



King County

Office of Economic and Financial Analysis

MS ADM-0540
500 Fourth Avenue, Room 540
Seattle, WA 98104

August 15, 2014

The Honorable Dow Constantine
Chair, King County Forecast Council
Room 800
CHINOOK BUILDING

Dear Chair Constantine:

Please find attached the final King County Economic and Revenue Forecast for 2014. We have updated the July 2014 forecast based on the most currently available information and submit this updated forecast for consideration for use in final preparation of the budget.

In general, the revisions in this updated forecast for 2014-2015 are relatively modest. The most important new information captured is additional 2014 appraised values provided by the King County Assessor. Based on a little over forty-five percent of value reported, the countywide assessed value (AV) forecast has been revised upward (up 11.7 percent in 2014 compared with a 9.9 percent forecast in July). Unincorporated AV is forecast to increase more than was forecasted in July as the value changes processed in July increased significantly. In July it was forecast to increase about 5.2% percent whereas we are now forecasting an increase of about 10 percent. This improvement in the forecast is expected to result in more revenue for the Unincorporated Areas/Roads levy than was the case based on the July forecast since the levy is at its \$2.25 per \$1,000 of AV limit. Other forecast changes include a relatively small increase in taxable sales and small reductions in hotel taxes and real estate excise tax receipts.

We appreciate the opportunity to submit the updated forecast to the Forecast Council and look forward to further discussion at our forecast review meeting on Thursday August 21, 2014. Please contact me with any questions or concerns (477-3410).

Sincerely,

Dave Reich
Chief Economist, Office of Economic and Financial Analysis

Dave Reich
July 16, 2013
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Enclosures

cc: King County Forecast Council Members
 ATTN: Pat Hamacher, Senior Principal Legislative Analyst
 Wendy Soohoo, Principal Legislative Analyst
 Anne Noris, Clerk of the Council
 Jonathan Swift, PSB, Deputy Director