

Potential Funding Sources

This section provides an overview of potential funding sources to fund projects identified in this chapter. All funding sources discussed below will be considered when determining a budget for a project. A combination of several sources is typically used to fund projects.

City General Fund

General Funds from the City are allocated to the Parks, Recreation, and Cultural Services Department.

Capital Project Fund – Parks

The Capital Project Fund provides for the acquisition or construction of park facilities except for those facilities financed by proprietary and trust funds. The major source of revenue for this Fund is general obligation bond proceeds, grants from other agencies, local taxes and contributions from other funds. All park costs associated with acquisitions, improvements, issuance of bonds, and other costs shall be paid by this Fund. This funding source is tied to the City's 2-year budget cycle.

Real Estate Excise Tax (REET)

As a city planning under the Washington State Growth Management Act, Federal Way receives REET funds which are generally used for capital projects as described under state law. A REET is derived from a modest tax on the sales of real property within the City. As of January 1, 2018, the City's REET rate was 0.5 percent.¹

Voter-approved Bonds/Levies

Voter-approved General obligation bonds can be used for acquisition or development and are typically repaid through an annual property tax levy through the maturity period of the bonds. General obligation bonds typically mature in 15 to 20 years.

Councilmanic Bonds

Bonds issued by the City Council. This type of bond does not require citizen vote but must be paid out of the City's annual operating budget.

Developer Mitigation Fees

These are fees imposed by the City for park land acquisition and development. This is a funding source derived from mitigation monies required through SEPA (State Environmental Protection Act) environmental review of development projects located within the City. Many developers provide a fee to the City in lieu of constructing parks.

Grants

The City pursues a number of grant funding sources to augment funding available for capital projects.

¹Washington State Department of Revenue, <https://dor.wa.gov/legacy/Docs/forms/RealEstExcTx/>

One of the primary sources of State grant funding is through the Recreation and Conservation Office (RCO). RCO administers several grant programs for recreation and habitat conservation purposes including:

- Aquatic Lands Enhancement Account (ALEA)
- Boating Facilities Program (BFP)
- Boating Infrastructure Grant Program (BIG)
- Estuary and Salmon Restoration Program (ESRP)
- Farmland Preservation
- Forestland Preservation
- Firearms and Archery Range Recreation Program (FARR)
- Family Forest Fish Passage Program (FFFP)
- Land and Water Conservation Fund (LWCF)
- Marine Shoreline Protection (MSP)
- No Child Left Inside (NCLI)
- Non-highway and Off-Road Vehicle Activities Program (NOVA)
- Puget Sound Acquisition and Restoration Fund (PSAR)
- Recreational Trails Program (RTP)
- Salmon Recovery
- Washington Wildlife and Recreation Program (WWRP)
- Youth Athletic Facilities (YAF)

Annexations/Transfers

The City's Potential Annexation Area (PAA) east of I-5 has several park facilities that would likely become part of the Federal Way park and open space system when this area is annexed to the City.

Path and Trails Reserve Fund

The purpose of the Path and Trails Reserve Fund is to accumulate unexpended proceeds of the motor vehicle fuel tax receipts, which are legally restricted to the construction, and maintenance of paths and trails within City street rights-of-way. This fund must transfer such accumulated receipts back to a street construction/maintenance-oriented fund when specific projects have been defined.

Dumas Bay Centre Fund

Established as an Enterprise Fund, this fund specifically accounts for the revenues and expenses related to the acquisition, capital improvements, maintenance and operations of the Dumas Bay Centre and Knutzen Family Theatre. The intent of the fund is to recover, primarily through user charges, the costs (expenses, depreciation) of providing services to the general public on a continuing basis.

Impact Fees

In 2023, the City adopted a Park Impact Fee. Consistent with state law, the Park Impact Fee will be imposed for system improvements that are reasonably related to the new development, will not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development, and will be used for system improvements that will reasonably benefit the new development.

