

AGENDA

MONTHLY MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

Monday, April 20, 2026 @ 11:00 AM

1. Call meeting to order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Minutes approval for the March 2, 2026, monthly meeting.
4. Recognition of any person wishing to address the Board.
5. Presentation of VW Finance Reports by Eleanor Liu.

6. **North River Access Road TIF**

A resolution engaging Stifel, Nicolaus & Company, Incorporated, as underwriters for a proposed Tax Increment Financing (TIF) relating to the North River Commerce Center Industrial Park and the North Access Road Economic Development Area.

7. **Northgate Mall TIF**

A resolution approving an Intergovernmental Financial Assistance Agreement between the City of Chattanooga, Tennessee, and the Industrial Development Board of the City of Chattanooga relating to the Northgate Mall Redevelopment Project.

8. **Small Business Incentive Grant**

A resolution authorizing an award of a Small Business Incentive Grant to Kalabo Investments, LLC d/b/a Kalabo Paper Products, in the amount of \$9,174.00. **SBI-(34)**

9. **Other Business – Discussion Items**

10. Adjournment.



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
John P. Franklin Sr. City Council Building
Assembly Room
Chattanooga, Tennessee
for
Monday, March 2, 2026
11:05 AM**

Present were Althea Jones (Chair), Gordon Parker (Vice-Chair), Jimmy F. Rodgers, Jr., Nadia Kain (Assistant Secretary), Melody Shekari, Brent Goldberg, and David Hudson. Absent were Jim Floyd (Secretary) and Marcus Cade-Johnson.

Also Present were: Attorney for the Board, Phillip A. Noblett; David Neuhoff and Jon Mishel (CBL); Helen Burns Sharp (ATM); Gail Hart (Real Property); Brian Smart, Matt Dale, and Eleanor Liu (Finance); Mark Mamantov (Bass Berry & Sims); Richard Beeland, Charita Allen, and Winston Brooks (Economic Development); and Mark Heinzer (Wastewater).

Chairwoman Althea Jones confirmed that a quorum was present to conduct business, and the meeting was properly advertised.

Chairwoman Jones introduced and welcomed the new board member, Mr. David Hudson. Mr. Hudson is a life-long citizen of Chattanooga, has been an architect for 40 years, on his way out of architecture, and into public service. Glad to be here and looking forward to serving with you all.

MONTHLY MEETING OF FEBRUARY 2, 2026 – MINUTES APPROVAL

On motion of Mr. Rodgers, seconded by Ms. Shekari, the minutes of the February 2, 2026, monthly meeting were approved as submitted.

PUBLIC COMMENTS

MARK HEINZER, Administrator **Wastewater Department**

Last month, Mr. Heinzer gave an update on our e2i2 project and an update on the construction. The question posed was what kind of impact does this have on the local economy? Mr. Heinzer has some answers today. He did not have enough time to get them on the agenda but wanted to make sure you knew what we were doing.

Looking at jobs that were created by the project, there were 39 local hires that the contractors and subcontractors were under this construction job. The bigger part of this is the amount of investment that was made with local vendors, whether its materials, suppliers of concrete, steel, equipment rentals, and also purchases like pumps and other things. That totaled over \$39 million. The \$39.7 million roughly has been spent with local vendors and equipment professionals to make sure this project is getting off the ground. It is a significant amount of money.

The other project we are doing in partnership with the IDB is the Class A Power Project which will be similar numbers, but we are very early in the design phase. It is too early to tell if that project is larger dollar amounts and similar construction we are talking about large tanks and pumps and things like that. Mr. Heinzer suspects that it will be rather similar in nature and will report on that as soon as we have that information.

Attorney Phil Noblett said that is regeneration of natural gas. Mr. Heinzer said the Class A Power Project is where we will be taking the methane that we already produce with our process and converting that to electricity. That is actually going to reduce energy consumption, reduce strain on the grid, and reduce our electric bill at the plant. Operationally, there will be a reduction in our operational costs going forward and also providing a stability for the grid in the area as well. Big project with a big impact and helps beyond our fences. A presentation was made a few years back.

HELEN BURNS-SHARP, Founder **Accountability for Taxpayer Money (ATM)**

Ms. Helen Burns Sharp is a citizen and one who has followed Chattanooga's TIF program during its 14-year history and was a former City Community Development Director who worked on four TIF projects in her career. Ms. Sharp is not anti-TIF.

The City's TIF policies have improved over the years. ATM has developed a short list of amendments needed to improve them. Ms. Sharp looks forward to working with Ms. Charita Allen and Mr. Winston Brooks to see if they will become advocates for these changes.

Since the Northgate TIF is on today's agenda, Ms. Sharp will briefly refer to it. Two of the suggested policy changes that we are making is that we believe that by the time something gets to the IDB and the City Council, Ms. Sharp does not want to say it is a done deal, but it is fully

formed. It is very difficult when it gets to this dais for the Council and IDB to make any changes, it is sort of on approval track. To deal with this issue, we feel that we need to make sure that the IDB and City Council get answers to key questions earlier and those can be in a staff report when it comes to the Board. Some of the questions we believe need to be asked as part of the negotiation process and maybe they are, but ask during the negotiation process, and answered so when you get the staff report, you will see these questions and answers. These answers go beyond questions like; do we all want to see Northgate Mall revitalized? Yes. Likes CBL and proud that a company of its statue based in Chattanooga? Yes. We agree on that. But there are some other questions that Ms. Sharp thinks we should be asking and maybe we are, but sometimes they don't get mentioned in the presentations. Some of these questions are:

- What is the public benefit that justifies taxpayer participation? In the case of the Northgate TIF project, we can all agree that the City will be the beneficiary of a new sanitary sewer line and much improved stormwater system. Ms. Sharp would agree, yes, there is justification for taxpayer participation.
- The key question becomes what amount or percentage of public investment is appropriate? The applicants would say 100% and probably the Hixson Utility District would say 100%. They are getting a new water line paid for by Chattanooga property taxpayers, but their response is when the City approached them is not in your budget. Ms. Sharp does not want us to be seen as just deep pockets that we can fund anything, that we need to come up with something that is clear and equitable all the way around.
- In the case of this, and Ms. Sharp has mentioned this before, it is not new, are there more appropriate tools in the TIF for this project? Ms. Sharp believes that an assessment district where you take the area and figure out who is going to be benefiting would say the City is the beneficiary and maybe we put in 30% or whatever, and then obviously, Hixson, CBL, and Mr. Issa's firm, they are going to benefit because if this undeveloped land develops, that will be beneficial to them, and to a lesser degree many of the businesses along 153 that are on the utility systems would benefit. That is why Ms. Sharp thought an assessment district. Mr. Mamantov is here and he can explain that what we have in state law does not exactly work with this kind of project, and he is probably correct. Ms. Sharp was thinking let's change state law and make it fit something like this because that would be an ideal tool to figure out who specifically benefits than try to portion a benefit based on that.
- Is this project truly dependent on TIF funding? Would the project happen anyway?
- The long-term effects on the City's tax base, is there a redevelopment plan? A redevelopment plan really needs to happen early on, and this is a key thing where the City Council became concerned and had a lot of good discussion about whether we all want it to be revitalized but we want it to be mixed-use, but what we are hearing about is an apartment complex as Phase 1. Ms. Sharp thinks they were anti-apartment complex as part of mixed-use. That could be an ingredient, but they were wanting Northgate Mall, it needs to evolve, but it's not what it used to be, but a place that is energetic and active and draws people in. Ms. Sharp thinks they were concerned about we don't want this to become too residential thinking apartments could be part of the picture and they also were concerned that the zoning there now, in an ideal world,

allows most commercial uses, including storage buildings. Ms. Sharp does not think that is what anybody envisions, including probably the applicant. At the same time, there is nothing really to prohibit that right now. It would be nice to have sort of redevelopment plan at the front end to find out what they vision this development to be. Important site features like waterways, hillsides, trees, or historic resources, are they being thoughtfully addressed.

- It seemed to Ms. Sharp like if you had questions to answers like that on the front end and the Council did, that might be helpful. These are not antidevelopment questions.
- The second thing in addition to getting more information ahead of time, is Ms. Sharp strongly believes that the City Council needs a clearly defined role in reviewing Development Agreements before they come to the IDB. Two key things as you know, the IDB did an Economic Impact Plan on the front end, and the Development Finance Agreement which the Board will probably act on today, is part of the closing. That comes at the rear end. You may not be aware that the City Council never sees, maybe they do, the Development Agreement that Mr. Mamantov and staff are working on for several months.
- Since the Council discussed it in December, it has not been delayed that often. Did not think they would keep it from the Council but at the same time when the Council makes its decision, the Development Agreement is not written and ideally the Development Agreement might incorporate some of the things the Council raised in their questions. This is the first time that Ms. Sharp can recall this for 14 years, the City Council haven't requested review. They are the ones that appoint this body. They have requested the Board to please have more robust public involvement process. That is included in the Development Agreement but there is not a lot of specificity and is sure they will. They are an honorable company that say they are going to do it and say they will. But there might be a little bit of specificity in that in terms whether it says something like "x" percent resident or no storage units. It is very vague and general.
- Ms. Sharp thinks that we have been elected policymakers who spend a lot of time on that and would like for the Board to have seen the discussion that went on. This was at several City Council meetings and really got into this and had some specific ideas. They did not think they had the answers. What Ms. Sharp would envision is something like because of the State Constitution, the City Council can approve these that is why we have the IDB but we could put something in place where they do what they do on the Economic Impact Plan where they view it, ask questions and maybe make suggestions and then they refer it to the Board with a resolution stating that it is in the best interest of the City.
- After further discussion, Ms. Sharp said these are things that need to be discussed and knows the CBL thing is before you now and wish it well. It will be a good project but believe we need to tighten our TIF policies. We need to make sure because CBL is looking out for their shareholders. We need to be looking out for the public and our citizens and small businesses and taxpayers. Can we tighten our process to make sure that we are negotiating. When you have a public private partnership in Chattanooga, we have a strong private sector, but we need public sector people who are going to negotiate to come up with something that is fair all the way around. Ms. Sharp's e-mail is attached to these minutes.

RESOLUTION

Northgate Mall Infrastructure Project TIF

On motion of Mr. Rodgers, seconded by Mr. Goldberg,

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA AUTHORIZING THE EXECUTION OF A DEVELOPMENT AND TAX INCENTIVE AGREEMENT RELATING TO THE NORTHGATE MALL INFRASTRUCTURE PROJECT.

