

ORDINANCE NO. 26-0713

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EDGEWOOD, PIERCE COUNTY, WASHINGTON, RELATED TO UPDATING THE CITY'S BUSINESS LICENSING AND HOME BUSINESS STANDARDS; ADOPTING AMENDMENTS TO EDGEWOOD MUNICIPAL CODE (EMC) TITLES 5 AND 18 TO UPDATE PROCESSES AND PROCEDURES RELATED TO GENERAL AND HOME-BASED BUSINESS LICENSING; PROVIDING FOR SEVERABILITY AND CORRECTIONS; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Edgewood Municipal Code (EMC) Title 5 contain regulations for business licensing within the City of Edgewood; and

WHEREAS, the Washington State Department of Revenue (DOR) and Association of Washington Cities (AWC) recently flagged these regulations for an update to comply with recent changes in state law regarding the minimum annual sales threshold for licensure; and

WHEREAS, Edgewood Municipal Code (EMC) Title 18 contains regulations for home-based businesses, primarily enacted in 2003 and last significantly updated in 2015; and

WHEREAS, the Economic Development Advisory Board (EDAB) recently flagged these regulations as being repetitive and convoluted, which can be a significant deterrent to home-based businesses; and

WHEREAS, to implement recent changes to state law, implement home-based business goals set under the city's 2024 Comprehensive Plan, and improve the efficiency of administering the regulations, staff developed amendments to EMC Titles 5 and 18, incorporating the Planning Commission's policy recommendations; and

WHEREAS, the Planning Commission met to review the suggested amendments to EMC Titles 5 and 18 on March 9, 2026, April 13, 2026, and May 11, 2026; and

WHEREAS, the procedures for amendments to development regulations as provided in EMC 18.60 were followed as documented in the Planning Commission staff report dated June 8, 2026; and

WHEREAS, the suggested amendments were submitted to the Department of Commerce for 60-day review on April 23, 2026; and

WHEREAS, in accordance with the State Environmental Policy Act (SEPA), the City issued a Determination of Nonsignificance (DNS) on April 26, 2026 under File No. 26-003-CODE with a public comment period ending on May 11, 2026 and appeal period ending on May 26, 2026, where no appeals were received; and

WHEREAS, in accordance with EMC 18.60.070, the City issued a Notice of a Public Hearing for the proposed code amendments on April 26, 2026, setting the Planning Commission public hearing for May 11, 2026 at 6:00 PM; and

WHEREAS, on June 8, 2025, the Planning Commission voted unanimously to recommend adoption of the proposed amendments to EMC Titles 5 and 18 to the City Council; and

WHEREAS, the City Council reviewed the proposed code amendments at their study session held on July 7, 2026; and

WHEREAS, the City Council considered the amendments at their regular meeting held on July 14, 2026;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EDGEWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. EMC Chapter 5.05 Amended. Amendments to EMC Chapter 5.05, relating to the General Business License Code, are attached hereto as Exhibit A, incorporated by reference.

Section 2. EMC Chapter 18.100 Amended. Amendments to EMC Chapter 18.100 relating to Home Businesses and Limited Home Businesses, are attached hereto as Exhibit B, incorporated by reference.

Section 3. Corrections. Upon the approval of the city attorney and/or the city clerk, the code publisher is authorized to make any necessary technical corrections to this ordinance, including but not limited to the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Effective Date. A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after publication as provided by law.

PASSED BY THE CITY COUNCIL ON THE 14TH DAY OF JULY, 2026



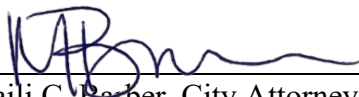
Dave Olson, Mayor

ATTEST/AUTHENTICATED:



Jill Schwerzler-Herrera, CMC
City Clerk

APPROVED AS TO FORM:



Maili C. Barber, City Attorney

Date of Publication: 07/17/2026

Effective Date: 07/22/2026

Chapter 5.05

GENERAL BUSINESS LICENSE CODE

5.05.010 to 5.05.030 – NO CHANGES

5.05.040 General business license required – Exemption.

A. Unless exempt per subsection B below, it is unlawful for any persons to engage in business in the city without having first obtained a general business license for the current calendar year or unexpired portion thereof and paid the fees prescribed in this chapter.

B. To the extent set forth in this section, persons and businesses whose annual value of products, gross proceeds of sales, or gross income of the business conducted within the city is equal to or less than the threshold listed in the city of Edgewood fee schedule adopted pursuant to EMC 3.35.020 shall be exempt from the registration, license, and license fee requirements. This exemption does not apply to regulatory license requirements, activities that require a specialized permit, or other occupancy requirements of the city. Said exemption threshold shall be at least \$5,000 or the amount determined as outlined below if higher:

1. Beginning January 1, 2026, this threshold amount will be adjusted every four-years (forty-eight months) on January 1, by an amount equal to the increase in the Consumer Price Index (“CPI”) for “West Urban, All Urban Consumers” (CPI-U) for each 12-month period ending on June 30 as published by the United States Department of Labor Bureau of Labor Statistics or successor agency. The first such adjustment calculation will occur on January 1, 2030, with subsequent calculations occurring every four years thereafter. To calculate this adjustment, an initial value of \$4,000 will be multiplied by one plus the cumulative four-year (forty-eight month) CPI increase using each 12-month period ending on June 30 of each prior year, and rounded to the nearest \$100. However, if any of the annual CPI increases are more than five (5) percent, a five (5) percent increase will be used in computing the annual basis and if any of the annual CPI decreased during the forty-eight-month period, a zero (0) percent increase will be used in computing the annual basis.

