

The Gathering in South Forsyth County

Fiscal and Economic Impact Analysis

January 31, 2024

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Key project objectives and program overview

Analysis components

1. One-time construction impacts

1. \$2.6 billion spending
2. 9-year construction period (4 phases thru 2033)

2. Operating impacts

- 5 project components
- Operating impacts include tenant operations
- Substitution effects considered
- Resident impacts shown separately

3. Public-sector service cost analysis

- Education
- Police
- Fire

Overview: The Gathering

- Set to open in 2033, The Gathering is a proposed multiuse development that will be located in southern Forsyth County, Georgia

1,950 Residential units <i>(1,800 multi & 150 single)</i>	450 Hotel rooms <i>(2 hotels, 150-200 rooms)</i>
1.4 m sq. ft Office & retail space <i>(1 m SF office & 0.4 m retail)</i>	18,700 Arena seats

Summary: Net Present Value of the Project— **\$390 million**

County, School, and Fire

Net Present value of project with \$390m subsidy (\$ in millions)

Consideration period	With current hotel-motel tax (5%)		With 8% hotel-motel (3% additional)	
	Scenario 1: Without CID	Scenario 2: With CID	Scenario 3: Without CID	Scenario 4: With CID
25 years after bond issuance year (2049)	-\$4.0	\$15.6	\$10.4	\$30.0
30 years after bond issuance year (2054)	\$57.5	\$80.2	\$74.0	\$96.6

Assumptions

- Annual inflation of 3%
- Discount rate of 6%
- Assumes **County will issue \$390 million** in debt structured as a **6% coupon bond** with principal repayment at **20-year maturity in 2025**
- \$380 million in developer subsidies are provided upon bond issuance in 2025
- Operations ramp up starting in 2026 and stabilized operations commence in 2033
- Construction-related sales tax will be accrued over 9 years according to the percentage of the final development that is complete
- Annual \$2 million arena lease payment grows with inflation
- Impact fees are assessed in 2024
- Fire department starts operating in 2028
- Property tax millage rates remain the same as FY2024 and property value grows with inflation
- Property taxes include County, Fire and School District millage rates and exclude the CID - South Forsyth's share depending on the scenario shown

Tax impact by source (tax type/segment)

Taxes and revenue by segment and tax type, stabilized levels in current dollars

\$ in millions

Segment	Property tax	Sales tax	Impact fee	Hotel tax/fee	Arena ticket fee	Annual lease payment	Total
Hotel	\$2.0	\$1.3	-	\$1.6	-	-	\$4.8
Office	\$7.5	\$0.7	-	-	-	-	\$8.2
Retail	\$3.4	\$2.8	-	-	-	-	\$6.1
Residential	\$7.9	\$0.1	\$4.7	-	-	-	\$12.7
Arena	-	\$3.2	-	-	\$1.4	\$2.0	\$6.6
Parking lot (non exempted)	\$1.4	-	-	-	-	-	\$1.4
Annual total from operations	\$22.1	\$8.1	\$4.7	\$1.6	\$1.4	\$2.0	\$39.7
Additional 3% hotel-motel tax				\$0.9			\$0.9
Total w add. 3% hotel tax	\$22.1	\$8.1	\$4.7	\$2.5	\$1.4	\$2.0	\$40.7
One time from construction	-	\$11.0	-	-	-	-	-

Total public service costs estimate

County, School, Fire

- **One-time costs:** \$7.0 million for the County:
 - **Police:** \$500,000 (equipment and desk space)
 - **Fire:** \$6.5 million (station buildout and trucks/equipment)
 - **School:** No school construction costs
- **Annual costs:** \$8.0 million (County, Schools)
 - **Police:** \$600,000 (four deputies and one sergeant plus camera monitoring costs)
 - **Fire:** \$5.0 million (30 new firefighters)
 - **School:** \$2.4 million (248 new students)