Mr. Winston Brooks said this item is for approval of a negotiated agreement the City of Chattanooga and Northgate Partners has negotiated. We think it is a fair agreement. The staff recommends approval of the agreement and provides necessary infrastructure upgrades without putting the City's General Fund at risk and acknowledges the community engagement standards request by the City Council.

The proposed Development and Tax Incentive Agreement of Hixson Mall LLC regarding the Northgate Mall Infrastructure Project involves the replacement or encroachment of inadequate private water, sewer, and stormwater systems within the nearly 71.43 acres at the Northgate site. These improvements are necessary to meet public standards, transfer utility ownership to the appropriate public entities, and the transformation of the site for mixed-use development.

It is also important to note that this is important for the site to be returned to its highest and best use. There are 14 parcels that are on the perimeter of the property that use this same system. It will maintain those operations without any interruption or for emergency repair if this was not in place.

The key dates with this project so that the developer is obligated to design and construct the infrastructure consistent with the City of Chattanooga Hixson Utility District standards. The effective date will be 2026 pending passage of the resolution. The design deadline is 15 months from the effective date of the agreement and shall be terminated prior to the design of the project is determined not to be financially feasible.

Phase 1 for the completion deadline is December 31, 2028. The developer must complete the main line components of the water and sewer improvements by this date and has the option to elect subsequent phases and the extent of development beyond infrastructure completion. It is important to note too that this Phase 1 includes the 14 parcels.

Project Completion Deadline is to be completed by December 31, 2031. If the developer does not initiate an allocation period of May 1, 2033, then allocation will automatically commence with 2033 year. The entire infrastructure project must be completed by this date.

Project Costs & Financing as we learned about today:

The agreement establishes a financing structure utilizing Tax Increment Financing (TIF) and local sales tax revenues to reimburse the Developer for eligible infrastructure costs. The approximate cost for replacing these lines is about \$10.3 million and is continuing to go up with the nature of inflation. We will figure out the final cost when the final design is complete. This assistance is only going to that infrastructure. It is a little different and conservative project.

- **Eligible Costs:** Funds may only be used to reimburse "Certified Costs," which are costs incurred by the Developer for construction of the infrastructure project.
- **Reimbursement Method:** The IDB will reimburse the Developer annually on May 1st from the Tax Increment Fund, subject to available funds. Reimbursement for water and sewer improvements is contingent upon those improvements being completed and dedicated to the City or HUD.
- **Maximum Debt Obligation:** The IDB may issue notes or debt obligations in an aggregate principal amount not exceeding \$8.7 million plus interest, less any amount previously reimbursed.

Fiscal Impact

The agreement is structured to protect the City's financial interests while facilitating redevelopment.

- **City Base Tax Protection:** The City will always retain property taxes equal to the "Base Tax Amount" from the Plan Area. If tax increment payments are insufficient to cover this base, the IDB must use available TIF funds to make the City whole.
- **Administrative Fees:** The IDB will deduct 2.5% of all deposits into the Tax Increment Payments subaccount to cover administrative expenses for both the IDB and the City.
- **Non-Recourse Liability:** The financing is non-recourse to the IDB and the City. Liability is strictly limited to the Tax Increment Payments and Sales Tax Contributions generated by the project area. The City is not required to guarantee the debt.

Community Engagement Requirements

Per the City Council's direction, this agreement includes specific requests to ensure the redevelopment aligns with community vision. City Council Resolution (January 2, 2026): The agreement incorporates the City Council's resolution urging a "robust community engagement process" to balance public needs with commercial viability. The goal is to transform the area into a "complete, walkable town center" as envisioned in the Hixson/Red Bank Area Plan.

Ms. Melody Shekari started with a procedural question. The resolution is not attached here and trying to find it. January 2nd has to be wrong because that is a Friday.

Mr. Jimmy Rodgers said that he does not recall and does not know if the Board sees the applications with these businesses submitted to you. Did Hixson Mall LLC disclose their bankruptcy six years ago? Mr. Brooks said he does not know if the disclosure is in there specifically. There was a very large financial section that was disclosed in the last several years going back to six years previously. Mr. Brooks does not know the specific answer to that question.

Mr. Mark Mamantov said he does not think their application form goes back that far back with bankruptcies. We have had CBL's bankruptcy from a previous time. That was well-known to us in terms of that. It was not a surprise to us and not trying to hide.

Mr. Rodgers said that was unclear whether he assumed related to COVID given the time frame. Just want to make sure when businesses come before us like this that there is the proper disclosure if required. He knows the City, Charita Allen, and Winston Brooks have done their homework.

Mr. Mamantov said they added that question also do you have any felonies kind of question to the application form to make sure we are dealing with honorable people. He just does not think it went back quite that far as that. We have a date in the application form. This is an interesting one because we started this whole process by first going to City Council to say do you want to waive some of the aspects of this policy including how much the term withholds. This is probably one of the longest ones because we started first by saying do you even want to consider this. We started there, discussed the public benefits of it. He is really glad to address each of Ms. Sharp's points. They are excellent points and she is always so articulate.

Mr. Mamantov can assure you that Chattanooga has the most rigorous, thoughtful TIF/PILOT process of any jurisdiction in the State of Tennessee now. Mr. Mamantov works almost everywhere in the state. You guys are doing a great job, and it is largely because of Ms. Sharp. She has done a super job pushing best practices in the state. We really did address every single one of these things as we went through this process. After further discussion, we tried to embody in this resolution what City Council is looking for.

Mr. Rodgers said do you think it is practical for the agreement itself to go back in front of the City Council as Ms. Sharp has suggested? Mr. Mamantov said it is practical, yes. It's a policy decision. Mr. Mamantov does not see that anywhere else in the state because it is so time-consuming. We went in front of the City Council three or four times on this particular transaction to bring it back again. It is not a requirement of state law. It is something that Ms. Sharp has pointed out a number of times to him and it is a valid point. It is a policy issue. The City Council did not ask us to bring it back to them.

After further discussion, Ms. Shekari proposed a couple of minor amendments. Section 4, page 5, the January 2nd is definitely January 6th and found a copy of the resolution. Public is misspelled. This paragraph gave her a little bit more comfort in the specifics on the public process would look like. She would like to encourage folks entering into this agreement to let us know

when these public meetings are. It is important for us to be able to attend. There are some representatives from the City present and would probably make a comment. The agreement has some specific things that acknowledges the resolution.

Mr. Rodgers said what he would like to ask the City, Mr. Brooks, Ms. Allen, whoever is whether we should be relative to bankruptcies go back farther with these businesses if we are not encompassing a six-year bankruptcy. It is understandable and when we are talking about millions and millions of dollars that come before this board on these types of projects, whether TIFs or PILOTs, we deserve to know their financial background more than maybe five years or so. Please consider that and pass that along.

Ms. Allen said that part of the application process we did ask Hixson Mall LLC to disclose and that bankruptcy related to CBL which is a larger entity is disclosed in their application. That was also reviewed during the application review committee process. We knew that was the case and asked them to fully disclose all of that. They provided that paragraph in the application to go over.

Mr. Rodgers said that from looking at the Tennessee Secretary of State's information on Hixson Mall LLC, it indicates they are not in good standing with the Tennessee Department of Revenue. Can you tell us about that? Ms. Allen is not aware of that. Mr. Rodgers has a printout from the Secretary of State's website here and called and e-mailed the Secretary of State and they said they could not provide any more information. I called the Tennessee Department of Revenue, and they would not provide it over the phone. The reasoning with the Tennessee Department of Revenue is not good. Does the applicant know?

Mr. Lou Mishel said no, and they will look into that and come prepared for that, is not aware of that. When you look at the structure that the City has worked with them, regardless, they have to fund all of the upfront improvements before and complete them to the satisfaction before they will see a payment of the City's public dollars back to them. That does not excuse or answer your question however we take all the risk in this situation before we get reimbursed. That is different than money being funded and paid back overtime.

Mr. Rodgers sees where Mr. Mishel is coming from, but his concern is openly if we approve this if it goes forward, if Hixson Mall LLC stays, should the IDB begin sending the money to you that maybe arguably owed to the State of Tennessee instead. Mr. Mishel does not know what the problem is and will look into this and resolve it as quickly as possible. That was not on their radar before they showed up.

Ms. Allen said moving forward as a general rule, when the agenda is published to the IDB historically, what happens is as you are reviewing those items, if you have any questions or issues, please respond by an e-mail and staff will come to the Board prepared to answer those questions. Moving forward, if you have any issues that come up, even if it is at the weekend, since our meetings are held on Mondays, historically, what has happened is we spend the weekends getting answers to those questions, so we are able to answer that real time in the meetings, so you are able to move forward with the items.

Mr. Mamantov said that when they close this kind of transaction, they always pull good standings and charters right before we close so we make sure. There is a warranty here that they are in good standing with the State so they would be violating that warranty if they had not fixed it by the time we closed. His experience is that often it is excise or franchise tax issue that they failed to file, and they may not owe anything. He is not saying that is the case but does see that a lot with these real estate LLCs. That is their practice and would not close this until we do that due diligence. It is normally done right at closing with certificates. We will order again the organizational documents to get the good standing at that time. Mr. Mamantov will personally follow up. Mr. Rodgers said that is fine but as a form of practice, that is something that needs to be kept at the front end before we go through the City Council, IDB, all the Mayor's staff, you, we go through this process. We need to make sure those basics are up front and have it resolved.

After further discussion, Mr. Rodgers said that we ought to be okay to move forward, with the understanding that Mr. Mamantov will look into that and make sure that detail is resolved. Chairwoman Jones said also with the corrections on the Development Agreement. Ms. Shekari would move to allow for public comment.

Councilman Jeff Davis District 3 was present and spoke and has been involved with this project and to your point he is certainly not here to object to anything. The City staff, CBL, and Mr. Mamantov, everybody that has been involved was very cooperative and helped the City Council through their process. Councilman Davis did watch along on-line with some meetings and seemed like that process went well also. As far as the public engagement process goes forward, that is something he will keep the Board aware of in the context of quarterly town hall meetings that he has in the district and CBL has been great to attend those last year and committed to continuing to do that. Councilman Davis appreciates this project and is in favor of it.

Mr. Mishel will certainly keep the IDB informed of when their meetings are and with Councilman Davis, and all. We want that to be a robust and transparent process. CBL is committed to doing what the Board asks for and that was their intention in the way the document is drafted.