5.05.050 to 5.05.190 – NO CHANGES

Chapter 18.100

DEVELOPMENT STANDARDS – USE SPECIFIC

18.100.010 to 18.100.050 – NO CHANGES

18.100.070 Home businesses

A. Purpose. The purpose of this section is to provide standards which allow residents to operate businesses or conduct commercial activity from their principal residence or from a permitted accessory structure while achieving the goals of retaining the residential character of the dwelling and the neighborhood.

B. Applicability – Home business permit required. Unless the proposed business or commercial activity is exempt per subsection C or complies with the limited activity restrictions under subsection E.2, a home business permit is required. The home business permit is subject to the regulations of this section, reviewed under the Type 1 permit process as provided in EMC 18.50.050, and administered through the community development department.

C. Exemptions. The following uses are exempt from the regulations of this section:

1. Any non-residential use in a permitted accessory structure that is otherwise permissible in the zoning district under EMC 18.70.050, and all required permits, approvals, and development standards for that use have been satisfied. This exemption does not apply to non-residential uses within any residential dwelling unit.
2. Accommodation (NAICS Sector 721) – bed-and-breakfast inns (NAICS 721191).
3. Garage sales, yard sales, bake sales, temporary home bazaars for hand-crafted items or parties for the display of clothing, gifts and household products, and other similar uses shall not be subject to regulation pursuant to this section; provided, that:
 - a. Any such use shall not be in existence for more than four times in any one calendar year, and is not in violation of any other section of the title or other city ordinances; and
 - b. Any such garage sales and yard sales involve only the sale of household goods, none of which were purchased for the purpose of resale.
4. For the profit sale of flowers, produce or other food products is limited to the temporary seasonal sale of flowers, produce or other food products grown on the premises.
5. Hobbies which do not result in payment to those engaged in such activity.

D. Prohibited Activities. No business or commercial activity shall be allowed on property that a person owns, occupies, or is in lawful control of, within residential dwellings or structures accessory thereto, contrary to the provisions of this section. The following on-site activities are prohibited as home businesses:

1. Repair, bodywork, painting, washing, detailing, or storage of motor vehicles, commercial trucks and/or other heavy equipment.
2. Storage of used parts of vehicles and/or used machinery in inoperable condition.
3. Storage of building materials such as lumber, plasterboard, pipe, paint or other construction materials unless being used to construct a specific structure on the premises, pursuant to a current city building permit.

E. Performance Standards. The following performance standards prescribe the parameters under which one or more home business activities may be conducted on private property when incidental to a residential use. Activities that exceed these performance standards are subject to the use standards under Chapter 18.70 EMC, Permitted Land Uses.

1. The following standards apply to all home business activities within the city of Edgewood:
 - a. All home business activities are subject to the general business license requirements under Chapter 5.05 EMC.
 - b. The activities must be operated by a resident of the property on which the activity is located, with no more than three non-resident employees on site at any given time. If there are any non-resident employees, the site must have one parking space in addition to any parking required for the dwelling on the same parcel of land.
 - c. The activities shall be accessory to residential detached dwelling and middle housing use types, limited to 40 percent of the gross floor area of the residence, including garages and unfinished basements, and accessory buildings, with proof of owner authorization if the applicant is not the property owner.
 - d. The activities shall not change the residential character of the dwelling and/or neighborhood, being conducted completely within the dwelling or other permitted accessory structure(s), including the storage of all materials, parts, tools and other equipment used in the activity, except for the growing or storing of plants that may be used by the activity.
 - e. The activities must not utilize more than two vehicles and utility trailers with a gross vehicle weight rating (GVWR) of more than 10,000 pounds per truck/trailer combination. If there are vehicles and utility trailers, parking must be provided for on the subject property.
 - f. There shall be no more than three deliveries per week to the residence by suppliers for the business activities.
 - g. Traffic generated by the business activities shall not exceed 16 round trips per day per property, including deliveries and client-related trips.
 - h. Utility demand for sewer, water, electricity, garbage or natural gas shall not exceed normal residential levels, as determined by the utility purveyor.
 - i. The activity shall not interfere with other existing and/or permitted uses on nearby land, including but not limited to equipment or operation processes which would produce or cause the emission of gases, dust, odors, vibration, electrical interference, smoke, noise, or light in a manner likely to cause offense or irritation to neighboring residents.
 - j. The home business(es) shall not use electrical or mechanical equipment that results in:
 - i. A change to the fire rating of the structure(s) used for the home business(es);
 - ii. Visual or audible interference in radio or television receivers, or electronic equipment located off premises; or
 - iii. Fluctuations in line voltage at or beyond the property line.
 - k. The activity must comply with all applicable building, land use, and fire code requirements for permits, occupancy, and inspection, including any use of hazardous materials or equipment. There shall be no storage, distribution and/or production of toxic or flammable materials, nor spray painting or spray finishing operations that involve toxic or flammable materials, which in the judgment of the fire code official pose a dangerous risk to the residence, its occupants, and/or surrounding properties. An applicant shall make available the material safety data sheets, listing all potentially toxic and/or flammable materials associated with the home business, to the fire code official if requested for review.
 - l. Manufacturing activities shall be limited to small-scale assembly of already manufactured parts, but this shall not preclude production of small, individually hand-crafted items, furniture or other wood items as long as the activity meets the other standards of this section.

