter amended.

2. The qualifying property does not discharge stormwater into the City of Vancouver surface water drainage system.

SECTION 13. Savings. Those sections of the ordinances amended by this ordinance shall remain in full force and effect until the effective date of this ordinance.

SECTION 14. Severability. If any provision of this Ordinance is held invalid, the validity of the Ordinance as a whole, or any portion thereof, shall not be effected.

SECTION 15. Ratification. Acts taken in conformity with this ordinance prior to its effective date are hereby ratified and affirmed.

SECTION 16. Effective Date. This ordinance shall be effective on January 1, 2019.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____, 2018.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk
By: Carrie Lewellen, Deputy City Clerk

Approved as to form:

E. Bronson Potter, City Attorney

SUMMARY

ORDINANCE NO. _____

AN ORDINANCE amending Vancouver Municipal Code (VMC) Sections 5.04.020, 5.04.075, 5.04.095, 5.92.010, 5.93.010, 5.94.030, 14.04.210, 14.14.230, and 14.09.060 to amend business license fee limitations and exemptions; to increase water, sewer, and stormwater rate and taxes; and to increase solid waste taxes to fund additional police protection services; and repealing Section 5.04.096 business license fees based on square footages for commercial, industrial, and multi-family residential rental properties; providing for savings, severability, ratification, and an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 360-487-8799, or via www.cityofvancouver.us (Go to City Government and Public Records).