Mr. Brent Goldberg has moved to amend Mr. Rodgers' motion and would like to know by the end of this week about the reason for not being in good standing with the Tennessee Department of Revenue.

Attorney Noblett wanted Mr. Mamantov to confirm a couple of things. We heard that the term bankruptcy, is there an 11 or 7, or anything in business at this point in time. Mr. Mamantov said that nothing of this entity itself ever declared bankruptcy. It is the parent entity, the upper tier CBL entity. That entity is not in the Development Agreement; it is on Hixson Mall LLC. Correct. It is a CBL entity. There are written warranties to that effect in the document. Unless the Department of Revenue will not answer them, Mr. Mamantov can give a follow-up.

After further discussion, Mr. Rodgers said for the record, according to the Southern District of Texas, if Hixson Mall LLC was included in a bankruptcy as an associated debtor, it is an 11, the case closed. The case closed in 2022 as were a whole bunch of CBL subordinates. Attorney Noblett wanted to make sure in this record today, there is no pending Chapter 11 or 7 involved for Hixson Mall LLC. Mr. Rodgers said according to the Southern District of Texas the case is closed.

Attorney Noblett said beyond all that, what information can you provide to the State of Tennessee as far as not in good standing, can you get that information to us by the end of the week? Mr. Mamantov said there are times that the Department of Revenue you cannot get a straight answer. We will definitely get an update probably by tomorrow as to what is going on if there is some issue. Attorney Noblett asked if there is a problem in adding this as a condition to the resolution. Not at all.

Chairwoman Jones said there is a motion and second to approve this resolution with an amendment that one, corrections are going to be made and two, we are going to be receiving confirmation that Hixson Mall LLC is in good standing with the Department of Revenue by the end of this week.

Mr. Gordon Parker asked when we can expect an update on the current TIFs and PILOTs as far as being in compliance with jobs created or amounts of funding that has been spent that those we have awarded these dollars so that they are currently in compliance just to make sure we receive updates for where things are. Attorney Noblett said that we will report to the state on the TIFs.

Ms. Allen said that typically the staff will provide an annual report during the time of June at the end of the fiscal year. Typically, what happens is active TIFs are required to report by October 1 each year to the state from there we have through the end of the year to compare what is submitted to the state in what we are tracking. PILOTs are required to report by the end December 31, and they report to the Chamber. The Chamber gives them the report at the end of February, first of March each year. We then spend roughly two weeks validating the job creation with the State Department of Labor and that puts us in April. Typically, May/June is when we do an annual report. We do it both for the IDB and City Council. Typically, the June meeting is held in June. That will be both PILOTs and TIFs at the same time.

Mr. Goldberg asked if we could get an update about The Bend and the substantial changes in ownership and how that does or does not impact the TIF for The Bend. It is a pretty substantial change in ownership from equity investors to debt investors.

Mr. Mamantov received a partial response lawyer to lawyer. They asked if they could defer to next month. In April or May, they will have a report. They are required to do it under the Development Agreement. We are trying hard to figure out the prior ownership and current ownership and whether there was in fact a change in control from the information that Mr. Mamantov has to date. He cannot tell the Board one way or the other. It is a very complicated ownership structure. The CBL ownership structure looks easy compared to what they have. They owe the Board an update, and Mr. Mamantov will send the letter to the Board.

After further discussion, Chairwoman Jones read for the record the creation of paragraph 4 on page 2 of this resolution:

4. **There shall be notification of why Hixson Mall LLC is not in good standing with the State of Tennessee, Department of Revenue by March 7, 2026, or this resolution shall be reconsidered by the Board at its meeting in April 2026. This Development Agreement will not be signed until the good standing is resolved with the State of Tennessee, Department of Revenue.**

The motion carried.

ADOPTED

OTHER BUSINESS/DISCUSSION ITEMS

There was no other business/discussion items.

There being no further business or discussion items, the meeting adjourned at 12:00 PM.

JIM FLOYD, Secretary

APPROVED:

ALTHEA R. JONES, Chair



Maria Manalla <mmanalla@chattanooga.gov>

Fwd: HBS/ATM Comments on TIF at 03-02-2026 IDB Meeting

1 message

Helen Burns Sharp <untiedlaces@gmail.com>
To: Maria Manalla <mmanalla@chattanooga.gov>

Mon, Mar 2, 2026 at 9:48 AM

Hello, Maria--

Here is what I plan to say at today's IDB meeting.

~Helen

----- Forwarded message -----

From: **Helen Burns Sharp** <untiedlaces@gmail.com>
Date: Mon, Mar 2, 2026 at 9:35 AM
Subject: HBS/ATM Comments on TIF at 03-02-2026 IDB Meeting
To: Helen Burns Sharp <untiedlaces@gmail.com>

--Speaking as a citizen, as someone who has followed Chattanooga's TIF program during its 14-year history, and as a former city community development director who worked on four TIF projects in my career.

--The City's TIF policies have improved over the years.

--ATM has developed a short list of amendments we believe are needed to improve them. I look forward to working with Charita and Winston to see if they will become advocates for these changes.

Now for a sneak preview. Since the Northgate TIF is on your agenda today, I will briefly refer to it. Here are two of the SUGGESTED POLICY CHANGES

1) Get answers to key questions earlier.

Before a TIF reaches this dais, ATM recommends that the TIF Policies be amended to require the written staff report to you and the City Council to answer basic questions such as these:

- What is the public benefit that justifies taxpayer participation?
- What amount or percentage of public investment is appropriate?
- Are there more appropriate tools than a TIF for this project?
- Is the project truly dependent on TIF funding? Would the project happen anyway (the "But-For" test)?
- What are the long-term effects on the city's tax base?
- Is there a redevelopment plan? and
- Are important site features — like waterways, hillsides, trees, or historic resources — being thoughtfully addressed?

These are not anti-development questions. They are good-government questions.

2) Give the City Council a clearly defined role in reviewing Development Agreements before they come to the IDB.

This important document governs accountability and community benefits for up to twenty years. City Council members are elected policymakers. They should have the opportunity to review Development Agreements before they come to the IDB for approval. As with the Economic Impact Plan, they would review and pass a resolution stating that it is in the best interests of the City.

Thank you for your time and service.

Helen Burns Sharp |tel. m. 423-994-2382 |
129 Walnut St., Unit 444
Chattanooga, TN 37403

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
ECD - VOLKSWAGEN INCENTIVE PROJECT
VW FUNDING PROGRESS SUMMARY
As of Apr 9, 2026

FIRST MOU	Final Grant Budget Amount	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
6.1 Site Preparation - State	92,919,998	92,919,998	-	-	100.00%	Ended 6/30/2015
6.2 Infrastructure - State	72,795,525	72,795,525	-	-	100.00%	Ended 6/30/2015
7.4 Training Facility - State	39,995,942	39,995,942	-	-	100.00%	Ended 6/30/2015
9.10 Marketing & Public Relations - State	1,965,905	1,965,905	-	-	100.00%	Ended 4/30/2017
TOTAL STATE FUNDING	207,677,370	207,677,370	-	-	100.00%	

6.2 Infrastructure - Local (Hamilton County & City of Chattanooga)	40,000,000	40,000,000	-	-	100.00%	Ended 2/26/2025
9.5 Welcome Center - Local (VW decided not to build it)	-	-	-	-	N/A	
TOTAL LOCAL FUNDING	40,000,000	40,000,000	-	-	100.00%	

TOTAL FUNDING	247,677,370	247,677,369	-	-	100.00%	
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SECOND MOU	Final Grant Budget Amount	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
3.1 Facility Development - State	168,877,867	168,877,867	-	-	100.00%	Ended 3/6/2020
TOTAL STATE FUNDING	168,877,867	168,877,867	-	-	100.00%	

VW SUV - Local (Hamilton County & City of Chattanooga)	52,500,000	52,284,571	-	215,429	99.59%	Ongoing
TOTAL LOCAL FUNDING	52,500,000	52,284,571	-	215,429	99.59%	

TOTAL FUNDING	221,377,867	221,162,438	-	215,429	99.90%	
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THIRD MOU & LETTER OF INTENT (LOI)	Final Grant Budget Amount	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
Electric Vehicle Expansion - State	50,000,000	50,000,000	-	-	100.0%	Ended 1/10/2024
TOTAL STATE FUNDING	50,000,000	50,000,000	-	-	100.0%	

Electric Vehicle Expansion (Hamilton County & City of Chattanooga)	5,000,000	-	-	5,000,000	0.00%	Ongoing
TOTAL LOCAL FUNDING	5,000,000	-	-	5,000,000	0.00%	

TOTAL FUNDING	55,000,000	50,000,000	-	5,000,000	90.91%	
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FIRST MOU, SECOND MOU, THIRD MOU & LOI	Final Grant Budget Amount	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
TOTAL FUNDING	524,055,237	518,839,807	-	5,215,429	99.00%	

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
ECD - VOLKSWAGEN INCENTIVE PROJECT
VW FUNDING PROGRESS SUMMARY
As of Apr 9, 2026

FIRST MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
6.1 Site Preparation - State ¹	79,614,864	16,405,000	96,019,864	(3,099,867)	92,919,998	92,919,998	-	92,919,998	-	-	100.00%	100.00%
6.2 Infrastructure - State ¹	70,000,000	2,795,525	72,795,525	-	72,795,525	72,795,525	-	72,795,525	-	-	100.00%	100.00%
7.4 Training Facility - State ¹	40,000,000	-	40,000,000	(4,058)	39,995,942	39,995,942	-	39,995,942	-	-	100.00%	100.00%
9.10 Marketing & Public Relations - State ¹	1,966,200	(275)	1,965,925	(20)	1,965,905	1,965,905	-	1,965,905	-	-	100.00%	100.00%
TOTAL STATE FUNDING	191,581,064	19,200,250	210,781,314	(3,103,945)	207,677,370	207,677,370	-	207,677,370	-	-	100.00%	100.00%
6.2 Infrastructure - Local ²	40,000,000	-	40,000,000	N/A	40,000,000	39,999,999	-	40,000,000	-	-	100.00%	100.00%
9.5 Welcome Center - Local	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	N/A
TOTAL LOCAL FUNDING	46,000,000	(6,000,000)	40,000,000	-	40,000,000	39,999,999	-	40,000,000	-	-	100.00%	100.00%
TOTAL IDB FUNDING FOR FIRST MOU	237,581,064	13,200,250	250,781,314	(3,103,945)	247,677,370	247,677,369	-	247,677,369	-	-	100.00%	100.00%

¹ State grant 6.1, 6.2, and 7.4 ended on 6/30/2015; State grant 9.10 ended on 4/30/2017. Total of these four State grants per grant contract is \$210,781,314. \$3,103,945 was not used.

