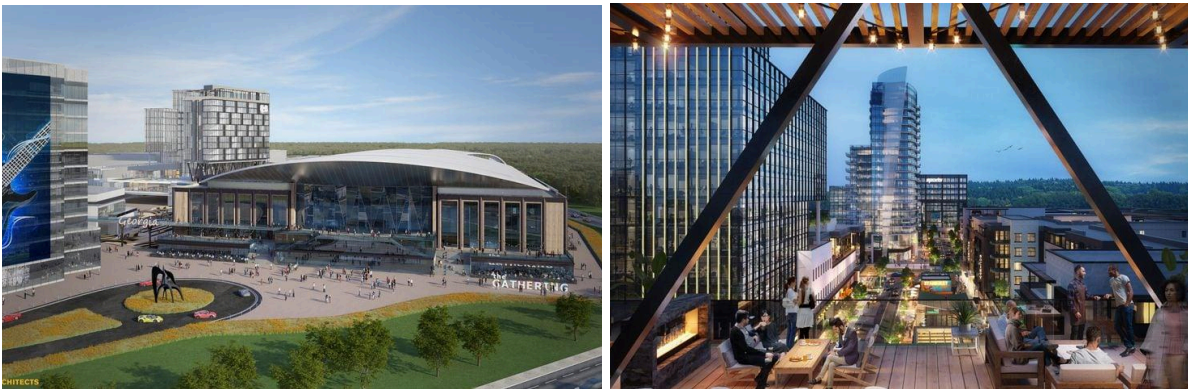


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What you need to know about Forsyth's Gathering and NHL negotiations

Proposed \$390 million subsidy package contingent on developer landing an expansion hockey team



After months of silence on the issue of potential public subsidies, Forsyth County taxpayers now know a potential amount of public funds commissioners could devote to an ambitious plan to bring pro hockey and a huge mixed-use community to a site along Ga. 400.

[The Gathering at South Forsyth](#) team envisions a \$700 million arena near Cumming surrounded by rows of apartments, retail, offices, hotels and parking decks. The project will likely cost more than \$2 billion, including the arena. But that doesn't include the substantial cost to the developer to establish a pro hockey franchise, assuming the NHL looks to expand.

Forsyth leaders have signaled they're prepared to chip in [\\$390 million of public funds](#) to help finance the endeavor on one condition — landing an expansion franchise before getting any taxpayer money.

Those negotiations are ongoing, with no binding paperwork in place. Here's what you need to know as commissioners consider the proposal:

Who is the developer? Car dealership owner Vernon Krause. He's the [CEO of Krause Auto Group](#), which operates 23 car dealerships with more than 1,000 employees across the Southeast.

Who else is on the development team? The Gathering team includes sports advisory Stafford Sports, law firms Bryan Cave Leighton Paisner and Dovin Ficken, planners from the firms of Nelson Worldwide and SCI Architects, and the U.S. Sports and Entertainment Development Advisory Practice of the real estate services giant JLL. Frank Ferrara, a former NFL finance director, was tapped last year [as the Gathering's senior project executive](#). Ferrara also led the effort to build Mullett Arena at Arizona State University, the temporary home of the NHL's Arizona Coyotes.

Does Krause have an NHL franchise? No. At least not yet. The Gathering developers have discussed seeking an NHL expansion team.

What would it take to land an NHL franchise? Pro hockey leadership would need to pursue expanding beyond the league's 32-team roster. NHL Commissioner Gary Bettman recently said, "We don't have expansion on the agenda right now," but Atlanta is on the short-list of cities seen as contenders if the league chooses to add teams. Other top options include Houston, Salt Lake City and Quebec City, Canada. Lamar Wakefield, an executive with Nelson, said it would take more than \$1 billion to set up an expansion franchise.

Could an existing franchise relocate? Potentially. The Coyotes are currently playing at Arizona State after voters in a Phoenix suburb [rejected a proposal](#) to use taxpayer funds to build a new arena last May. However, the Gathering team has said it's unlikely the Coyotes would move east and have said they're targeting expansion.

Does Krause have any other investors? Krause's team has declined to disclose any other potential project investors. Wakefield said the team would leverage the mixed-use aspects of the development to raise some of the needed funds.

Where is the project site? Originally zoned for a mall that never came to fruition, the 84-acre property is located along Union Hill Road near Ga. 400 in the southeastern Forsyth. Krause [paid \\$52 million](#) to buy the land in August 2022.

What would the project include? The [most recent plans](#) consist of an 18,700-seat arena surrounded by roughly 1 million square feet of office space, 400,000 square feet of retail space, a community center, a fire station and a sheriff's precinct. The site plan also includes 1,800 apartments, 150 single-family homes and multiple hotels with up to 500 rooms. Total on-site parking could be up to 8,780 spaces, most of it in decks.

What would Forsyth County provide? Current negotiations start with the county funding half of the arena's construction cost, a \$350 million subsidy. The county could also provide \$40 million to build one of the project's parking decks. All public financing is contingent upon the NHL awarding an expansion team ahead of time, officials said.

How does this compare to other sports-related developments? The Atlanta Braves [received \\$300 million](#) from Cobb County in 2013 when the team moved from downtown Atlanta to the Battery and Truist Park. State and local taxpayers [contributed \\$200 million in bonds](#) to Mercedes-Benz Stadium, backed by hotel-motel tax revenue. Hundreds of millions of additional dollars from the same tax will go toward the stadium over a total of 30 years. Atlanta also [contributed \\$142.5 million](#) to State Farm Arena's renovation in 2016.

What would be built if the NHL does not pick the Gathering for expansion? That remains unclear, but the Gathering team would be able to move forward with their plans — just without the substantial subsidies outlined in the agreement. The Gathering team has previously said an 18,000-plus seat arena would be viable even without an

anchoring sports team, but it would have to compete with other large venues for concerts and events.

If the NHL comes, would Forsyth need to do anything else? Yes, there are a few critical hurdles the county would need to clear with both the General Assembly and Forsyth voters. A majority of county voters would have to grant the county certain redevelopment powers through a referendum, allowing the county to create a Tax Allocation District. The state Legislature would also have to establish an arena authority and increase Forsyth's hotel-motel tax collections to 8% from 5%. Without those, the project "becomes extraordinarily challenging and essentially unfeasible," County Attorney Ken Jarrard said.

What would be the economic impact? The county commissioned an economic impact report from Ernst & Young, which found the entire Gathering project would generate \$2.6 billion in economic impact, while the project would create nearly 8,750 permanent jobs. Office jobs in the speculative buildings make up the largest portion of that forecasted job figure — 5,261. Corporate tenants would be the source of those workers, but there's also no guarantee the buildings would fully lease or that those jobs would be net new ones to the region. Roughly 35% of the total forecasted workers are expected to be Forsyth residents. Experts who analyze stadium and arena deals generally find that they do not live up to [the economic and job-creation promises](#) made to win public funding.

Would the county get any revenue from arena events? Yes, Forsyth would get \$1 for every event ticket sold for the arena's first five years. After that, the revenue would periodically increase until reaching \$2.50 per ticket after 16 years. A NHL franchise would also have to pay \$2 million a year to lease the arena and wouldn't be able to leave or relocate until all arena-related debt is settled. Stadium-related revenue would first go to the county's debt services, after which it could fund any county-related activity.

How long will it take to build the Gathering? The proposal is to build the project across four phases, fully completing it in 2033.