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March 20, 2026

VIA EMAIL & HAND DELIVERY

Janie Varnell  
County Attorney  
625 Georgia Avenue, Suite 204  
Chattanooga, TN 37402

**Re: Response to Letter dated March 5, 2026 re: Development Agreement (U.S. Pipe and Wheland Foundry Site)—Compliance with Development Milestones**

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Dear Ms. Varnell:

I write on behalf of Pipe Properties & Perimeter Properties (the site owners) in response to your March 5th letter requesting a status update on development in the TIF district surrounding the new Lookouts stadium (Foundries District). It appears you may not have the final signed copy of the agreement, so, I enclose it for your records. Below, we address the specific information requests from your letter.

The first deadline your letter mentions from the "Targeted Development Thresholds" in Section 3(c) of the Development Agreement occurs five years after the stadium receives its certificate of occupancy. The site owners and New City are making expected progress at this early stage and, in many ways, are ahead of schedule for meeting the First Targeted Development Threshold. For example, the site owners are in advanced negotiations with New City for New City to acquire another parcel near the stadium for additional private development, and New City has already submitted civil construction documents for permitting for that second parcel. Site owners and New City are also making progress on plans for short-term and long-term activation of "The Shed" (the former foundry building immediately adjacent to the stadium), recently announcing a deal for a beer garden operated by Creature Comforts based in Athens, GA. Additionally, the parties are in discussions with other entities interested in office space near the stadium. Despite macroeconomic headwinds, the Foundries District surrounding Erlanger Park is moving ahead with momentum.

Next, regarding the Phase I Development, no "Development Focus Shift" has been proposed. New City assures us they remain committed to the "Anticipated Phase I Development" defined in the Agreement and they are working diligently toward that goal.

Typical of complex developments, the design and permitting process is multi-phased, regularly adjusted based on feedback from design and engineering professionals, the general contractor, the market, and

planning staff, zoning bodies, and code officials on behalf of the City. The drawing and permitting timeline up to now has been as follows:

- Site owners and New City submitted for initial site grading and utilities permits on November 8, 2024, as part of the post-issue amendment No 2.
- New City obtained initial schematic design drawings from its local architect by December 20, 2024. Those drawings were revised and detailed several times, with the latest version of the SD set dated January 29, 2025.
- The drawings were further detailed to the design development level by June 4, 2025.
- New City appeared before the Form Based Code Committee and obtained variance approval on July 10, 2025.
- In connection with approved variances and feedback from City staff, New City obtained a revised design development set on October 31, 2025.
- New City appeared before BOCA on November 14, 2025 to determine how the designated no-build area in the existing Stadium Declaration impacts certain requirements related to building placement near adjoining property lines.
- New City submitted its civil construction documents for the site specific Land Disturbance Permit on February 13, 2026.
- Based on feedback from all reviewers at the City in response to the February 13 submittal, New City re-submitted construction documents on March 18, 2026.
- New City completed pre-submittal review on March 3, 2026, for its next stage of permits related to the Phase I Parcel (formal submission being imminent).
- New City has requested an air rights/building overhang encroachment easement from the Sports Authority in connection with the final building design (initially requested in early October 2025, revised based on the BOCA meeting feedback, and the latest version is currently under review by the Sports Authority).

The above milestones are precedent requirements for the final building permit, which is New City's current focus. While New City is working on the building permit, construction has continued toward the development. All on-site and off-site utility connections and corresponding infrastructure for the Phase I Development have been completed. The building pad for the Phase I Development was completed on or before February 10, 2026, and the design team is currently working on the closure of the corresponding permit.

Ensuring that the Erlanger Park construction schedule remained on time and on budget required the site owners and developer to conscientiously coordinate with the Sports Authority and stadium contractor, including on site access across the Phase I Parcel. Erlanger Park construction remains on time and on budget despite inflationary pressures and complex supply chain challenges and will be ready for opening day on April 14<sup>th</sup>. We have no concerns about New City meeting the originally contemplated construction timeline for completion.

County Attorney

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We appreciate the opportunity to provide you with an update on the Foundries District which is already catalyzing private investment into the nearby community. We are happy to provide updates when requested, but also note that for over two years, Pipe Properties & Perimeter Properties (site owners), New City (the master developer), and the Chattanooga Lookouts have held weekly status meetings every Friday by Microsoft Teams, inviting the Sports Authority, the City of Chattanooga, and Hamilton County. We encourage the County to have a representative attend those going forward, as the purpose of that call is for the parties to provide real-time updates and keep all stakeholders informed of the progress. We are grateful for Hamilton County and the City of Chattanooga's continued partnership and interest in this important development.

Sincerely,

A handwritten signature in blue ink that reads "Kirby W. Yost". The signature is written in a cursive, flowing style.

Kirby Yost, on behalf of the Site Owners

cc: Phil Noblett, Attorney for Sports Authority  
Jim Irwin, New City

Enclosure: Development Agreement (US Pipe and Wheland Foundry Site) dated October 29, 2024