² Total local infrastructure does not include 6.3 Public roads and 6.4 Railway Lines as they are not managed by the IDB.

³ Local grant ended on 2/26/2025

SECOND MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
3.1 Facility Development - State ³	165,778,000	3,099,867	168,877,867	N/A	168,877,867	168,877,867	-	168,877,867	-	-	100.00%	100.00%
TOTAL STATE FUNDING	165,778,000	3,099,867	168,877,867	N/A	168,877,867	168,877,867	-	168,877,867	-	-	100.00%	100.00%

VW SUV - Local	52,500,000	-	52,500,000	N/A	52,500,000	52,284,571	-	52,284,571	-	215,429	99.59%	99.59%
TOTAL LOCAL FUNDING	52,500,000	-	52,500,000	N/A	52,500,000	52,284,571	-	52,284,571	-	215,429	99.59%	99.59%

TOTAL IDB FUNDING FOR SECOND MOU	218,278,000	3,099,867	221,377,867	N/A	221,377,867	221,162,438	-	221,162,438	-	215,429	99.90%	99.90%
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³ State grant 3.1 ended on 3/6/2020

THIRD MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Electric Vehicle Expansion ⁴	50,000,000	-	50,000,000	N/A	50,000,000	50,000,000	-	50,000,000	-	-	100.0%	100.0%
TOTAL STATE FUNDING	50,000,000	-	50,000,000	N/A	50,000,000	50,000,000	-	50,000,000	-	-	100.0%	100.0%
Electric Vehicle Expansion	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	5,000,000	0.00%	0.00%
TOTAL LOCAL FUNDING	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	5,000,000	0.00%	0.00%

TOTAL IDB FUNDING FOR THIRD MOU	55,000,000	-	55,000,000	N/A	55,000,000	50,000,000	-	50,000,000	-	5,000,000	90.91%	90.91%
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⁴ State grant ended on 1/10/2024

FIRST & SECOND & THIRD MOU & LOI	510,859,064	16,300,117	527,159,181	(3,103,945)	524,055,237	518,839,807	-	518,839,807	-	5,215,429	99.00%	99.00%
TOTAL IDB FUNDING FOR FIRST & SECOND & THIRD MOU	510,859,064	16,300,117	527,159,181	(3,103,945)	524,055,237	518,839,807	-	518,839,807	-	5,215,429	99.00%	99.00%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - FIRST MOU
 As of Apr 9, 2026

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Dec 23, 2025	Change in Encumbrances	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
GRANT ENDED 6/30/2015														
6.1 SITE PREPARATION														
Clearing, Grubbing & Mass Grading	1,664,957	-	1,664,957	-	1,664,957	1,664,957	-	1,664,957	-	-	-	-	100%	100%
Grubbing & Erosion Control	2,704,391	-	2,704,391	(110,911)	2,593,480	2,593,480	-	2,593,480	-	-	-	-	100%	100%
Fine Grading (Site Pad)	50,428,531	8,949,529	59,378,060	(312,448)	59,065,612	59,065,612	-	59,065,612	-	-	-	-	100%	100%
Stone Pad	7,483,865	-	7,483,865	-	7,483,865	7,483,865	-	7,483,865	-	-	-	-	100%	100%
Stream Relocation	5,436,511	-	5,436,511	83,275	5,519,786	5,519,786	-	5,519,786	-	-	-	-	100%	100%
Detention Pond	997,907	3,604,471	4,602,378	(1,424,905)	3,177,473	3,177,473	-	3,177,473	-	-	-	-	100%	100%
North Area	-	2,358,855	2,358,855	(1,613,304)	745,551	745,551	-	745,551	-	-	-	-	100%	100%
Construction Access Roads	718,565	-	718,565	-	718,565	718,565	-	718,565	-	-	-	-	100%	100%
Rammed Aggregate Piers	1,874,615	-	1,874,615	-	1,874,615	1,874,615	-	1,874,615	-	-	-	-	100%	100%
Design, RPR, Survey, Testing, Project Support	8,305,522	1,492,145	9,797,667	278,426	10,076,093	10,076,093	-	10,076,093	-	-	-	-	100%	100%
TOTAL 6.1 SITE PREPARATION *	79,614,864	16,405,000	96,019,864	(3,099,867)	92,919,998	92,919,998	-	92,919,998	-	-	-	-	100%	100%
6.2 INFRASTRUCTURE														
GRANT ENDED 6/30/2015														
VW Test Track	1,915,000	-	1,915,000	(9,482)	1,905,518	1,905,518	-	1,905,518	-	-	-	-	100%	100%
VW Electric Transformer Station	10,945,000	-	10,945,000	(9,690)	10,935,310	10,935,310	-	10,935,310	-	-	-	-	100%	100%
VW Mixing Yard	10,025,000	-	10,025,000	1,819,244	11,844,244	11,844,244	-	11,844,244	-	-	-	-	100%	100%
VW Parking Lots for Employees	12,700,000	2,091,000	14,791,000	(1,613,586)	13,177,414	13,177,414	-	13,177,414	-	-	-	-	100%	100%
VW Tank Farm (Fluids Storage) & Utilities	30,445,000	-	30,445,000	(17,473)	30,427,527	30,427,527	-	30,427,527	-	-	-	-	100%	100%
VW Planning, Engineering, Etc	3,970,000	245,855	4,215,855	(38,079)	4,177,776	4,177,776	-	4,177,776	-	-	-	-	100%	100%
North Area Grading	-	368,145	368,145	(130,935)	237,210	237,210	-	237,210	-	-	-	-	100%	100%
North Area Non-reimbursable	-	90,525	90,525	-	90,525	90,525	-	90,525	-	-	-	-	100%	100%
TOTAL 6.2 INFRASTRUCTURE	70,000,000	2,795,525	72,795,525	-	72,795,525	72,795,525	-	72,795,525	-	-	-	-	100%	100%
Subtotal State (6.1 & 6.2)	149,614,864	19,200,525	168,815,389	(3,099,867)	165,715,523	165,715,522	-	165,715,522	-	-	-	-	100%	100%

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - FIRST MOU
 As of Apr 9, 2026

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Dec 23, 2025	Change in Encumbrances	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
7.4 TRAINING FACILITY ----- GRANT ENDED 6/30/2015 -----														
Training Center	22,900,000	148,110	23,048,110	-	23,048,110	23,048,110	-	23,048,110	-	-	-	-	100%	100%
Equipment for Training Center	13,500,000	(327,889)	13,172,111	(4,058)	13,168,053	13,168,053	-	13,168,053	-	-	-	-	100%	100%
Related Planning Cost	3,600,000	179,779	3,779,779	-	3,779,779	3,779,779	-	3,779,779	-	-	-	-	100%	100%
Total 7.4 ST. TRAINING FACILITY	40,000,000	-	40,000,000	(4,058)	39,995,942	39,995,942	-	39,995,942	-	-	-	-	100%	100%
9.10 MARKETING & PUBLIC RELATIONS ----- GRANT ENDED 4/30/2017 -----														
9.10 Visitor's Center **	200,000	(275)	199,725	-	199,725	199,725	-	199,725	-	-	-	-	100%	100%
9.10 Capital Purchase (Roof Sign)	239,580	(30,460)	209,120	-	209,120	209,120	-	209,120	-	-	-	-	100%	100%
9.10 Capital Purchase & Professional Fees (Admin & Planning)	26,620	(15,204)	11,416	(20)	11,397	11,397	-	11,397	-	-	-	-	100%	100%
9.10 Professional Fees, Grant & Award (Education partnership)	1,500,000	(500,000)	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-	-	-	100%	100%
9.10 Salaries, Benefits & Taxes (Plant Tours)	-	27,117	27,117	-	27,117	27,117	-	27,117	-	-	-	-	100%	100%
9.10 Professional Fees, Grants & Award (Marketing Expenses)	-	518,547	518,547	-	518,547	518,547	-	518,547	-	-	-	-	100%	100%
Total 9.10 MARKETING & PUBLIC RELATIONS	1,966,200	(275)	1,965,925	(20)	1,965,905	1,965,905	-	1,965,905	-	-	-	-	100%	100%
TOTAL ALL STATE FUNDS	191,581,064	19,200,250	210,781,314	(3,103,945)	207,677,370	207,677,370	-	207,677,370	-	-	-	-	100%	100%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - FIRST MOU
 As of Apr 9, 2026

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Dec 23, 2025	Change in Encumbrances	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
VW Streets, Lanes, etc., including Helipad	8,345,835	-	8,345,835	8,345,835	-	8,345,835	-	-	-	-	100.00%	100.00%
VW Railroads, Loading Dept	10,080,801	-	10,080,801	10,080,801	-	10,080,801	-	-	-	-	100.00%	100.00%
VW Fire Dept Building, garage and equipment	3,070,609	-	3,070,609	3,070,609	-	3,070,609	-	-	-	-	100.00%	100.00%
VW Construction Lanes	1,640,533	-	1,640,533	1,640,533	-	1,640,533	-	-	-	-	100.00%	100.00%
VW Guard House and Fence	1,310,219	-	1,310,219	1,310,219	-	1,310,219	-	-	-	-	100.00%	100.00%
Drive Around Property	553,714	-	553,714	553,714	-	553,714	-	-	-	-	100.00%	100.00%
Scrap Yard	118,933	-	118,933	118,933	-	118,933	-	-	-	-	100.00%	100.00%
VW Water, Waste & Stormwater	6,093,236	-	6,093,236	6,093,236	-	6,093,236	-	-	-	-	100.00%	100.00%
VW Gas, Telecom, Power (Additional Utility Infra)	1,120,472	-	1,120,472	1,120,472	-	1,120,472	-	-	-	-	100.00%	100.00%
VW Planning, Engineering, Etc	7,665,648	-	7,665,648	7,665,648	-	7,665,648	-	-	-	-	100.00%	100.00%
TOTAL 6.2 INFRASTRUCTURE - LOCAL FUNDING	40,000,000	-	40,000,000	39,999,999	-	40,000,000	-	-	-	-	100.00%	100.00%

----- GRANT ENDED 2/26/2025 -----

Welcome Center	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	N/A
TOTAL 9.5 OTHER LOCAL FUNDING	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	N/A
TOTAL LOCAL FUNDINGS (Managed by IDB) *	46,000,000	(6,000,000)	40,000,000	39,999,999	-	40,000,000	-	-	-	-	100.00%	100.00%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.
 * Total local infrastructure does not include 6.3 Public roads and 6.4 Railway Lines as they are not managed by the IDB.