Summary of public service costs impact (rounded)					
Public service cost	One-time investments	Annual recurring costs			Total Local - annual costs
		County	School	Fire	
School	\$0	--	\$2,400,000	--	\$2,400,000
Public safety	\$500,000	\$600,000	--	--	\$600,000
Fire	\$6,500,000	--	--	\$5,000,000	\$5,000,000
Total public service cost	\$7,000,000	\$600,000	\$2,400,000	\$5,000,000	\$8,000,000

Economic impact by segment

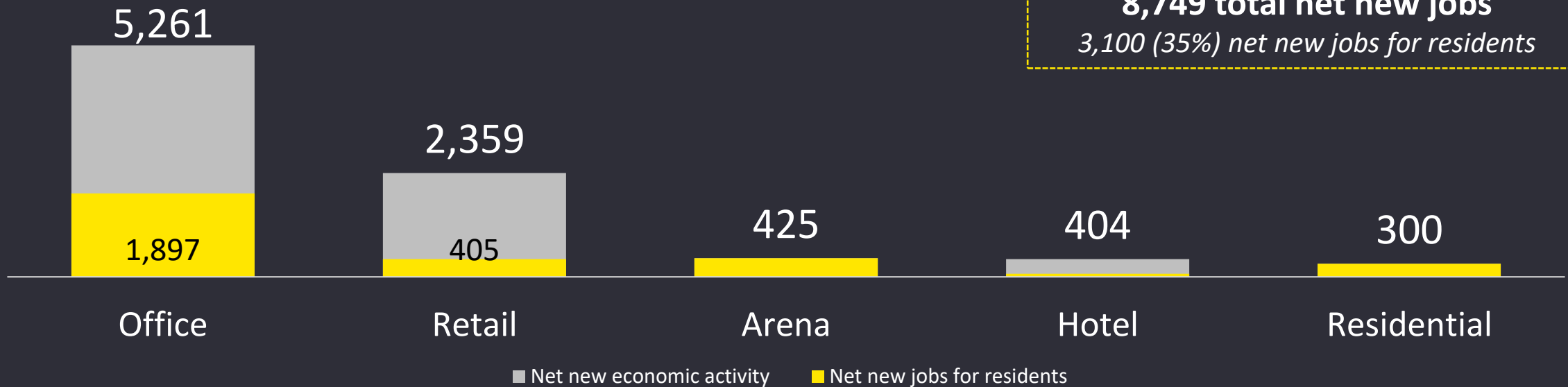
- ✓ **8,749 total net new jobs** will be supported, generating net new economic output of \$1.5 billion, \$552 million in value added, and \$375 million in labor income
- ✓ Out of 8,749 net new jobs, **3,100 (35%) are jobs for residents**
- ✓ **Office jobs** comprise the **largest percentage (>60%)** of net new jobs

\$552M total net new value added
\$378M direct net new value added

\$1.5B total net new output
\$1.1B direct net new output

8,749 total net new jobs
3,100 (35%) net new jobs for residents

Net new economic activity and net new jobs for residents, The Gathering



Appendix: NPV detailed tables

Scenario 1: Current (5%) hotel-motel tax rates and without CID property tax County, School, and Fire

