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ED&IA STAFF REPORT **September 24, 2026**

TO: ED&IA Board

FROM: Steve Banks, Assistant Town Administrator
Micah Wood, Town Administrator & Town Planner
Andrew Mills, Town Attorney

SUBJECT: ED&IA Resolution 2026-001 – Intergovernmental Financial Assistance Agreement between the ED&IA and Town of Thompson's Station

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PURPOSE

The purpose of this Resolution and Intergovernmental Financial Assistance (IFA) agreement is to establish the terms and conditions, including the interest rate and principal amount in relation to eligible public improvements, and how the IFA Agreement will function as a financial mechanism pursuant to State law between the ED&IA and the Town of Thompson's Station.

BACKGROUND AND STAFF REPORT

About 18 months ago, the Simon Property Group approached the Town to discuss a potential new outdoor retail, entertainment, and hospitality development at 1733 Lewisburg Pike on a site of approximately 100 acres which has been zoned Commercial since 2008. All uses proposed by Simon are permitted by-right in the Community Commercial Zoning District, subject to meeting the high standards for site development included in the Town's Land Development Ordinance. The proposed development evolved over the intervening period as Town Officials worked with Simon to ensure this development, the largest in Thompson's Station's history, fits within the character of the community while also providing significant and meaningful public improvements that benefit the broader community.

In June, the Planning Commission approved the Site Plan for the Sagefield development, which includes 16 buildings and approximately 496,366 square feet of retail, entertainment, and restaurant uses. This approval followed more than 300 hours of Staff review and a 3-hour Planning Commission meeting, during which the Commission scrutinized the project to ensure every aspect of the proposed plan, including on-site and off-site improvements, meets or exceeds the Town's high standards. With the Planning Commission approval in June, the Site Plan for the Sagefield development became vested.

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After the Site Plan was approved, the Town and Simon began crafting the IFA agreement. With a shared expectation between the Town and Simon that all public improvements must be completed before the opening of the Sagefield development, a financial backstop was needed to accelerate completion of the public improvements. Town Staff led the creation of the IFA to allow these improvements to be implemented while limiting risk to the Town.

As the largest development in Town history, the following provides additional context on the scale of the economic impact of the Sagefield development, which is relevant to the ED&IA's consideration of this agreement:

- The overall annual estimated economic impact is $830 million.
- Public-facing improvements exceed $61 million.
- The public improvements included in the IFA account for $42 million of the $61 million in public-facing improvements.

The IFA presented for ED&IA review and approval accomplishes these goals and provides for a fiscally responsible agreement. The following provides a high-level summary of the IFA for ED&IA consideration:

- The IFA presented for consideration includes $42 million in off-site eligible public infrastructure improvements that will be owned by the Town and the State of Tennessee, entirely paid from new revenue (local options sales tax);
- Major highlights of the improvements enabled by this agreement include significant overhauls to Lewisburg Pike, becoming a 4-lane state highway along the corridor, and additional capacity on the 840 Westbound off-ramp;
- The development is obtaining the financing for the improvements, not the Town or the ED&IA;
- The development is performing the work, not the Town or the ED&IA;
- All improvements must be installed and dedicated over to the Town and the State of Tennessee before the development can open to the public;
- Traffic flow along Lewisburg Pike is improved with both the infrastructure improvements and the development, with the broader community benefiting at least a decade before these improvements would otherwise be realized;
- The IFA provides for a 50/50 split of the Town's portion of the local option sales tax dollars actually generated from the development;
- State and County (including the portion dedicated to Williamson County Schools) sales taxes are unaffected;
- Funds are not being diverted from the Town's general fund or property taxes;
- The new generation of sales tax dollars (specifically the Town's local option sales tax) is the sole source of the funding, which is dependent on the economic viability of the development and limited by the term of years (29) in the IFA; and
- These factors substantially limit risk to the Town, enable accelerated installation of

crucial public infrastructure, and provide additional revenue for the Town and the County that would not exist without the development.

Upon approval of the IFA by the ED&IA, the BOMA must also approve the IFA by Resolution. The ED&IA, as a party to the agreement and the Town's designated Economic Development Board, will be charged with monitoring compliance with the agreement until the term is completed or the balance is paid in full, whichever occurs earlier in time.

FINANCIAL IMPACT

The financial impact will be a substantial increase in sales tax revenues for the Town that will be split 50/50 with Simon Group; specifically, 50% of all new sales tax revenue will remain with the Town and the other 50% will be applied to the financing applicable to the eligible public improvements installed by the development, as defined in the IFA agreement. This will increase the Town's total sales tax revenues once the development is operational, which will occur only after all eligible public improvements are installed and dedicated to the Town and State of Tennessee. Once the principal is paid in full or the term is completed (as applicable) under this IFA agreement, the sales tax revenue split will terminate. The term limits the Town's financial exposure by capping the split at 348 months. Upon payoff or termination, the Town will realize 100% of the local option sales tax revenue generated from this site going forward. The State of Tennessee remains responsible for future maintenance of Lewisburg Pike, while the Town remains responsible for local Town roads and traffic signals.

STAFF RECOMMENDATION:

This resolution approving the IFA accelerates major public improvements, including Lewisburg Pike and the Town's wastewater network, that are otherwise more than a decade away from consideration. Lewisburg Pike is not currently included in TDOT's 10-year plan, which means no state funds are available for improvements on this corridor that are currently needed. This Resolution approving the IFA supports the Board's purpose of fostering economic development and accelerating infrastructure improvements within the Town.

Therefore, Staff recommends approval of ED&IA Resolution 2026-001 which approves the IFA agreement.