

# Regional Growth Centers Criteria Report

Federal Way Regional Growth Center

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## Designation Recommendation

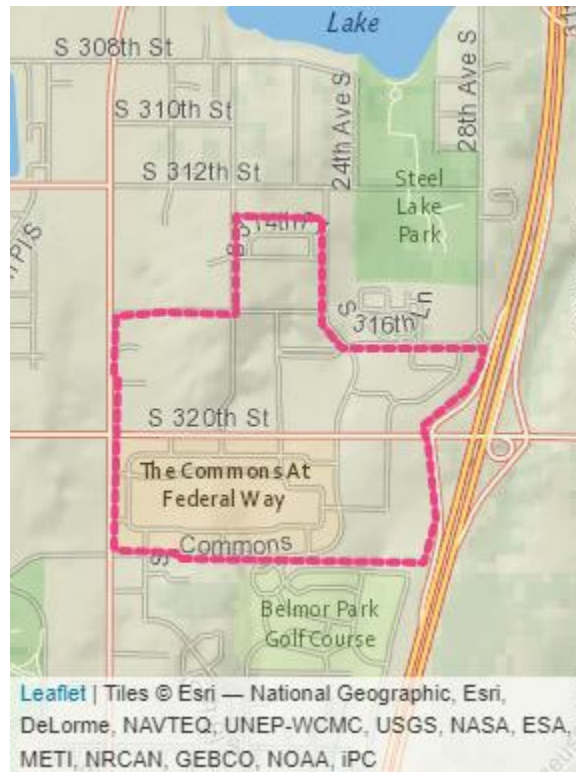
Conditionally redesignate Federal Way as a regional growth center with conditions under the Regional Centers Framework, provided the city meets applicable regional criteria. The Federal Way Link light rail station opened at the end of 2025, and the city's [Regional Growth Center Market Study](#) identifies near-term development opportunities.

To meet conditions, the city will complete the following:

- Update its subarea plan for the center by December 31, 2027, and provide a draft of the plan for early PSRC review,
- Demonstrate actions have been taken to remove barriers to housing to facilitate market interest, and
- Demonstrate progress towards achieving center growth goals in the center by 2028.

PSRC will review the regional center in 2028 to evaluate whether sufficient progress has been made to demonstrate the center meets regional criteria.

## Background



Federal Way is among the smallest regional growth centers. The Commons at Federal Way and other commercial uses are the most prominent development in the area, but the city is planning for additional residential development in the center. The center includes the Federal Way Transit Center and Town Square Park. Immediately adjacent to the center are Steel Lake Park to the northeast and Celebration Park to the southwest.

### Evaluation of Regional Growth Centers Requirements

**Status Icons:**

- ✔ On track
- ⚠ Needs attention
- ⊘ Does not meet criteria
- N/A

Criteria	Status
Center Type	— Urban Growth Center
Existing Density Required: 18 people/acre	<span style="color: red;">⊘</span> The Federal Way Regional Growth Center's current density is 14 people per acre, which does not meet the criteria.

Criteria		Status
Planned Target Density Required: 45 people/acre	✓	The Federal Way Regional Growth Center's planned density is 88 people per acre, which meets the criteria. Reaching this density shows whether the center is effectively managing and concentrating growth within its boundaries.
Mix of Uses: 15% of planned residential and employment activity	✓	33% of planned growth is expected to be residential.
Size: 200 to 640 acres (larger if served by high-capacity transit)	✓	The Federal Way Regional Growth Center is currently 200 acres. With the boundary as proposed in the center element, the Federal Way regional growth center is planned to be 219 acres, which continues to meet regional size requirements.
Transit Access: Existing or planned frequent bus service or high-capacity transit	✓	The center has existing bus rapid transit, bus service, and light rail to serve the community.
Market Potential: Demonstrated capacity to support growth targets	—	A market study was required and has been completed by the city. <a href="#">City of Federal Way Regional Growth Center Market Study</a>  Since 2010, the center has lost density by -1 people per acre.
Center Subarea Plan	—	The city is updating its subarea plan for the center in 2026. The center subarea plan has not previously been certified.

