

REVENUE ESTIMATES - METHODS AND TOTALS

DRAFT - October 6, 2016

Funding Source	Description	Method for Estimating Revenue	Annual Amount (2016\$)	Total Amount (30 years)	Notes	Allowed uses	Authority	Collection agency
Conservation Futures Tax (CFT)	A property tax levied annually, the revenue from which is distributed among city and county governments for use in acquiring fee or easement interests in conservation land as defined in Revised Code of Washington (RCW) 84.34	Estimates from OEFA for projected revenue earnings based on (and limited to) annual increases of 1% + new construction. Assumes 30% of CFT revenue after debt service.	Approx. \$3M	\$160,000,000	AV estimates from KC Office of Economic and Financial Analysis (OEFA). Bond debt will fall away, increasing collections.	Conservation acquisitions (capital)	RCW 84.34	King County
Real Estate Excise Tax - 1	A real estate excise tax paid by the seller on all real estate transactions. Total REET currently amounts to 1.78% State REET = 1.28% King County REET-1 = 0.25% King County REET-2 = 0.25%	Current allocation inflated over 30 years based on REET 1 projection from OEFA.	\$1,167,000	\$35,000,000	Based on OEFA projections. How REET-1 revenues are used is a policy choice. 2017-2018 biennium REET-1 for acquisitions are lower than what is proposed for 2017-2018 biennium.	Multiple capital and operating expenses.	RCW 82.45	Government with Jurisdiction
Flood Control District & FEMA (\$ for acquisitions)	A special purpose government created to provide funding and policy oversight for flood protection projects and programs in King County.	King County Rivers Section staff estimate an average of \$5 million annually for acquisitions. All acquisitions must advance flood projects and be authorized by Flood District Board.	Approx. \$5M	\$150,000,000	Acquisition strategy and pace depends on FCD policy. All acquisitions must advance flood projects and be authorized by Flood District Board.	Flood risk reduction projects - capital and O&M	RCW 86.15	Flood Control District
Future CFT Bonding Capacity	Up to half of the annual CFT revenue can be used to service bond debt. CFT bonds are councilmanic (i.e. do not require a public vote).	Analysis of bonding capacity of CFT in 2030 is estimated at \$161 million. (Assumes issuing no new bond debt until 2030). Many other bonding scenarios are possible.	\$5,333,000	\$160,000,000	Assumes issuing no new bond debt until 2030. Assumptions based on 2016 bond rates, which are likely to change.	Conservation acquisitions (capital)	RCW 84.34	King County
Transfer of Development Rights	A program enabling rural landowners to create transferable development rights (TDRs) from unused development potential in exchange for a conservation easement. Revenue generated by sale of TDRs.	Projections include expenditures of current and pending TDR Bank funds (\$11million+), and revenue from agreements with cities continuing to accrues at roughly the same pace as recent agreements.	\$2,333,000	\$70,000,000	Estimated TDR Prices likely to rise as urban infill becomes more valuable. Assumes capture and transfer of about 2800 TDRs (about 30% of available TDRs) at an average price of \$25K/TDR.	Conservation easement acquisitions; amenity funding for city partners; limited administrative costs	King County Code 21A.37; Growth Management Act	King County; possibly cities via amenity funding or in-city programs

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In Lieu Fee Mitigation	A program which sells "mitigation credits" to permittees whose projects create unavoidable impacts to aquatic resources.	Estimate based on approx. \$7M in acquisition expenditures from 2012 to 2016.	\$1,333,000	\$40,000,000	Includes assumption that several large urban river parcels will be protected as mitigation sites.	Conservation acquisitions, all phases of restoration projects; limited administrative costs	Federal CFR Part 332, King County Code 4A, Clean Water Act.	King County
Salmon Recovery Funding & Other State and Local Grants	Revenue from granting agencies for conservation acquisitions.	Average annual grant awards over last 10 years to KC Parks + WLR for acquisitions, multiplied by 30 years.	Approx. \$2.5M	\$80,000,000	Average based on 2007-2016	Acquisition and restoration projects	Multiple (depends on granting agency)	King County, WRIA partners
King County Parks Levy (\$ for Acquisitions)	Current levy, approved by voters in 2013 expires in 2019. Includes approximately \$7 million annually for acquisition and O&M of newly acquired natural lands.	Approx. annual acquisition expenditures in 2014-16 period multiplied by 30 years	Approx. \$7M	\$210,000,000	Levy must be approved by vote at approximately 6-year intervals.	Acquisitions, O&M, capital projects	RCW 84.52	King County
Current Use Taxation Enrollment (Avoided Cost)	A tax benefit program enabling landowners receive property tax reductions based on how they use their property. Property is taxed on values related to "current uses" instead of the "highest and best use." The amount of tax reductions landowners received is scaled relative to the types of use and the public benefits.	Estimated fee or easement acquisition value of 50% of lands in dataset currently enrolled in CUT program	NA	\$261,500,000	See cost estimate slides for additional detail.	NA	RCW 84.34	NA
Future Anticipated Ecosystem Service Markets	Markets may be established to trade ecosystem services when there is supply to create "credits" (e.g. intact forests with potential to store carbon) as well as demand for credits, which is usually created by regulations requiring offsets for impacts of certain activities.	Estimate based on performance of TDR and ILF markets	NA	\$50,000,000	Carbon, Water Quality and Stormwater regulatory guidance documents are under development at several agencies.	Specified by type or market and applicable regulations	TBD (likely state and federal regulatory agencies)	TBD
Philanthropy	Philanthropic contributions to conservation efforts.	Estimate based on discussions with land trust NGOs and foundations	NA	\$50,000,000	King County Parks Foundation is building its endowment.	Donor specified	NA	Recipient

Total Estimated Revenue **\$1,266,500,000**
 Estimated cost **\$1,650,000,000**
 Gap **-\$383,500,000**