Park Acquisition, Development and Renovation

At times unexpected opportunities occur to purchase land or develop a project that has not been identified in this plan or listed in the Capital Improvements Plan. In those circumstances, the following criteria may be used to evaluate the property or project as an aid in decision-making. Staff may assess the situation using these criteria, identify potential funding sources, and present the findings to the Parks and Recreation Commission and the City Council for consideration.

1. Responds to an important gap in the park system or an urgent need or opportunity such as geographic location or unique circumstances not otherwise provided. Also may conform to legal contractual mandate.
2. Documented need for the project is based on evidence of unsanitary conditions, health and safety code violation, visible deterioration, and/or injuries.
3. Funding availability for the capital project as well as maintenance and operation is available or potential for leveraging 50% of the project costs from other sources.
4. Deferring the project will have negative implications for future park and recreation use or other capital projects within the City.
5. Implements the Parks and Recreation and Open Space Plan, the Federal Way Comprehensive Plan, or other adopted plans.

In order for acquisition, development, or renovation to be considered, the majority of these criteria need to be met.

Capital Improvement Plan

The Parks, Recreation, and Open Space Plan is a planning document that is integrally tied to the City's Comprehensive Plan and the City's Capital Improvement Plan. The capital improvement plan for parks (Table 7-2) will focus on the near and mid-term actions identified in this chapter.

Funding for projects in the Capital Improvement Plan are considered along with the preparation and approval of the City's biennial budget process. The biennium budget's first year begins on odd years. The City Council identifies goals and objectives for the operating and capital budgets in even years.

The Parks Commission will review staff updates of the Park Capital Improvement Plan at a public meeting to receive comment and weigh priorities. After the public process,

the Parks Capital Improvement Plan is forwarded to City Council for funding along with the proposed biennium budget for the City.

TABLE 7.2: Capital Improvement Plan – Infill List

Location	Type	Year	Cost	PIF Eligibility	PIF-Eligible Cost
Adelaide	Formalize picnic areas/install picnic shelters (2)	2033	167,000	18.05%	\$30,147
Alderbrook Park	Playground Replacement	2023	150,000	18.05%	\$27,078
Alderdale park	Playground Replacement	2027	150,000	18.05%	\$27,078
BPA	Add a fitness trail and equipment	2026	143,000	18.05%	\$25,814
BPA	Repair asphalt trail	2030-2040	-	0.00%	-
BPA	Install monument sign	2028	7,000	18.05%	\$1,264
BPA	Install directional signage/wayfinding	2030	12,000	18.05%	\$2,166
Brooklake	Demo Hall & Green Storage Buildings	2023	\$ 8,000	0.00%	-
Brooklake	Electrical upgrades	2023	20,000	18.05%	\$3,610
Brooklake	Facility/Feasibility Assessment - Master Plan	2023	4,000	18.05%	\$722
Cedar Grove Park	Playground Replacement	2031	175,000	18.05%	\$31,591
Celebration	Convert To Artificial Turf	2032	11,500,000	18.05%	\$2,075,971
Celebration	Sand based turf replacement	2026	500,000	18.05%	\$90,260
Celebration	Replace field fence	2035	119,000	0.00%	-
Celebration park	Playground Replacement	2024	450,000	18.05%	\$81,234

Location	Type	Year	Cost	PIF Eligibility	PIF-Eligible Cost
City Hall	add ADA door control @ Court Entry	2023	60,000	18.05%	\$10,831
City Hall	Card control replacement/upgrade	2027	125,000	18.05%	\$22,565
City Hall	Carpet replacement	2027	250,000	0.00%	-
City Hall	City Hall Water Heaters (5)	2028	75,000	0.00%	-
City Hall	Court bench refurbish	2025	8,500	0.00%	-
City Hall	Elevator	2024	185,000	0.00%	-
City Hall	HVAC	2025	400,000	0.00%	-
City Hall	Reception Counters - replace Formica	2026	10,000	0.00%	-
City Hall	Roof replacement	2026	500,000	0.00%	-
City Hall	Security Fence Around Entire P/E Parcel/Lot	2024	75,000	18.05%	\$13,539
City Hall	Sidewalk ADA upgrades	2023-2027	240,000	0.00%	-
Coronado Park	Playground Replacement	2028	150,000	18.05%	\$27,078
Fisher Pond	Prepare master plan	2028	12,000	18.05%	\$2,166
Fisher Pond	Install picnic shelter	2030	83,000	18.05%	\$14,983
Fisher Pond	Decommission on-site well	2030	12,000	0.00%	-
French Lake	Develop/Install Shelter	2028	60,000	18.05%	\$10,831
FWCC	Exercise Equipment (full replace)	2026	150,000	0.00%	-

