

Extended Use of Public Right of Way (ROW): **Right of Way Use Fees**

The City has allowed the closure of public Right of Way (ROW) for the benefit of private businesses without charging a use fee nor the excise tax on the value of the use fee that has been paid to the State. Private use of ROW limits public access and enjoyment of sidewalks, landscape, bike lanes, parking, and travel lanes. To balance the needs of private businesses with the needs of the public, the City will collect a ROW use fee and the State-required excise tax beginning January 2025 for extended public right of way closures.

The proposed use fees are based on research, align with surrounding agencies, and are right-sized for Redmond. The fee will be applied to closing any portion of the ROW for private use for periods over two weeks.

Outdoor dining and construction activities are common examples of extended ROW closures for private use.

For Outdoor Dining:

The annual fee for outdoor dining is charged to restaurants that are expanding their business into the public ROW.

- Annual fee of \$2.00 per square foot of closed ROW for outdoor dining

For Construction Activity:

It is understood that private property development in urban centers may not have sufficient space for some construction activities and requires work zone expansion into the ROW. The monthly fee is intended to encourage the shortest closure duration to complete the necessary construction activity.

- Monthly fee of \$0.75 per square foot of closed ROW for construction activity

In addition to collecting these use fees, the City must collect a leasehold excise tax to be remitted to Washington State per (RCW 82.29A.030). The leasehold excise tax is 12.84% of the use fee for the closed ROW.