Net cash flow estimation 2024-2035 (\$ in thousands)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2044	2049	2035
Tax and other revenue impact (inflated dollars)													
Property tax	\$0	\$0	\$7,295	\$7,513	\$15,613	\$16,082	\$16,564	\$17,061	\$22,361	\$25,254	\$34,957	\$40,525	\$46,979
County and school sales tax	\$1,102	\$1,703	\$7,664	\$7,894	\$9,899	\$10,196	\$9,844	\$10,139	\$10,675	\$11,236	\$15,554	\$18,031	\$20,903
Impact fees	\$4,704	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual lease payment	\$0	\$0	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$3,405	\$3,947	\$4,576
Hotel tax (5% County Hotel-Motel tax rate)	\$0	\$0	\$656	\$676	\$1,740	\$1,792	\$1,846	\$1,901	\$1,958	\$2,017	\$2,792	\$3,236	\$3,752
Arena ticket fee (\$1 per ticket sold)	\$0	\$0	\$1,441	\$1,485	\$1,529	\$1,575	\$1,622	\$1,671	\$1,721	\$1,773	\$2,454	\$2,845	\$3,298
Subtotal, taxes and fees	\$5,807	\$1,703	\$19,056	\$19,628	\$30,903	\$31,830	\$32,127	\$33,091	\$39,104	\$42,739	\$59,161	\$68,584	\$79,507
QBE funding	\$0	\$0	\$159	\$164	\$380	\$391	\$403	\$415	\$618	\$636	\$881	\$1,021	\$1,183
Total revenue	\$5,807	\$1,703	\$19,215	\$19,791	\$31,283	\$32,221	\$32,530	\$33,506	\$39,721	\$43,375	\$60,041	\$69,605	\$80,691
Public service cost (inflated dollars)													
School	\$0	\$0	-\$808	-\$833	-\$1,930	-\$1,987	-\$2,047	-\$2,108	-\$3,137	-\$3,231	-\$4,473	\$0	\$0
Public safety	\$0	\$0	\$0	-\$542	-\$701	-\$722	-\$744	-\$766	-\$789	-\$813	-\$1,125	-\$1,305	-\$1,512
Fire	\$0	\$0	\$0	-\$7,103	-\$5,796	-\$5,970	-\$6,149	-\$6,334	-\$6,524	-\$6,720	-\$9,301	-\$10,783	-\$12,500
Total public service cost	\$0	\$0	-\$808	-\$8,478	-\$8,427	-\$8,680	-\$8,940	-\$9,209	-\$10,450	-\$10,764	-\$14,899	-\$12,088	-\$14,013
Financing - coupon bond													
Bond proceeds		\$390,000											
Principal outstanding beginning of period	\$0	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$0	\$0
Bond yield	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Developer subsidy	\$0	\$390,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$390,000	\$0	\$0
Principal balance end of period	\$0	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$0	\$0	\$0
Debt service	\$0	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$0	\$0
Financing net cash flows net of Developer subsidies paid	\$0	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$413,400	\$0	\$0
Net cash flow	\$5,807	-\$21,697	-\$4,993	-\$12,086	-\$544	\$141	\$189	\$897	\$5,871	\$9,212	-\$368,258	\$57,517	\$66,678

Scenario 2: Current (5%) hotel-motel tax rates and with CID property tax County, School, Fire, and CID

Net cash flow estimation 2024-2035 (\$ in thousands)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2044	2049	2035
Tax and other revenue impact (inflated dollars)													
Property tax	\$0	\$0	\$7,873	\$8,109	\$16,786	\$17,290	\$17,808	\$18,343	\$23,849	\$27,003	\$37,379	\$43,332	\$50,234
County and school sales tax	\$1,102	\$1,703	\$7,664	\$7,894	\$9,899	\$10,196	\$9,844	\$10,139	\$10,675	\$11,236	\$15,554	\$18,031	\$20,903
Impact fees	\$4,704	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual lease payment	\$0	\$0	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$3,405	\$3,947	\$4,576
Hotel tax (5% County Hotel-Motel tax rate)	\$0	\$0	\$656	\$676	\$1,740	\$1,792	\$1,846	\$1,901	\$1,958	\$2,017	\$2,792	\$3,236	\$3,752
Arena ticket fee (\$1 per ticket sold)	\$0	\$0	\$1,441	\$1,485	\$1,529	\$1,575	\$1,622	\$1,671	\$1,721	\$1,773	\$2,454	\$2,845	\$3,298
Subtotal, taxes and fees	\$5,807	\$1,703	\$19,634	\$20,223	\$32,076	\$33,038	\$33,371	\$34,372	\$40,592	\$44,489	\$61,583	\$71,391	\$82,762
QBE funding	\$0	\$0	\$159	\$164	\$380	\$391	\$403	\$415	\$618	\$636	\$881	\$1,021	\$1,183
Total revenue	\$5,807	\$1,703	\$19,793	\$20,387	\$32,456	\$33,429	\$33,774	\$34,787	\$41,209	\$45,125	\$62,463	\$72,412	\$83,945
Public service cost (inflated dollars)													
School	\$0	\$0	-\$808	-\$833	-\$1,930	-\$1,987	-\$2,047	-\$2,108	-\$3,137	-\$3,231	-\$4,473	\$0	\$0
Public safety	\$0	\$0	\$0	-\$542	-\$701	-\$722	-\$744	-\$766	-\$789	-\$813	-\$1,125	-\$1,305	-\$1,512
Fire	\$0	\$0	\$0	-\$7,103	-\$5,796	-\$5,970	-\$6,149	-\$6,334	-\$6,524	-\$6,720	-\$9,301	-\$10,783	-\$12,500
Total public service cost	\$0	\$0	-\$808	-\$8,478	-\$8,427	-\$8,680	-\$8,940	-\$9,209	-\$10,450	-\$10,764	-\$14,899	-\$12,088	-\$14,013
Financing - coupon bond													
Bond proceeds		\$390,000											
Principal outstanding beginning of period	\$0	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$0	\$0
Bond yield	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Developer subsidy	\$0	\$390,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$390,000	\$0	\$0
Principal balance end of period	\$0	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$0	\$0	\$0
Debt service	\$0	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$0	\$0
Financing net cash flows net of Developer subsidies paid	\$0	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$413,400	\$0	\$0
Net cash flow	\$5,807	-\$21,697	-\$4,415	-\$11,491	\$628	\$1,349	\$1,434	\$2,179	\$7,359	\$10,961	-\$365,836	\$60,324	\$69,932