Changes Since Prior Report - FIRST MOU								
As of Apr 9, 2026								
		Expenditures		Encumbrances		Change		Comments
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	
Z10101	Clearing, Grubbing & Mass Grading	1,664,957	1,664,957	-	-	-	-	
Z10102	Grubbing & Erosion Control	2,593,480	2,593,480	-	-	-	-	
Z10103	Fine Grading (Site Pad)	59,065,612	59,065,612	-	-	-	-	
Z10104	Stone Pad	7,483,865	7,483,865	-	-	-	-	
Z10105	Stream Relocation	5,519,786	5,519,786	-	-	-	-	
Z10106	Detention Pond	3,177,473	3,177,473	-	-	-	-	
Z10107	North Area	745,551	745,551	-	-	-	-	
Z10109	Construction Access Roads	718,565	718,565	-	-	-	-	
Z10110	Rammed Aggregate Piers	1,874,615	1,874,615	-	-	-	-	
Z10111	Design, RPR, Survey, Testing & Project Support	10,076,093	10,076,093	-	-	-	-	
TOTAL 6.1 SITE PREPARATION		92,919,998	92,919,998	-	-	-	-	Grant ended 6/30/2015
Z10301	VW Test Track	1,905,518	1,905,518	-	-	-	-	
Z10306	VW Electric Transformer Station	10,935,310	10,935,310	-	-	-	-	
Z10307	VW Mixing Yard	11,844,244	11,844,244	-	-	-	-	
Z10308	VW Parking Lots for Employees	13,177,414	13,177,414	-	-	-	-	
Z10312	VW Tank Farm (Fluids Storage) & Utilities	30,427,527	30,427,527	-	-	-	-	
Z10315	VW Planning, Engineering, Etc	4,177,776	4,177,776	-	-	-	-	
Z10316	North Area Grading	237,210	237,210	-	-	-	-	
Z10317	North Area Non-reimbursable	90,525	90,525	-	-	-	-	
TOTAL 6.2 INFRASTRUCTURE		72,795,525	72,795,525	-	-	-	-	Grant ended 6/30/2015
Z10601	Training Center	23,048,110	23,048,110	-	-	-	-	
Z10602	Equipment for Training Ctr	13,168,053	13,168,053	-	-	-	-	
Z10603	Related Planning Cost	3,779,779	3,779,779	-	-	-	-	
TOTAL 7.4 ST. TRAINING FACILITY		39,995,942	39,995,942	-	-	-	-	Grant ended 6/30/2015
Z00701	Visitor's Center	199,725	199,725	-	-	-	-	
Z00702	Capital Purchase (Roof Sign)	209,120	209,120	-	-	-	-	
Z00703	Capital Purchase & Professional Fees (Admin & Planning)	11,397	11,397	-	-	-	-	
Z00704	Professional Fees, Grant & Award (Education partnership)	1,000,000	1,000,000	-	-	-	-	
Z00705	Salaries, Benefits & Taxes (Plant Tours)	27,117	27,117	-	-	-	-	
Z00706	Professional Fees, Grants & Award (Marketing Expenses)	518,547	518,547	-	-	-	-	
TOTAL 9.10 MARKETING & PUBLIC RELATIONS		1,965,905	1,965,905	-	-	-	-	Grant ended 4/30/2017

Changes Since Prior Report - FIRST MOU								
As of Apr 9, 2026								
		Expenditures		Encumbrances		Change		
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Comments
Z10401	VW Streets, Lanes, etc., including Helipad	8,345,835	8,345,835	-	-	-	-	
Z10402	VW Railroads, Loading Dept	10,080,801	10,080,801	-	-	-	-	
Z10403	VW Fire Dept Building, garage and equipment	3,070,609	3,070,609	-	-	-	-	
Z10404	VW Construction Lanes	1,640,533	1,640,533	-	-	-	-	
Z10405	VW Guard House and Fence	1,310,219	1,310,219	-	-	-	-	
Z10409	VW Drive Around Property	553,714	553,714	-	-	-	-	
Z10411	VW Scrap Yard	118,933	118,933	-	-	-	-	
Z10412	VW Water, Waste & Stormwater	6,093,236	6,093,236	-	-	-	-	
Z10413	VW Gas, Telecom, Power (Additional Utility Infra)	1,120,472	1,120,472	-	-	-	-	
Z10415	VW Planning, Engineering, Etc	7,665,648	7,665,648	-	-	-	-	
TOTAL 6.2 INFRASTRUCT LOCAL FUNDING		40,000,000	39,999,999	-	-	-	-	
Z00801	Welcome Center	-	-	-	-	-	-	
TOTAL 9.5 WELCOME CTR LOCAL FUNDING		-	-	-	-	-	-	
TOTAL		247,677,369	247,677,369	-	-	-	-	

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - SECOND MOU
 As of Apr 9, 2026

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Dec 23, 2025	Change in Encumbrances	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Infrastructure I	22,271,000	6,649,804	28,920,804	24,714,941	-	24,714,941	-	-	-	4,205,863	85.46%	85.46%
Manufacturing Equipment	140,635,000	(677,937)	139,957,063	144,162,926	-	144,162,926	-	-	-	(4,205,863)	103.01%	103.01%
TOTAL 3.1 FACILITY DEVELOPMENT	165,778,000	3,099,867	168,877,867	168,877,867	-	168,877,867	-	-	-	-	100.00%	100.00%
TOTAL STATE FUNDS	165,778,000	3,099,867	168,877,867	168,877,867	-	168,877,867	-	-	-	-	100.00%	100.00%

----- GRANT ENDED 3/6/2020 -----

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - SECOND MOU
 As of Apr 9, 2026

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Dec 23, 2025	Change in Encumbrances	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Major Underground Additions	723,725	(267,894)	455,831	455,831	-	455,831	-	-	-	-	100.00%	100.00%
Paint Shop Capacity Increase	1,344,385	241,357	1,585,742	1,585,742	-	1,585,742	-	-	-	-	100.00%	100.00%
Production and Logistics Building Addition	22,802,333	207,197	23,009,530	23,009,530	-	23,009,530	-	-	-	-	100.00%	100.00%
Assembly Finish Building Extension & Infra.	8,590,958	295,658	8,886,616	8,886,616	-	8,886,616	-	-	-	-	100.00%	100.00%
Technical Center Pilot Program Extension	4,968,082	(253,229)	4,714,853	4,714,853	-	4,714,853	-	-	-	-	100.00%	100.00%
Body Shop Robots Fixtures Integration	2,460,223	2,979,843	5,440,066	5,420,707	-	5,420,707	-	-	-	19,359	99.64%	99.64%
VW SUV B Planning Costs	7,425,329	578,553	8,003,882	7,863,634	-	7,863,634	-	-	-	140,248	98.25%	98.25%
VW SUV B Contingency	1,085,098	(1,085,098)	-	-	-	-	-	-	-	-	0.00%	0.00%
VW SUV B Site Preparation	3,099,867	(2,696,387)	403,480	347,658	-	347,658	-	-	-	55,822	86.16%	86.16%
TOTAL 6.1 VW SUV - LOCAL FUNDING	52,500,000	-	52,500,000	52,284,571	-	52,284,571	-	-	-	215,429	99.59%	99.59%
TOTAL LOCAL FUNDINGS (Managed by IDB)	52,500,000	-	52,500,000	52,284,571	-	52,284,571	-	-	-	215,429	99.59%	99.59%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

Changes Since Prior Report - SECOND MOU								
As of Apr 9, 2026								
		Expenditures		Encumbrances		Change		
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Comments
Z01001	Infrastructure I	24,714,941.48	24,714,941.48	-	-	-	-	
Z01003	Manufacturing Equipment	144,162,925.72	144,162,925.72	-	-	-	-	
TOTAL 3.1 FACILITY DEVELOPMENT - STATE		168,877,867	168,877,867	-	-	-	-	Grant ended 3/6/2020
Z00902	Major Underground Additions	455,831.00	455,831.00	-	-	-	-	
Z00904	Paint Shop Capacity Increase	1,585,741.95	1,585,741.95	-	-	-	-	
Z00905	Production and Logistics Building Addition	23,009,530.27	23,009,530.27	-	-	-	-	
Z00906	Assembly Finish Building Extension & Infra.	8,886,616.12	8,886,616.12	-	-	-	-	
Z00907	Technical Center Pilot Program Extension	4,714,852.72	4,714,852.72	-	-	-	-	
Z00913	Body Shop Robots Fixtures Integration	5,420,706.50	5,420,706.50	-	-	-	-	
Z00918	VW SUV B Planning Costs	7,863,634.37	7,863,634.37	-	-	-	-	
Z00919	VW SUV B Contingency	-	-	-	-	-	-	
Z00920	VW SUV B Site Preparation	347,658.09	347,658.09	-	-	-	-	
TOTAL 1.1 VW SUV - LOCAL FUNDING		52,284,571	52,284,571	-	-	-	-	
Contingency								
		This Report	Last Report	Change	Comments			
Z00919	VW SUV B Contingency	-	-	-				
TOTAL		221,162,438	221,162,438	-	-	-	-	

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - THIRD MOU
 As of Apr 9, 2026

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Dec 23, 2025	Change in Encumbrances	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
State 3rd MOU Electric Vehicle Expansion	50,000,000	-	50,000,000	50,000,000	-	50,000,000	-	-	-	-	100.00%	100.00%
TOTAL STATE FUNDING	50,000,000	-	50,000,000	50,000,000	-	50,000,000	-	-	-	-	100.00%	100.00%

----- GRANT ENDED 1/10/2024 -----

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - THIRD MOU
 As of Apr 9, 2026

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Dec 23, 2025	Current Expenditures	PJTD Expenditures As of Apr 9, 2026	Encumbrances As of Dec 23, 2025	Change in Encumbrances	Encumbrances As of Apr 9, 2026	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Local 3rd MOU Electric Vehicle Expansion	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.0%	0.0%
TOTAL LOCAL FUNDING	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.00%	0.00%
TOTAL LOCAL FUNDINGS (Managed by IDB)	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.00%	0.00%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

