



BOMA STAFF REPORT

October 13, 2026

TO: BOMA

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

SUBJECT: Resolution 2026-027 – A Resolution to approve the Intergovernmental Financial Assistance Agreement between the ED&IA and Town of Thompson's Station and the Development Agreement for the Sagefield Mall

PURPOSE

The purpose of this Resolution is to approve the Intergovernmental Financial Assistance (IFA) and the Development Agreement (DA) for the Sagefield Mall development. The 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 Economic Development and Infrastructure Acceleration Board (ED&IA) and the Town of Thompson's Station. The Development Agreement is a modification of the Town's standard agreements utilized for all developments in Town to memorialize adherence to Land Development Ordinance processes and procedures. The modifications are necessitated because of the IFA and the approach of constructing all public improvements prior to the opening of the development to the public.

BACKGROUND AND STAFF REPORT

About 20 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.

The BOMA approved a Memorandum of Understanding to set the parameters of the IFA for the ED&IA Board to consider at the May meeting.

After the Site Plan was approved, Town Staff 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, using the BOMA approved MOU as the parameters of the agreement.

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 BOMA 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.

IFA Overview

The IFA presented for BOMA review and approval after the ED&IA approved at their September meeting accomplishes the goals of the MOU and provides for a fiscally responsible agreement. The following provides a high-level summary of the IFA for BOMA 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.

Development Agreement Overview

This Development Agreement has been modified from the standard agreement to consider for the typical projects that account for the IFA agreement and the accelerated construction of all public improvements for the Sagefield Mall project. The changes incorporated include:

- Added provisions throughout incorporate the Intergovernmental Financial Assistance (IFA) Agreement elements;
- Clarification of language throughout given the current status of the Sagefield Project with a vested site plan approved by the Planning Commission;
- Clarification of dedication of infrastructure procedures, as the dedication is one of the three triggers for the IFA Agreement;
- Expanded cure period for a notice of violation to thirty (30) days;
- Expanded notice to Town of any transfers in ownership to forty-five (45) days;
- Confirmation that the original developer is not relieved of any obligations upon transfer;
- Direct reference to the Developer's *Commercial Reservation of Wastewater Capacity Agreement with the Town of Thompson's Station*;
- Clarification of tree mitigation and replacement requirements;
- Addition of Developer's remedies in light of IFA Agreement provisions;
- Addition of impact fee timeline for applicable impact fees due to the nature of the development being exclusively non-residential;
- Addition of requisition and reimbursement process incorporating the elements required under the IFA Agreement as terms and conditions between the Town and the Developer; and
- Addition of ED&IA Board as a third-party beneficiary.



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.

ED&IA APPROVAL:

The ED&IA Board approved the IFA at their September 24th meeting.

STAFF RECOMMENDATION:

This Resolution approving the IFA and DA 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 and DA supports the Board's purpose of fostering economic development and accelerating infrastructure improvements within the Town.

Therefore, Staff recommends approval of Resolution 2026-027 which approves the IFA agreement and the DA for the Sagefield Mall development.