Exhibit B – EMC Chapter 18.100 Amendments
Ordinance 26-0713 Home Businesses & Licensing Regulations
July 14, 2026

m. Customers, clients, and/or patrons of the activity shall be prohibited from the premises prior to 8:00 a.m. and after 8:00 p.m. on Mondays through Fridays, and prior to 9:00 a.m. and after 5:00 p.m. on weekends and holidays observed by the city.

n. All signs for the activity must meet the requirements of Chapter 18.97 EMC, Sign Code.

2. Home-based child daycare services (NAICS 624410, part) that are compliant with the standards under EMC 18.100.040 are exempt from the performance standards listed under subsection 1, above.

3. Proposed business activities that comply with subsection 1, above, and the following additional standards shall be considered limited home businesses and are exempt from the home business permit required under this section:

a. The structure shall not be modified to establish or operate the proposed business activity that would cause it to resemble anything other than a residential dwelling or accessory structure. This means there shall not be any separate entrance(s) for the activity from the outside of the structure, mechanical equipment that would not be used normally for domestic or household purposes, and/or be any evidence that a business is being conducted from the premises.

b. There shall be no exterior signage that identifies the property as a business location.

c. Other than residents of the dwelling, there shall be no more than one non-resident employee, volunteer, or other persons engaged in the business activities on the site.

d. Any sales, either retail or wholesale, shall be pre-arranged by appointment (no walk-ins) or limited to remote means (mail order, telephone, electronic, etc.) with off-site delivery.

e. Any service(s) offered to patrons shall be pre-arranged by appointment (no walk-ins), with no more than one patron on-site at any time, or provided off-site.

f. Activities are further limited to no more than 25 percent of the floor area of the dwelling. Areas within attached garages, unfinished basements and storage buildings shall not be considered floor area for purposes of calculating this allowable limited home business activity area, but these features may be used for storage of goods associated with the limited home business.

F. Home business permit – decision criteria. The decision to approve, approve with conditions, or deny an application for a home business permit shall be made by the community development director or designee upon findings of whether or not the proposed home business activity is or will be:

1. In compliance with the standards contained in this section;

2. Undertaken in a manner that is not detrimental or disruptive in terms of appearance or operation to neighboring properties or the community; and

3. Compatible with adjacent residential uses and surrounding neighborhoods. The community development director or designee may impose conditions upon the approval of a home business permit to ensure said compatibility including, but not limited to, the following:

a. Further limiting the hours, days, place and manner of operation.

b. Requiring site and building design features that minimize environmental impacts such as noise, vibration, air pollution, glare, odor and dust.

c. Requiring additional building setbacks, and increased lot area, depth or width.

d. Further limiting the building area used by the home business and restricting the location of the use on the site in relationship to adjoining uses.

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July 14, 2026

- e. Designating the size, number, location and design of vehicle access points.
- f. Requiring street right-of-way to be free at all times of vehicles associated with the home business.
- g. Requiring landscaping, buffering and/or screening of the home business from adjoining uses and establishing standards for the continued maintenance of these improvements.
- h. Requiring storm drainage improvements, and surfacing of parking and loading areas.
- i. Limiting the extent and type of interior or exterior building remodeling necessary to accommodate the home business.
- j. Limiting or setting standards for the location and intensity of outdoor lighting.
- k. Requiring and designating the size, height, location of fences and materials used for their construction.

G. Home business permit – Revocation and Expiration.

1. The community development director or designee may revoke a home business permit if the conditions of approval have not been complied with and the home business is otherwise being conducted in a manner contrary to this title.
2. When a home business permit has been revoked due to violation of these standards, a minimum period of one year shall elapse before another application for a home business permit by the applicant(s) or member of the family residing on the subject property will be considered.
3. A home business permit shall become invalid if the applicant moves his or her residence.

H. Nonconforming home business use. An ongoing home business may be granted nonconforming status; provided, that it was previously permitted and has been in continuous operation since initial approval. The burden of providing a home business's nonconforming status rests with the property owner or tenant, pursuant to EMC 18.90.110. A home business which cannot prove nonconforming status shall be considered in violation of this section and shall cease until the appropriate approvals have been granted.

18.100.080 - DELETED

18.100.090 to 18.100.140 – NO CHANGES