Changes Since Prior Report - THIRD MOU								
As of Apr 9, 2026								
		Expenditures		Encumbrances		Change		
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Comments
Z11302	State 3rd MOU Electric Vehicle Expansion	50,000,000.00	50,000,000.00	-	-	-	-	
TOTAL STATE FUNDING		50,000,000	50,000,000	-	-	-	-	Grant ended 1/10/2024
Z11301'	Local 3rd MOU Electric Vehicle Expansion	-	-	-	-	-	-	
TOTAL LOCAL FUNDING		-	-	-	-	-	-	

IDB - ECONOMIC DEVELOPMENT PROGRAMS SUMMARY

PJTD EBS & CLOUD (Since inception)

As of 4/9/2026

Account	Activity	Description	NR11	NR13	NR14	NR14	NR14	NR15	NR16	NR17	NR18	TOTAL
			GROWING SMALL BUS. Z00303	TECH WORKFORCE Z00304	IDB-PILOTS Z00306	IDB-ADMIN * Z300310	IDB LOANS Z00315	MITIGATION Z00307	BUSINESS DEV. Z00308	RENEWING CHATT Z00312	INNOVATION Z00313	
ASSETS												
101101		Interfund Cash	92,256.02	185,000.00	-----	2,245,819.73	-----	11,000.00	15,000.00	1,374,687.50	148,000.00	4,071,763.25
124212'		NR COVID-19 Loans	-	-	-	-	122,205.27	-	-	-	-	122,205.27
124901		Allowance for Notes Receivable	-	-	-	-	(18,331.00)	-	-	-	-	(18,331.00)
172102		Restricted Cash with Agent	-	-	-	-	19,915.24	-	-	-	-	19,915.24
LIABILITY												
201132		AP Accruals	-	-	-	-	-	-	-	-	-	-
REVENUE												
513140	000000'	Economic Development PILOT Lease	-	-	-	-	-	-	-	-	-	-
513140	102601	IDB EDLP - VW	-	-	1,375,000.00	-	-	-	-	-	-	1,375,000.00
513140	102602	IDB EDLP - Southern Champion Tray *	-	-	180,914.58	-	-	-	-	-	-	180,914.58
513140	102603	IDB EDLP - Gastamp	-	-	1,632,532.61	-	-	-	-	-	-	1,632,532.61
513140	102604	IDB EDLP - YanFeng	-	-	99,715.33	-	-	-	-	-	-	99,715.33
513140	102605	IDB EDLP - Plastic Omnium Auto	-	-	373,464.77	-	-	-	-	-	-	373,464.77
513140	102606	IDB EDLP - Homeserve *	-	-	67,952.13	-	-	-	-	-	-	67,952.13
513140	102607	IDB EDLP - M & M Industries	-	-	159,891.45	-	-	-	-	-	-	159,891.45
513140	102608	IDB EDLP - Van De Wiele *	-	-	27,065.25	-	-	-	-	-	-	27,065.25
513140	102609	IDB EDLP - Coca-Cola	-	-	161,962.57	-	-	-	-	-	-	161,962.57
513140	102610	IDB EDLP - Puregraphite	-	-	16,889.09	-	-	-	-	-	-	16,889.09
513140	102611	IDB EDLP - Steam Logistics	-	-	28,437.92	-	-	-	-	-	-	28,437.92
524107		City of Chattanooga Appropriation	200,000.00	450,000.00	588,802.59	-	-	44,000.00	-	1,350,000.00	-	2,632,802.59
576101		Miscellaneous Revenue	-	-	5.00	6,686.47	120.51	-	-	-	-	6,811.98
801604		Transfer from Non Reported (NR) Funds	200,000.00	-	-	-	-	-	100,000.00	1,550,000.00	200,000.00	2,050,000.00
Bridge Loan related expenses - managed by SETDD												
538101		Bad Debt Expense	-	-	-	-	(18,331.00)	-	-	-	-	(18,331.00)
EXPENSE												
704213		Debris Removal & Cleanup	-	-	-	-	-	-	-	-	-	-
704602		Training Costs	-	25,000.00	-	-	-	-	-	-	-	25,000.00
784101		Appropriations	-	50,000.00	-	-	-	-	25,000.00	-	-	75,000.00
782201		Awards	-	-	56,000.00	-	-	-	-	-	-	56,000.00
782202		Donations	-	40,000.00	-	-	-	-	-	-	-	40,000.00
782207		Grant Award	307,743.98	150,000.00	51,000.02	-	-	33,000.00	60,000.00	1,530,000.00	52,000.00	2,183,744.00
811604		Transfer to Non Reported (NR) Funds	-	-	2,224,500.01	-	-	-	-	-	-	2,224,500.01
Operating income (loss)			92,256.02	185,000.00	2,381,133.26	6,686.47	(18,210.49)	11,000.00	15,000.00	1,374,687.50	148,000.00	4,195,552.76
			-	-	-	-	-	-	-	-	-	-

* PILOT ended or fee payment ended

IDB - TAX INCREMENT FINANCING (TIF) SUMMARY

PJTD EBS & CLOUD (Since inception)

As of 4/9/2026

Account	Description	NR09	NR09	NR23	NR24	NR25	NR27	NR29	TOTAL	
		Black Creek	MLK	East Chatt Rising	North River Com. Ctr.	Sports Authority	The Bend Area	Northgate Mall		
		Tax Payment Z00302	Tax Payment Z00311	Tax Payment Z00316	Tax Payment Z00319 Developer Z00320	Tax Payment Z00321	Tax Payment Z00322	Tax Payment Z00361		
ASSETS										
101101	Interfund Cash	-	135,274.08	1,537.55	2,417.19	-	1,107.47	8,000.00	8,000.00	156,336.29
LIABILITY										
201101	Accounts Payable	-	-	-	-	-	-	-	-	-
REVENUE										
513143	TIF Application Fee	-	1,500.00	-	1,500.00	-	-	8,000.00	8,000.00	19,000.00
523109	¹ Ham Co TIF Payment	1,837,107.46	1,043,854.80	35,925.94	144,480.89	-	175,164.80	-	-	3,236,533.89
524106	¹ City TIF Payment	3,952,481.05	1,683,350.04	83,756.19	219,207.33	-	331,134.14	-	-	6,269,928.75
536122	² TIF Admin Fee (City)	-	133,774.05	1,537.55	917.19	-	1,107.47	-	-	137,336.26
536123	IDB TIF Developer Project Revenue	-	-	-	-	8,754,000.00	-	-	-	8,754,000.00
EXPENSE										
702227	IT Maintenance - Support Maintenance	-	-	-	-	-	-	-	-	-
782211	³ Interest expense	-	-	98,973.31	-	-	-	-	-	98,973.31
782215	IDB TIF Developer Project Expense	-	-	-	-	8,754,000.00	-	-	-	8,754,000.00
782601	TIF Agency	5,180,952.96	2,483,210.02	14,768.04	363,688.22	-	506,298.94	-	-	8,548,918.18
782602	TIF Administrative Fee to Chattanooga	104,611.81	54,569.64	1,377.64	-	-	-	-	-	160,559.09
782604	TIF Debt Service Allocation to Chattanooga	301,856.08	157,265.97	(1,406.54)	-	-	-	-	-	457,715.51
782605	TIF Refuse Pickup to Chattanooga	137,667.18	-	5,144.19	-	-	-	-	-	142,811.37
782603	TIF Administrative Fee to Hamilton Co	46,071.73	22,970.88	589.64	-	-	-	-	-	69,632.25
782606	TIF Trustee Fee to Hamilton Co	18,428.70	9,188.35	235.85	-	-	-	-	-	27,852.90
Operating income (loss)		0.05	135,274.03	1,537.55	2,417.19	-	1,107.47	8,000.00	8,000.00	156,336.29
			-	-	-		-	-		
Hamilton County Payments		1,772,607.03	1,011,695.57	35,100.45	144,480.89		175,164.80	-	-	3,139,048.74
City Payment		3,408,345.98	1,471,514.43	78,640.90	219,207.33		331,134.14	-	-	5,508,842.78
Total Payments to developer		5,180,953.01	2,483,210.00	113,741.35	363,688.22	-	506,298.94	-	-	8,647,891.52

¹ Effective FY23 only recrd the net payments receive from County and City (no more grossing up)

² Effecting FY23 IDB receives City's 5% admin fees (excluding Black Creek TIF)

³ Initiated by the letter from the State Comptroller's Office, East Chattanooga TIF unpaid interest expenses \$313,557.05 is removed from the Finance Report

IDB - Wastewater Program Summary

NR26 Environmental and Economic Infrastructure Improvement (e2i2)

NR28 Solids Process Optimization Implementation (SPOI)

As of 4/9/2026

Account Description	e2i2	e2i2	e2i2	SPOI	SPOI	SPOI	Total	Total	7/1/23-6/30/26
	Budget	Encumbrance	Actual	Budget	Encumbrance	Actual	Budget	Encumbrance	Actual Total
ASSETS									
101101 Interfund Cash			-			-			-
103103 Cash with Agents			4,532,012			-			4,532,012
125101 AR Accruals			-			-			-
141301 AR County			-			-			-
LIABILITY									
201101 Accounts Payable			-			-			-
201132 AP Accruals			-			-			-
251104 Retainage with Escrow Agent			(4,532,012)			-			(4,532,012)
REVENUE									
524201 Reimbursement from City of Chattanooga			96,869,474			3,574,034			100,443,508
523101 Ham Co Operations Funds			-			-			-
524107 City of Chattanooga Appropriation			-			-			-
576101 Miscellaneous Revenue			-			-			-
801604 Transfer from Non Reported (NR) Funds			-			-			-
EXPENSE									
761102 CIP Engineering Design & Supervision			96,244,126	67,500,000	9,815,966	3,574,034	67,500,000	9,815,966	99,818,160
761103 CIP Engineer's Easement Negotiations			115,032			-			115,032
761101 CIP Expense			510,316			-			510,316
761117 CIP Sanitary Sewer Construction	153,537,868	56,439,380	-			-	153,537,868	56,439,380	-
Total Expenses			96,869,474			3,574,034	221,037,868	66,255,346	100,443,508
Operating income (loss)			-			-			-
Spending as Percentage of Budget			63%			5%			45%

A RESOLUTION ENGAGING STIFEL, NICOLAUS & COMPANY, INCORPORATED, AS UNDERWRITER FOR A PROPOSED TAX INCREMENT FINANCING RELATING TO NORTH RIVER COMMERCE CENTER INDUSTRIAL PARK AND THE NORTH ACCESS ROAD ECONOMIC DEVELOPMENT AREA.