Location	Type	Year	Cost	PIF Eligibility	PIF-Eligible Cost
FWCC	Locker Rooms/Cabanas Restoration	2023	250,000	0.00%	-
FWCC	Replace Pool Water Slide/Play Equipment	2023	1,200,000	0.00%	-
FWCC	Re-plaster Lap Pool	2027	400,000	0.00%	-
FWCC	Pool/slide repairs	2023	298,000	0.00%	-
FWCC	Replace pool and play equipment	2023	60,000	0.00%	-
FWCC	Outdoor areas	2033	119,000	18.05%	\$21,482
Heritage Woods park	Playground Replacement	2029	175,000	18.05%	\$31,591
Lake Grove Park	Playground Replacement	2032	200,000	18.05%	\$36,104
Lakota	Parking Lot Replacement	2023	170,000	0.00%	-
Lakota	Upgrade soccer field to artificial turf	2021	1,489,000	18.05%	\$268,793
Lakota	Upgrade running track to rubber	2021	238,000	18.05%	\$42,964
Lakota	Upgrade field lighting	2032	893,000	18.05%	\$161,204
Lakota	Upgrade restrooms and increase parking	2032	953,000	18.05%	\$172,035
Laurelwood	Prepare master plan	2025	36,000	18.05%	\$6,499
Laurelwood	Perform master plan improvements	2027-2037	-	18.05%	-
Laurelwood	Install 1/2 basketball court	2030	60,000	18.05%	\$10,831
Madrona Park	Playground Replacement	2030	175,000	18.05%	\$31,591

Mirror Lake	Replace and improve playground	2020	143,000	18.05%	\$25,814
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Location	Type	Year	Cost	PIF Eligibility	PIF-Eligible Cost
Monument Signs	Complete sign implementation program	2023-2033	48,000	18.05%	\$8,665
Olympic View	Formalize Joe's Creek social trail	2035	-	18.05%	-
Olympic View	Improve neighborhood entrances (6)	2035	36,000	18.05%	\$6,499
Olympic View	Install 1/2 basketball court	2030	60,000	18.05%	\$10,831
Olympic View Park	Playground Replacement	2025	125,000	18.05%	\$22,565
Palisades	Repair/replace asphalt basketball court	2028	6,000	0.00%	-
Palisades	Install picnic shelter	2030	83,000	18.05%	\$14,983
Palisades Park	Playground Replacement	2026	200,000	18.05%	\$36,104
Sacajawea	Artificial turf replacement - SAC	2026	700,000	0.00%	-
Sacajawea	Natural Turf Replacement (ballfields)	2023	300,000	0.00%	-
Sacajawea	Renovate Ballfield Drainage	2024	50,000	0.00%	-
Sacajawea	Replace Rubber running track	2024	340,000	0.00%	-
Sacajawea	Tennis Court Replacement	2025	200,000	0.00%	-
Sacajawea	Wood Pole Replacement	2029	150,000	0.00%	-
Sacajawea	Replace water service line	2028	18,000	0.00%	-
Sacajawea	New restroom - sewer lift station	2035	89,000	18.05%	\$16,066

