

**DPW Director's
Proposed Rule 4430**



**Snohomish County
Public Works**

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| Department: Snohomish County Department of Public Works | Pages: 7 | Supersedes: N/A |
| | Adopted: | Effective: July 1, 2026 |
| Subject and Title: Procedures for determining the utility right-of-way use fee under SCC 13.110.010(9) | Code and Section Reference: SCC 13.110.010(9)(d) | |
| | Type of Rule: Code Compliance | |
| | Cite Basis: Chapter 30.82 SCC | |
| Approved: | | Date: |

I. Purpose

This rule establishes administrative procedures to determine the amount of the annual utility right-of-way use fee under SCC 13.110.010(9). Utility purveyors obtaining a Type C10 permit or Type E3U franchise for the placement, construction, and maintenance of utility facilities and related appurtenances in any county right-of-way shall be charged an annual fee in the nature of rent to provide reasonable compensation to the county in return for the right to use the right-of-way.

This rule describes a standardized approach to determine the utility right-of-way use fee through consideration of the following relevant factors, not all of which must be applied to each utility: the land value of right-of-way within the utility purveyor’s service area; the approximate amount of area within the right-of-way that will be needed to accommodate the utility's facilities; a reasonable rate of return to Snohomish County for the utility purveyor’s use of the right-of-way; the business opportunity made available to the utility purveyor; density of households served; a reasonable annual adjustment; and other factors that are reasonably related to the value of the utility or the cost to the county of accommodating the utility purveyor’s use within the right-of-way.

II. Applicability

This rule applies to the Department of Public Works (DPW) when determining the amount utility right-of-way use fee for utility purveyors obtaining a Type C10 permit or Type E3U franchise.

III. Rule

DPW shall determine the amount of the utility right-of-way use fee for each utility purveyor obtaining a Type C10 permit or Type E3U franchise by following the procedures below:

PROCEDURES FOR DETERMINING THE UTILITY RIGHT-OF-WAY USE FEE

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4430.010 Definitions

4430.010.01 “Assessor” means the Snohomish County Assessor.

4430.010.02 “Assessed Land Value” means the taxable value regular (TVR) of parcels within the utility accommodation area that are active and not exempt from property tax, as established by the Assessor.

4430.010.03 “Department of Public Works” or “DPW” means the Department of Public Works and includes the division responsible for administering use of the rights-of-way by utilities.

4430.010.04 “Geographic Information System” or “GIS” means the Snohomish County system which captures, stores, manipulates, and presents certain spatial and geographic data.

4430.010.05 “Right-of-Way” or “R/W” has the same meaning as defined in SCC 13.02.340.

4430.010.06 “Utility” has the same meaning as defined in SCC 13.02.470.

4430.010.07 “Utility purveyor” has the same meaning as defined in SCC 13.02.480.

4430.010.08 “Utility Accommodation Area” means the geographical area served by the utility, or the area by reference to section, township, and range in which the county

roads that are to be included in the C10 permit or E3U franchise are physically located.

4430.010.08 "Utility Right-of-Way Use Area" means the approximate amount of area within the right-of-way that will be available to accommodate the utility's use.

4430.010.09 "Utility Right-of-Way Use Fee" is the annual fee charged by the county under SCC 13.110.010(9) to utility purveyors obtaining a Type C10 permit or Type E3U franchise for the authorized placement, construction, and maintenance of utility facilities and related appurtenances in any county right-of-way.

4430.020 Determination of the Utility Right-of-Way Use Fee

4430.020.01 DPW shall make an estimate of the utility right-of-way use fee for each utility and provide that estimate to the utility purveyor. The estimate will be provided after DPW has gathered sufficient information from the utility purveyor, through its Type C10 permit or Type E3U franchise application, to perform the basic estimation steps described below. The utility purveyor shall thereafter have a reasonable opportunity to suggest adjustments to the estimate in order to negotiate and reach agreement with the county on the amount and type of the utility right-of-way use fee. The utility purveyor and the county shall at the same time negotiate the other terms of the C10 permit or Type E3U franchise agreement if the utility purveyor does not have an existing permit or franchise agreement. A permit or franchise will not be issued to a utility purveyor that fails to reach an agreement on the utility right-of-way use fee and the other terms of a right-of-way use permit or franchise agreement with the County.

4430.020.02 Snohomish County owns the R/W, which is a substantial public asset. A C10 permit or Type E3U franchise agreement grants a valuable property right to a utility purveyor to use the R/W. Due to the nature of a utility, use of the R/W is continuous and extends even after the expiration of a prior permit or franchise agreement. In order to reflect the value to the utility purveyor for this continued use and provide appropriate compensation to the public, the utility right-of-way use fee will accrue as of the effective date of this rule unless otherwise required by an existing franchise agreement or agreed to by the county and the utility purveyor.

