



## King County

Office of Economic and Financial Analysis

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

July 14, 2017

The Honorable Dave Upthegrove  
Chair, King County Forecast Council  
Room 1200  
KING COUNTY COURTHOUSE

Dear Chair Upthegrove:

Please find attached the proposed King County Economic and Revenue Forecast for July 2017. We have updated the March 2017 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 continue to reflect steady GDP and employment growth in 2017 and 2018 and the Federal Reserve has increased rates twice so far in 2017 reflecting their belief in the health of the U.S. economy. County economic conditions continue to be mostly favorable and County revenues generally reflect the strong local economy. Countywide assessed value for the 2018 tax year (2017 assessment) is likely to reflect growth similar to last year. Unincorporated area values appear to be increasing as well and the forecast is for growth in this area although anticipated annexations will impact this growth in out-years. The 2017 taxable sales and sales tax revenue forecasts have been reduced a small amount for 2017 based on slower taxable sales growth seen thus far in 2017, but revised up in out-years reflecting changes made by the State legislature to sales tax law in the 2017 session. The forecast for investment pool returns has increased a small amount and the inflation forecasts have been changed in 2017 to reflect the recent weakening national and strengthening local inflation measures. The REET forecast has increased due to the relatively strong performance so far in 2017.

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

Sincerely,

Dave Reich  
Chief Economist, Office of Economic and Financial Analysis

Dave Reich  
July 14, 2017  
Page 2

Enclosures

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