Scenario 3: With 8% hotel-motel tax rates and without CID property tax County, School, and Fire

Net cash flow estimation 2024-2035 (\$ in thousands)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2044	2049	2035
Tax and other revenue impact (inflated dollars)													
Property tax	\$0	\$0	\$7,295	\$7,513	\$15,613	\$16,082	\$16,564	\$17,061	\$22,361	\$25,254	\$34,957	\$40,525	\$46,979
County and school sales tax	\$1,102	\$1,703	\$7,664	\$7,894	\$9,899	\$10,196	\$9,844	\$10,139	\$10,675	\$11,236	\$15,554	\$18,031	\$20,903
Impact fees	\$4,704	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual lease payment	\$0	\$0	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$3,405	\$3,947	\$4,576
Hotel tax (8% County Hotel-Motel tax rate)	\$0	\$0	\$1,049	\$1,081	\$2,783	\$2,867	\$2,953	\$3,041	\$3,133	\$3,227	\$4,466	\$5,178	\$6,003
Arena ticket fee (\$1 per ticket sold)	\$0	\$0	\$1,441	\$1,485	\$1,529	\$1,575	\$1,622	\$1,671	\$1,721	\$1,773	\$2,454	\$2,845	\$3,298
Subtotal, taxes and fees	\$5,807	\$1,703	\$19,449	\$20,033	\$31,947	\$32,905	\$33,234	\$34,231	\$40,278	\$43,949	\$60,836	\$70,525	\$81,758
QBE funding	\$0	\$0	\$159	\$164	\$380	\$391	\$403	\$415	\$618	\$636	\$881	\$1,021	\$1,183
Total revenue	\$5,807	\$1,703	\$19,609	\$20,197	\$32,327	\$33,296	\$33,637	\$34,646	\$40,896	\$44,585	\$61,716	\$71,546	\$82,942
Public service cost (inflated dollars)													
School	\$0	\$0	-\$808	-\$833	-\$1,930	-\$1,987	-\$2,047	-\$2,108	-\$3,137	-\$3,231	-\$4,473	\$0	\$0
Public safety	\$0	\$0	\$0	-\$542	-\$701	-\$722	-\$744	-\$766	-\$789	-\$813	-\$1,125	-\$1,305	-\$1,512
Fire	\$0	\$0	\$0	-\$7,103	-\$5,796	-\$5,970	-\$6,149	-\$6,334	-\$6,524	-\$6,720	-\$9,301	-\$10,783	-\$12,500
Total public service cost	\$0	\$0	-\$808	-\$8,478	-\$8,427	-\$8,680	-\$8,940	-\$9,209	-\$10,450	-\$10,764	-\$14,899	-\$12,088	-\$14,013
Financing - coupon bond													
Bond proceeds		\$390,000											
Principal outstanding beginning of period	\$0	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$0	\$0
Bond yield	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Developer subsidy	\$0	\$390,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$390,000	\$0	\$0
Principal balance end of period	\$0	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$0	\$0	\$0
Debt service	\$0	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$0	\$0
Financing net cash flows net of Developer subsidies paid	\$0	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$413,400	\$0	\$0
Net cash flow	\$5,807	-\$21,697	-\$4,600	-\$11,681	\$499	\$1,216	\$1,297	\$2,038	\$7,046	\$10,422	-\$366,583	\$59,459	\$68,929