4430.020.03 The agreed upon utility right-of-way use fee will be included in the Type C10 permit or Type E3U franchise agreement and shall be subject to an annual inflationary adjustment and to a full adjustment every five years. The full adjustment will be consistent with the process set forth in this rule for determining the utility right-of-way use fee.

4430.030 Methodology to estimate the Utility Right-of-Way Use Fee

4430.030.01 The utility right-of-way use fee estimate for each utility is based on the assessed land value of the R/W within the utility accommodation area and the approximate amount of area within the R/W that will be available to be occupied by the utility. To take into account differences between urban and rural areas with regard to

density of households served and land values, areas inside the urban growth area and areas outside the urban growth area shall be calculated separately using the procedures contained herein, and the product from each calculation shall be added together to estimate the fee. DPW shall perform the following basic steps to estimate the utility right-of-way use fee for each utility purveyor by applying the following criteria:

4430.030.01.1 Establish the approximate number of linear feet of R/W available to be occupied by the utility by using the total miles of county road centerline in the utility accommodation area as provided by GIS (sum Length_miles x 5,280). If the utility purveyor provides verifiable information specifying the location of its facilities within the R/W, then the county will revise the number of linear feet used in the calculation to the number of linear feet of the R/W occupied by the utility.

4430.030.01.2 Establish the total assessed land value of active, non-exempt parcels adjacent to the R/W within the utility accommodation area by using the taxable value regular of such parcels as provided by the Assessor (sum TVR).

4430.030.01.3 Establish the total square feet of active, non-exempt parcels adjacent to the R/W in the utility accommodation area by using the total tabulated acres of such parcels as provided by the Assessor (sum TAB_ACRES x 43,560).

4430.030.01.4 Establish the per-square-foot value of the land adjacent to the R/W in the utility accommodation area by dividing the total assessed land value established in section 4430.030.01.2 by the total square feet established in section 4430.030.01.3.

4430.030.02 Calculate the value of the utility right-of-way use area for the utility through the following steps:

4430.030.02.1 Calculate the utility right-of-way use area by multiplying the approximate number of linear feet of the R/W available to be occupied by the utility established in section 4430.030.01.1 by the width of a typical utility easement established in section 4430.060.01.

4430.030.02.2 Reduce the utility right-of-way use area by multiplying the utility right-of-way use area calculated in Section 4430.030.02.1 by a factor that accounts for facility location (aerial or underground) established in section 4430.060.01.

4430.030.02.3 Multiply the reduced utility right-of-way use area calculated in section 4430.030.02.2 by the per square foot value of land adjacent to

the R/W calculated in section 4430.030.01.4. This is the value of the utility right-of-way use area.

4430.040 Calculation of the estimated Utility Right-of-Way Use Fee

Calculate the estimated annual utility right-of-way use fee for the utility by applying the rate of return established in section 4430.060.01 to the value of the utility right-of-way use area calculated in section 4430.030.02.3.

4430.050 Financial impact limiting factor

4430.050.01 To ensure that the estimate of the annual utility right-of-way use fee is reasonable, DPW will evaluate whether the methodology produces an estimate that exceeds the monthly financial impact limiting factor established in section 4430.060.01.

4430.050.02 To determine if the financial impact limiting factor is exceeded, DPW will divide the estimated annual utility right-of-way use fee amount by twelve to obtain the estimated monthly utility right-of-way use fee amount. DPW will then divide the estimated monthly utility right-of-way use fee amount by the total number of customers served by the utility. If the resulting number exceeds the monthly financial impact limiting factor, then DPW will recalculate the estimate of the annual utility right-of-way use fee.

4430.050.03 Where necessary under section 4430.050.02, DPW will recalculate the estimate of the annual utility right-of-way use fee by adding the product of the number of residential customers multiplied by the monthly financial impact limiting factor to the product of the number of non-residential customers multiplied by the estimated monthly utility right-of-way use fee amount, and will then multiply the resulting number by twelve. The resulting amount will be the estimate of the annual utility right-of-way use fee.

4430.060 Input Values

4430.060.01 When performing the calculations in sections 4430.030, 4430.040, and 4430.050, the following input values will be used:

| Section | Input Description | Input Value |
|----------------|--|---|
| 4430.030.02.1 | Width of a typical utility easement | 10' |
| 4430.030.02.2 | Reduction factor for facility location (aerial or underground) | Aerial Facilities: 25% Underground Facilities: 10% |
| 4430.040 | Rate of return | 1.667% |
| 4430.050 | Financial impact limiting factor | \$2.00 |

4430.060.02 The width of a typical utility easement and the adjustment for aerial or underground facility locations will allow for:

- a. Reasonable clearances from other utilities;

- b. Modest and varied appurtenant uses in the R/W, such as sewer access facilities, water and sewer lines connecting to customers, meters, hydrants, power poles, and transformers; and
- c. Reasonable access for construction, maintenance and repair.