## Jurisdiction Comments / Additional Context

### ATTACHMENTS

- A. Memorandum – City of Federal Way

## Memorandum

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**DATE:** 24 December 2025

**TO:** Paul Inghram, FAICP, Director  
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**FROM:** Keith Niven, AICP, CEcD, Community Development Director  
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**Cc:** Brian Davis, AICP, City Administrator  
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Desiree Winkler, PE, Deputy Public Works Director

**SUBJECT:** Federal Way RGC Re-designation

*<<sent via email>>*

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Thank you for the opportunity to provide additional comment and context for the PSRC draft staff report. The City of Federal Way believes that we have done and will continue to do the work necessary to build upon the growing vitality of our Regional Growth Center, as demonstrated by the summarized prior and future significant commitments:

### **Part 1: Prior Commitments**

#### Town Square Park

In 2016, the City opened Town Square Park. This final version of the park cost \$2.1 million, including \$400,000 for a stormwater reuse project. The park includes a playground, two basketball courts – a small half-court for children and a larger half-court – a picnic area and restrooms. An oversized chess set built into the walkway, as well as four “welcome”-themed murals contributed by four Federal Way-area high schools for the park’s perimeter. Finally, the park includes a spray feature, a fountain/art piece with the ability to pump 210 gallons of reclaimed water per minute.

#### City Center Access Project

The City began planning for the City Center Access Project in 2017. The planning for this transportation project included the City, the Federal government, WSDOT, and PSRC. In January 2024, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) approved the State Transportation Improvement Program, which included funding for final design and right of way acquisition for Phase 1. In Sept 2025 the Federal Highway Administration approved the project.

#### PAEC

In 2017, the City built the Performing Arts and Event Center. The \$32.7 million municipal investment is a 41,000 sq. ft. multi-purpose facility that includes a 700+ seat theater and 8,000 sq. ft. for arts, cultural, educational and community activities.

### The City hired Heartland

In 2023, the City hired Heartland LLC, as part of the implementation of its Housing Action Plan to audit the City code. The purpose for this audit was to uncover code requirements that were posing barriers to multifamily developers building in Federal Way and to improve housing production.

### Code Changes

Taking the information generated by Heartland, the City processed 2023 revisions to its development regulations relating to multi-family development. As part of this work, the zoning for the RGC was updated to provide minimum density requirements and to require parking be placed in a structure. This code will continue to evolve as legislative mandates relating to parking must be incorporated.

### Tax Increment Area

In 2024, the City created a Tax Increment Financing Area encompassing most of the RGC. As part of the Ordinance approved by the City Council, a Project List was included and the first TIF project must be built by 2029.

### TC-3

In 2024, the City executed a 30-year development agreement with One Trent on City-owned property located ¼ mile north of the light rail station. The One Trent development agreement proposes up to 1,600 housing units and up to 440,000 square feet of non-residential development. Pursuant to the agreed-upon terms of the development agreement, this project must pull its first building permit by January 2027.

### The Commons

The City began negotiating a development agreement in 2024 with Merlone Geier for the Commons Mall. Although this agreement has not been finalized, discussions continue and the proposal being discussed would include up to 1,329 new housing units and 130,195 new square feet of retail, office, and entertainment flex space.

### Comprehensive Plan Changes

As part of the City's 2024 periodic update, the City created a new *Centers* chapter to focus goals and policies for the Regional Growth Center and the proposed Countywide Center (future 2<sup>nd</sup> light rail station).

### Sound Transit Investments

The Federal Way Downtown light rail station opened on December 6, 2025. This significant infrastructure investment will spur development (there are 4 TOD parcels adjacent to the station) and redevelopment elsewhere in the RGC. In December 2025, Sound Transit announced the selection of the developers for two of the surplus properties. The selected developers plan to construct 230 housing units. By the City's calculation, this project alone would achieve the RGC minimum existing density threshold.

## **Part 2: Future Commitments**

### Opportunity Zone

Much of the City's RGC is also part of a designated Opportunity Zone. This designation is set to expire at the end of 2026. The City is committed to reapplying for a designation next year. The area meets the qualifications for designation and is expected to be redesignated.

### Updated Sub-area Plan

The City has a subarea plan for the RGC. It was approved in 2015. Updating the RGC subarea plan is identified as a Implementing Action in the 2024 adopted Comprehensive Plan's Implementation appendix, with a Near Term timeline of 1-2 years. The City plans intends to complete this work in 2026.