WHEREAS, the Industrial Development Board of the City of Chattanooga (the “Board”) is an industrial development corporation created by the City of Chattanooga, Tennessee (the “City”) and is duly incorporated pursuant to Sections 7-53-101, *et seq.*, Tennessee Code Annotated; and

WHEREAS, the City Council (the “City Council”) of the City of Chattanooga, Tennessee (the “City”), and the County Commission (the “County Commission”) of Hamilton County, Tennessee (the “County”), previously approved the Economic Impact Plan for the Development of the North River Commerce Center Industrial Park and the Redevelopment of North Access Road (as amended, the “Plan”); and

WHEREAS, pursuant to the Plan, the Board and Access Road, in its capacity as developer (the “Developer”), entered into that certain Development and Financing Agreement Relating to the North River Commerce Center Industrial Park and the North Access Road Economic Development Area, dated as of September 23, 2022 (as amended, the “Development Agreement”), setting forth the rights and obligations of the parties with respect to (i) the development of the Project (as defined in the Development Agreement) and certain infrastructure and related improvements of the Plan Area (as defined in the Plan) and (ii) the Board’s commitment to provide certain financial assistance for the development of the Public Infrastructure (as defined therein); and

WHEREAS, pursuant to the terms of the Development Agreement and related loan documents, the Board has issued and the Developer has purchased certain tax increment notes that are payable from incremental tax revenues from the area covered by the Plan; and

WHEREAS, pursuant to the Development Agreement, the Developer has requested that a portion of the notes described above be refinanced with a third party so as to provide a long-term fixed rate with respect to the indebtedness represented by that portion of the tax increment notes; and

WHEREAS, the Developer has requested that Stifel, Nicolaus & Company, Incorporated (“Stifel”) be engaged by the Board as the underwriter for such refinancing of the tax increment revenue notes; and

WHEREAS, an engagement letter has been presented by Stifel to the Board to confirm such engagement, a copy of which is attached hereto as Exhibit A (the “Engagement Letter”).

NOW THEREFORE BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA:

1. The Board hereby appoints Stifel as underwriter in connection with the anticipated issuance of tax increment revenue notes by the Board as is described above.
2. The officers of the Board are authorized to execute the Engagement Letter so that Stifel can commence providing services in connection with the proposed issuance of such notes by the Board.

3. The appointment of the Stifel and the terms of the Engagement Letter shall not create a contract between the Board and Stifel except as is explicitly provided therein, and the Board shall only be required to pay any compensation to Stifel pursuant to the terms of a bond purchase agreement or similar document entered into between the Board and Stifel.

4. All other resolutions and orders, or parts thereof in conflict herewith, are, to the extent of such conflict, hereby repealed, and this resolution shall be in immediate effect from and after its adoption.

ADOPTED by the Board this 20th day of April, 2026.

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

GORDON PARKER, Vice-Chair

JIM FLOYD, Secretary

EXHIBIT A
Engagement Letter
(See Attached)

STIFEL

VIA E-MAIL

April 9, 2026

The Industrial Development Board (IDB) of Chattanooga
Board Chair
Althea R. Jones
John P. Franklin City Council Building, 1000 Lindsay Street
Chattanooga, TN 37403

RE: Underwriter Engagement Relating to a Potential Municipal Securities Transaction for the Industrial Development Board of Chattanooga (the “Issuer”) in connection with a bond issue (the “Issue”) related to the RISE Industrial Project (the “Project”) being developed by RISE Partners (the “Developer”)

Dear Ms. Jones:

The Issuer and Stifel, Nicolaus & Company, Incorporated (“Stifel”) are entering into this engagement letter to confirm they are in discussions related to the Issue and to formalize Stifel’s role as underwriter with respect to the Issue.

Engagement as Underwriter

Issuer is aware of the “Municipal Advisor Rule” of the Securities and Exchange Commission (“SEC”) and the underwriter exclusion from the definition of “municipal advisor” for a firm serving as an underwriter for a particular issuance of municipal securities. Issuer hereby designates Stifel as an underwriter for the Issue. Issuer expects that Stifel will provide advice on the structure, timing, terms and other matters concerning the Issue.

Limitation of Engagement

It is Issuer’s intent that Stifel serve as an underwriter for the Issue, subject to satisfying applicable procurement laws or policies, formal approval by the governing body of Issuer, finalizing the structure of the Issue and executing a bond purchase agreement. While Issuer presently engages Stifel as the underwriter for the Issue, this engagement letter is preliminary, nonbinding and may be terminated at any time by Issuer, without penalty or liability for any costs incurred by Stifel. Furthermore, this engagement letter does not restrict Issuer from entering into the Issue with any other underwriters or selecting an underwriting syndicate that does not include Stifel.

Disclosures Required by MSRB Rule G-17 Concerning the Role of the Underwriter

The Issuer confirms and acknowledges the following disclosures, as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019)¹:

¹ Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

STIFEL, NICOLAUS & COMPANY, INCORPORATED

ONE FINANCIAL PLAZA | 501 NORTH BROADWAY | ST. LOUIS, MISSOURI 63102 | (314) 342-2000 | WWW.STIFEL.COM
MEMBER SIPC AND NYSE

The following G-17 conflict of interest disclosures are broken down into three types, including: 1) dealer-specific conflicts of interest disclosures (if applicable); 2) transaction-specific disclosures (if applicable); and 3) standard disclosures. You may receive additional separate disclosure letters pursuant to Rule G-17 from the co-managing underwriters or other syndicate members for the Issue if they have their own dealer-specific or transaction-specific disclosures.

1. **Dealer-Specific Conflicts of Interest Disclosures**

Stifel has identified the following actual or potential² material conflicts of interest:

Stifel and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and to persons and entities with relationships with the Issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

2. **Transaction-Specific Disclosures: Disclosures Concerning Complex Municipal Securities Financing:**

- Since we have not recommended a “complex municipal securities financing” to the Issuer, additional disclosures regarding the financing structure for the Issue are not required under MSRB Rule G-17.

3. **Standard Disclosures**

- Disclosures Concerning the Underwriters’ Role:
 - MSRB Rule G-17 requires an underwriter to deal fairly at all times with both Issuer and investors.
 - The underwriters’ primary role is to purchase the securities with a view to distribution in an arm’s-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.

² When we refer to *potential* material conflicts throughout this letter, we refer to ones that are reasonably likely to mature into *actual* material conflicts during the course of the transaction, which is the standard required by MSRB Rule G-17.

- o Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
 - o The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer interest in this transaction.
 - o The underwriters have a duty to purchase the securities from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the securities to investors at prices that are fair and reasonable.
 - o The underwriters will review the official statement for the securities, if any, in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.³
- Disclosures Concerning the Underwriters' Compensation:
 - o The underwriter will be compensated by an underwriting discount of 2.50% which will be set forth in the bond purchase agreement to be entered into in connection with the Issue. Receipt of the underwriting discount will be contingent on the closing of the transaction and the discount will be based, in whole, on a percentage of principal amount of the Issue. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

Sincerely,

Stifel, Nicolaus & Company, Incorporated

By: James J. Lahay

Name: James J. Lahay

Title: Managing Director

Issuer accepts and acknowledges the foregoing.

Accepted and Executed:

By: _____

Name: _____

Title: _____

³ Under federal securities law, an Obligor of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an Obligor as a guarantee of the accuracy or completeness of the information in the official statement.

cc: Matt Phillips
Mark Smith
Betsy Knotts
Mark Mamantov
Phil Noblett
Charita Allen
John Klaus
Zak Napper

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA APPROVING AN INTERGOVERNMENTAL FINANCIAL ASSISTANCE AGREEMENT BETWEEN THE CITY OF CHATTANOOGA, TENNESSEE AND THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA RELATING TO NORTHGATE MALL REDEVELOPMENT PROJECT.

WHEREAS, the Industrial Development Board of the City of Chattanooga (the “Board”) is an industrial development corporation created by the City of Chattanooga, Tennessee (the “City”) and is duly incorporated pursuant to Sections 7-53-101, *et seq.*, Tennessee Code Annotated; and

WHEREAS, the Board previously approved an economic impact plan (the “Plan”) regarding the development of an area generally located to the north of Highway 153 and to the east of Hixson Pike and south of Northgate Park Lane, within the corporate limits of the City; and

WHEREAS, the Plan provides for the (i) replacement and/or substantial refurbishment of an existing, inadequate private water and sewer system that serves the Northgate Mall area to meet current public standards and code requirements and the transfer of such system to the appropriate public utilities and (ii) construction of stormwater improvements in the same area (collectively, the “Project”); and

WHEREAS, the Project would facilitate the redevelopment of approximately 71.43 acres controlled by the developer, as well as adjacent properties, into a vibrant mixed-use development in the City (the “Development”); and

WHEREAS, the Board and the City have determined that the Project will be in the public interest of the citizens of the City and will promote economic growth and stability within the City; and

WHEREAS, the City is authorized to grant, contribute or pledge to or for the benefit of the Board revenues derived from any source except revenues derived from ad valorem property taxes for that portion of the Project that consists of publicly-owned or dedicated infrastructure and improvements, pursuant to Tennessee Code Annotated Section 7-53-315; and

WHEREAS, the City is also authorized, pursuant to Tenn. Code Ann. § 6-54-118(a)(1), to contribute funds to the Board for the purpose of economic and/or industrial development; and

WHEREAS, the City previously approved an Intergovernmental Financial Assistance Agreement (the “Intergovernmental Agreement”), attached hereto as Exhibit A, in which the City grants, contributes and pledges a portion of the City’s local sales tax revenues to the Board in order to support the Board in financing and/or reimbursing a portion of the public infrastructure improvements related to the Development; and

WHEREAS, the form of the Intergovernmental Agreement has been presented to the Board; and

WHEREAS, the Board desires to authorize the appropriate officers to execute and deliver the Intergovernmental Agreement on behalf of the Board.

NOW, THEREFORE, BE IT RESOLVED by the Industrial Development Board of the City of Chattanooga as follows:

RESOLVED, the Board hereby authorizes the Chair to execute, on behalf of the Board, the Intergovernmental Agreement with the City in substantially the same form as the Intergovernmental

Agreement presented to the Board, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the officer executing it, his execution to constitute conclusive evidence of his approval of any such omissions, insertions and changes; and further

RESOLVED, that the Chair is hereby authorized and directed to execute, deliver and file such other documents and to take all such further action as he may consider necessary or desirable in connection with the consummation of the Intergovernmental Agreement and transactions described therein, and the Secretary is authorized to attest the signature of the Chair when so requested.