4430.060.03 DPW may, on a case-by-case basis, adjust the assigned width of a typical utility easement and/or the reduction for aerial or underground facility location if the size and location of the utility's facilities are significantly different than those contemplated in the development of this rule.

4430.060.04 DPW may periodically reassess the determinations listed herein and update this rule.

4430.070 Crossings

4430.070.01 Some Utilities may occupy the R/W via only one or more crossings from one side of the R/W to the other side of the R/W. In these instances, the calculation of utility right-of-way use fee shall be the same as described above, with the following exceptions:

4430.070.01.01 In Section 4430.030.01.4, divide the assessed land value of the parcels adjacent to the R/W on each side of the crossing by the total square feet of such parcels, as provided by GIS.

4430.070.01.02 In Section 4430.030.02.1, use the actual square footage of the area of the R/W where the crossing is located instead of multiplying the approximate number of linear feet available to be occupied by the utility by the average width of a utility easement.

4430.070.02 Lateral connections to a facility within the R/W are not considered to be crossings.

4430.080 Small Wireless Facilities

The annual utility right-of-way use fee for small wireless facilities as defined in 47 CFR § 1.6002(l) shall be \$270 per year per small cell facility, or the reasonable approximation of costs to the county in excess of the fee.

IV. Implementation

This rule becomes effective on July 1, 2026. DPW is responsible for implementation of this rule.

V. Findings

This rule describes a standardized approach to determine the amount of the utility right-of-way use fee through consideration of the factors set forth in SCC 13.110.010(9)(d).

This rule is necessary to provide clarity and consistency with the application of SCC 13.110.010(9). Pursuant to Chapter 30.82 SCC, the public participation process and notification requirements for this rule have been satisfied.

VI. Rulemaking Process

The following provides the procedural process for adoption of this rule:

| Notice of Proposed Rule | | |
|--------------------------------|---|------------|
| Filed with Council Clerk | March 27, 2026 for receipt April 1, 2026 | |
| Posted at DPW Counter | April 1, 2026 | |
| Published | April 1, 2026 | The Herald |
| Comment Period (60 days) | June 1, 2026 | |
| Notice of Rule Adoption | | |
| Filed with Council Clerk | | |
| Published | | |

EXAMPLE ESTIMATION WORKSHEET

| Key | | Input | Output |
|---|--|---|--|
| Estimation of Utility Right of Way Use Fee | | | |
| Valuation of Land Adjacent to the ROW in the Utility Right of Way Use Area | | | |
| | | Assessment Data | |
| | | Total Assessed Land Value | \$83,756,000 |
| | | Total Square Feet | 6,306,155sf |
| | | Per Square Foot Value of Land Adjacent to the ROW | \$13.28/sf |
| Valuation of Utility Right of Way Use Area | | | |
| Utility ROW Use | | Width | 10' |
| | | Length | 29,281' |
| | | Utility ROW Use Area | 292,810sf |
| Reduction Factor for Facility Location | | Underground | 10.0% |
| | | Value of Utility ROW Use Area | \$388,852 |
| Estimated Utility Right-of-Way Use Fee Calculation | | | |
| | | Estimate of Annual Fee | |
| | | Rate of Return | 1.667% |
| | | | \$ 6,482 |
| Financial Impact Limiting Factor | | | |
| | | Estimate of Monthly Fee | \$ 540 |
| Total Residential Customers | | 250 | |
| Total Other Customers | | 5 | |
| Estimated Monthly Cost per Customer | | \$ 2.12 | |
| | | Financial Impact Limiting Factor | \$ 2.00 |
| Revised Estimate of Monthly Fee | | \$ 511 | = (250 Residential Customers x \$2.00 Financial Impact Limiting Factor) + (5 Other Customers x \$2.12 Estimated Monthly Cost Per Customer) |
| Revised Estimate of Annual Fee | | \$ 6,127 | |

Typical Utility easement width

Total linear ft use area in the ROW as provided by SC GIS

Reduction Factor:
Underground = 10.0%
Aerial = 25%

Reflects Rate of Return on real estate (1.667% = 60 year return on Value of Utility Right-of-Way Use Area)

Provided by Utility

Monthly Fee / Total number of Customers

Total Residential Customers X Financial Impact Limiting Factor + Total Other Customers X Estimated Monthly Cost Per Customer = Revised Estimate of Monthly Fee

Revised Estimate of Monthly Compensation X 12

As established by the Assessor

As provided by SC GIS

Total Assessed Land Value divided by Total SF = Per SF Value of Land Adjacent to the ROW

Utility ROW Use Length X Width = Total sf of ROW in unincorporated SC used by Utility

Utility ROW Use Area X Reduction Factor X Per SF Value of Land Adjacent to the ROW = Total Value of ROW Use Area

Value of Utility ROW Use Area X Rate of Return percentage = Annual Utility ROW Use Fee

Annual Fee / 12

If Estimated Monthly Cost per Customer is exceeded (Financial Impact Limiting Factor) a Revised Estimate will be calculated