



Peer Counties Fiscal Analysis Proposed Peninsula County and Island County (2023)

Prepared for the Peninsula County Exploratory Committee (PCEC)

Executive Summary

This report evaluates whether sufficient revenue exists to support formation of the proposed Peninsula County. The analysis compares verified property tax capacity within the proposed boundary to the adopted 2023 budget of Island County, a similarly structured Washington county. It also incorporates documented retail and commercial zoning comparisons.

Confirmed Property Tax Capacity

Total current-year taxable assessed value within the proposed Peninsula County boundary (Peninsula School District #401 and Anderson Island tax code areas):

\$24,724,669,942

Applying the 2023 county-related levy rate of 1.84 per \$1,000 results in estimated annual county property tax revenue of:

Approximately \$45.5 million annually

Peer County Benchmark – Island County (2023)

Island County’s 2023 adopted budget reports:

Property Tax Revenue	\$20.2 million
Total All-Funds Budget	\$131.4 million

Commercial Retail Comparison

The Retail Commercial Comparison Report documents that the Gig Harbor retail corridor contains approximately 200,000 to 250,000 more square feet of large-format anchor retail space than Island

County, including a warehouse club and higher grocery anchor density. This establishes comparable or greater retail infrastructure.

Implications for Other Revenue Streams

In Washington, counties derive substantial revenue from sales tax, Real Estate Excise Tax (REET), licensing and permit fees, charges for services, and intergovernmental transfers. Property tax represents only one component of total county revenue.

Because the proposed Peninsula County demonstrates comparable or greater retail square footage and commercial zoning intensity, it is reasonable to estimate that sales tax, REET, licensing, and fee-based revenues would be approximately equal to those of Island County. These categories are conservatively estimated as comparable and not assumed to exceed Island County levels.

Final Conclusion

First, the proposed Peninsula County would receive more than twice the confirmed property tax revenue of Island County.

Second, all other major county revenue streams, including sales tax, REET, licensing, and fee-based revenues, are structurally comparable based on documented commercial and retail capacity.

When combining confirmed property tax capacity with estimated comparable additional revenue streams, the proposed Peninsula County would begin with materially stronger fiscal capacity than its peer county benchmark.

References

Pierce County Assessor-Treasurer tax code confirmation and levy distribution data (2023).

Peninsula County parcel valuation dataset, current-year assessed values.

Island County 2023 Proposed Budget Hearing Presentation (December 5, 2022).

Retail Commercial Comparison Report: Gig Harbor Retail Corridor vs. Island County.