Sacajawea	Install picnic shelter	2030	83,000	18.05%	\$14,983
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Location	Type	Year	Cost	PIF Eligibility	PIF-Eligible Cost
Safety & Security	Parking lot lighting improvements (LED) at Sacajawea Park, Saghalié Park, Steel Lake Park, and Steel Lake Annex	2028	-	18.05%	-
Safety & Security	Install security cameras in parking lots at Sacajawea Park, Saghalié Park, Steel Lake Park, and Steel Lake Annex	2028	-	18.05%	-
Saghalié	Artificial turf replacement - Soccer Field	2032	600,000	0.00%	-
Saghalié	Tennis Court Renovation/Resurface	2025	40,000	0.00%	-
Saghalié	Replace Rubber running track	2023-2032	505,000	18.05%	\$91,162
Saghalié	Install artificial turf on football field	2035	1,429,000	18.05%	\$257,962
Saghalié	Renovate basketball courts	2026	71,000	0.00%	-
Saghalié	Overlay parking lot	2028	48,000	0.00%	-
Steel Lake	Develop a master plan	2033	149,000	18.05%	\$26,897
Steel Lake	Install new shelters (Sites 2-5)	2028-2033	292,000	18.05%	\$52,712
Steel Lake	Re-pipe annex and beach house restrooms	2026	238,000	0.00%	-
Steel Lake Annex	Artificial Turf Replacement - Karl Grosch	2032	700,000	0.00%	-
Steel Lake Annex	Parking Lot Repairs	2024	10,000	0.00%	-

Location	Type	Year	Cost	PIF Eligibility	PIF-Eligible Cost
Steel Lake Park	Artificial turf - Site #5	2032	1,300,000	18.05%	\$234,675
Steel Lake Park	Dock Replacement	2027	1,250,000	0.00%	-
Steel Lake Shop	New Maintenance Shop (Parks Share, 33%)	2032	11,666,667	18.05%	\$2,106,058
Steel Lake Shop	Shop - Backup power generator	2025	40,000	18.05%	\$7,221
Steel Lake Shop	Shop - Electrical Service - new panel	2024	7,500	18.05%	\$1,354
Steel Lake Shop	Shop Roof	2026	75,000	18.05%	\$13,539
Steel Lake Shop	Storage House - New Garage Doors	2024	7,000	18.05%	\$1,264
Steel Lake Shop	Storage House Roof	2024	20,000	18.05%	\$3,610
Town Square	Install shade covers	2025	89,000	18.05%	\$16,066
Town Square	Install 2nd shelter	2030	83,000	18.05%	\$14,983
Town Square	Band shell	2028	-	18.05%	-
Town Square	Veteran memorial	2025	-	18.05%	-
Wayfinding Signs	Implementation of wayfinding signage program	2030-2040	-	18.05%	-
Wedgewood	Replace and improve playground	2019	167,000	18.05%	\$30,147
West Hylebos	Renovate caretaker access road	2033	12,000	0.00%	-
West Hylebos	Make parking lots repairs	2025	48,000	0.00%	-

Location	Type	Year	Cost	PIF Eligibility	PIF-Eligible Cost
West Hylebos	Expand parking lot	2033	149,000	18.05%	\$26,897
West Hylebos	Replace maintenance garage	2030	89,000	0.00%	-
Wildwood	Repair asphalt trail	2026	12,000	0.00%	-
Wildwood	Upgrade park fixture	2035	12,000	18.05%	\$2,166
		Total	\$44,256,667		\$6,325,243

TABLE 7.3: Capital Improvement Plan – Expansion List

Location	Type	Year	Cost	PIF Eligibility	PIF-Eligible Cost
Downtown Park Expansion	Community Park	2027-2031	\$5,500,000	100%	\$5,500,000
South Light Rail Station Park	Community Park	2027-2031	\$11,000,000	100%	\$11,000,000
		Total	\$16,500,000		\$16,500,000

Note 1: These figures are preliminary estimates for planning purposes only, and should not be used for budgeting. Figures will be evaluated and updated during each budget cycle.