



Memorandum

Date: 11/18/2025
Meeting of: City Council

File No. AM No. 25-180
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

Finance	Haritha Narra	Deputy Finance Director
Finance	Hailey Zurcher	Financial Planning Manager

TITLE:

Adoption of an Ordinance Updating the Business License Fee for 2026

- a. Ordinance No. 3233: An Ordinance of the City of Redmond, Washington, Amending Redmond Municipal Code (RMC) Subsections 5.04.070.A, 5.04.080.A, and 5.04.080.F, Updating the Business License Fee as Required by RCW 35.90, Municipal Business Licensing; Providing for Severability; and Establishing an Effective Date

OVERVIEW STATEMENT:

Business license fees are charges required for businesses operating within the City of Redmond to ensure compliance with local regulations, support fair competition, and maintain accurate records of commercial activity. The City assesses a fee per full-time equivalent (FTE) employee doing business in Redmond. The City updates these fees on an annual basis, in accordance with the Consumer Price Index for Urban Wages Earners and Clerical Workers (CPI-W) for the Seattle/Tacoma/Bellevue region, to keep up with inflation.

Currently, the City's fee is \$153 per FTE, with \$66.00 per FTE going into the General Fund to support city operations, and \$87.00 per FTE being used to fund transportation capital improvements or transportation demand management (TDM) projects.

The ordinance (Attachment A) updates Redmond Municipal Code (RMC) subsections 5.04.070 and 5.04.080 and increases the business license fee by 4% for 2026.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
RCW 35.90
RMC 5.04.070 and 5.04.080
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

Approval of the attached ordinance will establish the 2026 business license fee to take effect January 1, 2026.

The new fee will be \$160.00 (rounded to the nearest dollar) per FTE, with \$69.00 per FTE going to the General Fund to support city operations and \$91.00 per FTE dedicated to funding transportation capital improvements or TDM projects.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: ☒ Yes ☐ No ☐ N/A

Budget Offer Number:
N/A

Budget Priority:
Strategic & Responsive

Other budget impacts or additional costs: ☐ Yes ☐ No ☒ N/A

If yes, explain:
N/A

Funding source(s):
N/A

Budget/Funding Constraints:
N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
11/12/2025	Study Session	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

Approval of the 2026 business license fee should be adopted by December 31, 2025.

ANTICIPATED RESULT IF NOT APPROVED:

If the revised business license fee is not approved, the City's business license fee would remain the same and not align with CPI-W and inflation.

ATTACHMENTS:

Attachment A: Ordinance - 2026 Business License Fee