



## King County

Office of Economic and Financial Analysis

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

July 16, 2015

The Honorable Kathy Lambert  
Chair, King County Forecast Council  
Room 1200  
KING COUNTY COURTHOUSE

Dear Chair Lambert:

Please find attached the proposed King County Economic and Revenue Forecast for July 2015. We have updated the March 2015 forecast based on the most currently available information and submit this updated forecast for the consideration of the Forecast Council.

In general, the revisions in this forecast continue to indicate strong revenues for King County. The most recent national economic forecasts call for improved GDP growth in 2015 and 2016 despite a difficult first quarter. The Federal Reserve is likely to begin raising interest rates in support of their mandate of full employment and price stability later this year. County economic conditions continue to be favorable and County revenues reflect the strong local economy. Countywide assessed value should continue to increase this year although at a reduced rate relative to last year. Unincorporated area values appear to be up as well and the forecast is for growth in this area although anticipated annexations will impact this growth in 2016 and beyond. The 2015 taxable sales forecast has increased from March reflecting the continued strength that King County has experienced and that is forecast to continue. The forecasts for investment pool returns and inflation have changed by only small amounts. The REET forecast has increased due to the relatively strong performance so far in 2015.

We appreciate the opportunity to submit this updated forecast to the Forecast Council and look forward to further discussion at our forecast review meeting on Wednesday July 22, 2015. 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, 2015  
Page 2

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