Scenario 4: With 8% hotel-motel tax rates and with CID property tax County, School, Fire, and CID

Net cash flow estimation 2024-2035 (\$ in thousands)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2044	2049	2035
Tax and other revenue impact (inflated dollars)													
Property tax	\$0	\$0	\$7,873	\$8,109	\$16,786	\$17,290	\$17,808	\$18,343	\$23,849	\$27,003	\$37,379	\$43,332	\$50,234
County and school sales tax	\$1,102	\$1,703	\$7,664	\$7,894	\$9,899	\$10,196	\$9,844	\$10,139	\$10,675	\$11,236	\$15,554	\$18,031	\$20,903
Impact fees	\$4,704	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual lease payment	\$0	\$0	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$3,405	\$3,947	\$4,576
Hotel tax (8% County Hotel-Motel tax rate)	\$0	\$0	\$1,049	\$1,081	\$2,783	\$2,867	\$2,953	\$3,041	\$3,133	\$3,227	\$4,466	\$5,178	\$6,003
Arena ticket fee (\$1 per ticket sold)	\$0	\$0	\$1,441	\$1,485	\$1,529	\$1,575	\$1,622	\$1,671	\$1,721	\$1,773	\$2,454	\$2,845	\$3,298
Subtotal, taxes and fees	\$5,807	\$1,703	\$20,028	\$20,628	\$33,120	\$34,113	\$34,478	\$35,513	\$41,766	\$45,699	\$63,258	\$73,333	\$85,013
QBE funding	\$0	\$0	\$159	\$164	\$380	\$391	\$403	\$415	\$618	\$636	\$881	\$1,021	\$1,183
Total revenue	\$5,807	\$1,703	\$20,187	\$20,792	\$33,499	\$34,504	\$34,881	\$35,928	\$42,384	\$46,335	\$64,138	\$74,354	\$86,196
Public service cost (inflated dollars)													
School	\$0	\$0	-\$808	-\$833	-\$1,930	-\$1,987	-\$2,047	-\$2,108	-\$3,137	-\$3,231	-\$4,473	\$0	\$0
Public safety	\$0	\$0	\$0	-\$542	-\$701	-\$722	-\$744	-\$766	-\$789	-\$813	-\$1,125	-\$1,305	-\$1,512
Fire	\$0	\$0	\$0	-\$7,103	-\$5,796	-\$5,970	-\$6,149	-\$6,334	-\$6,524	-\$6,720	-\$9,301	-\$10,783	-\$12,500
Total public service cost	\$0	\$0	-\$808	-\$8,478	-\$8,427	-\$8,680	-\$8,940	-\$9,209	-\$10,450	-\$10,764	-\$14,899	-\$12,088	-\$14,013
Financing - coupon bond													
Bond proceeds		\$390,000											
Principal outstanding beginning of period	\$0	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$0	\$0
Bond yield	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Developer subsidy	\$0	\$390,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$390,000	\$0	\$0
Principal balance end of period	\$0	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$0	\$0	\$0
Debt service	\$0	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$23,400	\$0	\$0
Financing net cash flows net of Developer subsidies paid	\$0	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$23,400	-\$413,400	\$0	\$0
Net cash flow	\$5,807	-\$21,697	-\$4,022	-\$11,086	\$1,672	\$2,424	\$2,541	\$3,319	\$8,534	\$12,171	-\$364,161	\$62,266	\$72,183