Adopted and approved this 20th day of April, 2026.

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

GORDON PARKER, Vice-Chair

JIM FLOYD, Secretary

EXHIBIT A

Intergovernmental Agreement

(See attached)

INTERGOVERNMENTAL FINANCIAL ASSISTANCE AGREEMENT

This INTERGOVERNMENTAL FINANCIAL ASSISTANCE AGREEMENT (this “Agreement”) is made and entered into as of the ___ day of _____, 2026, by and between the INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA (the “IDB”), a public nonprofit corporation and an instrumentality of the City of Chattanooga, Tennessee (the “City”), and the CITY OF CHATTANOOGA, TENNESSEE (the “City”).

WITNESSETH:

WHEREAS, on December 2, 2025, the City Council of the City approved an Economic Impact Plan for The Northgate Mall Infrastructure Project (the “Plan”), which is generally located to the north of Highway 153 and to the east of Hixson Pike and south of Northgate Park Lane, within the corporate limits of the City (the “Plan Area”); and

WHEREAS, the Plan provides for a property tax increment incentive to assist with the (i) replacement and/or substantial refurbishment of an existing, inadequate private water and sewer system that serves the Northgate Mall area to meet current public standards and code requirements and the transfer of such system to the appropriate public utilities and (ii) construction of stormwater improvements in the same area (collectively, the “Project”); and

WHEREAS, the Project would facilitate the redevelopment of the Plan Area, including Northgate Mall, into a vibrant mixed-use development in the City; and

WHEREAS, the IDB and the City have determined that the Project will be in the public interest of the citizens of the City and will promote economic growth and stability within the City; and

WHEREAS, the tax increment incentive authorized by the Plan is not sufficient to induce the primary owner of the property on which Northgate Mall is located to undertake the Project; and

WHEREAS, the City is also authorized, pursuant to Tennessee Code Annotated Section 7-53-315, to grant, contribute or pledge to or for the benefit of the IDB revenues derived from any source except revenues derived from ad valorem property taxes for that portion of the Project that consists or will consist of publicly-owned infrastructure and improvements; and

WHEREAS, the City is also authorized, pursuant to Tenn. Code Ann. § 6-54-118(a)(1), to contribute funds to the IDB for the purpose of economic and/or industrial development; and

WHEREAS, the City now desires to grant, contribute and pledge a portion of its local sales tax revenues to the IDB in order to support the IDB in providing an additional incentive to undertake the Project; and

WHEREAS, it is deemed necessary and desirable by the City and the IDB to enter into this Agreement addressing the grant, contribution and pledge from the City to the IDB and certain other agreements and rights of the parties related thereto.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties agree as follows:

Pledge and Contribution of a Portion of the Local Sales Tax Revenues. Subject to the terms and conditions contained herein, the City agrees to grant, pledge and contribute to the IDB during the Term (as defined herein) an amount equal to the amount that the local sales tax revenues that the City receives from the parcels outlined in red on Exhibit A attached (the “Sales Tax Area”) hereto exceeds \$560,000, which is the amount of local sales tax revenues that the City received from the Sales Tax Area in the 2024 calendar year (the “Sales Tax Contributions”). In furtherance of the foregoing, the City shall contribute to the IDB the amount that the local sales tax revenues received by the City from the Sales Tax Area for each month (commencing as provided in Section 3 below) exceed the local sales tax revenues received by the City for the same month in 2024 within thirty (30) days of when the City receives local sales tax revenues for such month. A chart showing the monthly local sales tax revenues from the Sales Tax Area for 2024 is attached hereto as Exhibit B. Within one hundred and twenty (120) days of the end of each Contribution Year, the City shall determine whether the amount paid to the IDB with respect to such Calculation Year exceeded or was less than the increase in the local sales tax revenues of the City for 2024. If the City has contributed to the IDB, for any reason, more than the such increase to the IDB for such Contribution Year, the City shall withhold such excess from the next ensuing payment(s) to be made to the IDB hereunder, and if the City has contributed, for any reason, less than increase to the IDB (subject to the limitation on payments herein), the City shall pay such difference to the IDB. In no event shall the City be required to contribute more than \$540,000] to the IDB in local sales tax revenues with respect to any Contribution Year, and once the City has contributed to the IDB \$540,000 with respect to any Contribution Year, the City shall not be required to contribute any further amounts to the IDB with respect to such Contribution Year. For purposes of this Agreement, the first Contribution Year shall commence with the first month with respect to which the City is required to make a contribution to the IDB as provided in Section 3 hereof and shall continue until the next anniversary of such date, and such year and each subsequent year shall be a “Contribution Year” for purposes of this Agreement. Upon request of the IDB, the City shall provide such information regarding the calculations of local sales tax revenues as are necessary or appropriate for the administration of this Agreement, provided, however, that the IDB acknowledges that the City is not permitted to publicly disseminate the sales tax payments made by any taxpayer or otherwise identify such a taxpayer in a manner as to disclose filing information, including sales revenues and sales tax payments, regarding any taxpayer. The City’s pledge of Sales Tax Contributions hereunder is subordinate to the City’s existing pledge of such local sales tax revenues pursuant to an Interlocal Cooperative Agreement (Multi-Use Stadium Project) dated as of August 30, 2022, between the City, Hamilton County, Tennessee (the “County”) and The Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee (the “Sports Authority”) and an Interlocal Cooperative Agreement (Multi-Use Stadium Project – Subordinate Bonds) dated as of October 29, 2024, between the City, the County and the Sports Authority (collectively, the “Stadium Agreements”), provided, however, that the City will use its best efforts to apply pledged revenues pursuant to such Stadium Agreements in such manner that sufficient local sales tax revenues will be available to make the contributions required hereunder by applying other legally available revenues for the purposes required by such Stadium Agreements before applying the local sales tax revenues pledged hereunder; and provided, further, that any other or subsequent pledge of local sales tax revenues from the Sales Tax Area shall be subordinate in all respects to the obligations of the City under this Agreement.

Application of the Sales Tax Contributions. The IDB agrees that the Sales Tax Contributions received by the IDB from the City under Section 1 shall only be used by the IDB to pay (in the manner described in the following sentence) for that portion of the Project that consists or will consist of publicly-owned infrastructure and improvements pursuant to Tenn. Code Ann. § 7-53-315. The City acknowledges that (i) the IDB may reimburse the Developer (within the meaning of the Plan) for such eligible costs pursuant to the terms of a Development Agreement to be entered into between the IDB and the Developer (the “Development Agreement”) and/or issue one or more debt obligations to finance all or a portion of the cost of the Project (the “IDB Financing”) and (ii) the Sales Tax Contributions may be applied to pay eligible costs and/or the principal of and interest on the IDB Financing in order to pay the

cost of such publicly-owned infrastructure and improvements. The IDB agrees that in no event shall the total amount of the eligible Project costs and/or principal amount of the IDB Financing exceed, in the aggregate, \$8,700,000 (which includes a portion of the projected Project cost and various closing costs) plus interest on the IDB Financing less any amount of property tax increment revenues allocated to pay costs of the Project or debt service with respect to the IDB Financing pursuant to the Plan and the Development Agreement (the "Maximum Sales Tax Allocation"). The City acknowledges and agrees that the IDB may pledge all amounts received hereunder to the payment of the IDB Financing and agrees to execute such documents and certificates as the lender for the IDB Financing may reasonably request to evidence the City's obligations hereunder.

Term. Subject to the conditions herein, the duties and responsibilities of the parties hereunder shall commence as of the date hereof, provided, however, that the City's obligation to make payments pursuant to Section 1 shall not commence until the first month after both of the following have occurred: (a) the execution of the Development Agreement by all parties thereto and (b) commencement of construction of the Project has occurred. The City's obligation to make payments pursuant to Section 1 shall continue for a period of 240 months (the "Term"), provided, however, that if the Maximum Sales Tax Allocation is paid prior to the completion of such Term, the City's obligations hereunder shall immediately terminate. Notwithstanding the foregoing, the IDB shall not apply any portion of the Sales Tax Contributions to reimburse costs of the Project or to pay debt service with respect to the IDB Financing until all portions of the Project (or discrete phases of the Project, as provided in the Development Agreement) that will be paid and/or financed with Sales Tax Contributions have been completed and transferred and dedicated to a public entity, and until such time, all Sales Tax Contributions contributed by the City to the IDB shall be held in escrow pursuant to the terms of the Development Agreement until such Sales Tax Contributions may be applied for the purposes provided herein. If the IDB has any amounts derived from the Sales Tax Contributions on deposit after the Maximum Sales Tax Allocation has been paid or if the IDB does not apply, for any reason, any portion of the Sales Tax Contributions for the purposes described above, the IDB shall return such amounts to the City.

Intergovernmental Cooperation Provisions. This Agreement shall also be a joint powers agreement entered into pursuant to the Interlocal Cooperation Act, being Chapter 9 of Title 12 of the Tennessee Code Annotated. For purposes of Section 12-9-104 of the Tenn. Code Ann., as amended, the City and the IDB agree that (i) no separate legal entity shall be established to conduct the cooperative undertaking being undertaken pursuant to this Agreement; (ii) no real or personal property is expected to be acquired in connection with the cooperative undertaking being undertaken pursuant to this Agreement; and (iii) the IDB shall be the administrator to oversee the performance of the provisions of this Agreement.

Default. In the event any of the parties hereto shall fail to perform any of its obligations hereunder or shall become unable to perform by reason of bankruptcy, insolvency, receivership or other similar event, then the non-defaulting party, so long as said party is not itself in default hereunder, may seek specific performance, mandamus or other extraordinary relief to compel the defaulting party to perform hereunder.

Establishment of Funds. The City and the IDB agree to establish such funds and accounts that may be required by any agreements under which the IDB agrees to finance the Project or as otherwise may be required by law in order to segregate and apply the Sales Tax Contributions.

No Payment from Ad Valorem Revenues. Anything in this Agreement to the contrary notwithstanding, no recourse shall be had for the payment of the obligation of the City hereunder against the ad valorem tax funds of the City, nor is the full faith and credit or taxing power of the City pledged to

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The Chancery Court and/or the Circuit Court of Hamilton County, Tennessee shall have exclusive and concurrent jurisdiction of any disputes which arise hereunder.

Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the matters contained herein and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

Amendments and Modifications. No termination (other than expiration in accordance with the terms of this Agreement), amendment, modification, or alteration to this Agreement shall be valid or enforceable nor shall any waiver of any provision be effective unless such termination, amendment, modification, alteration, or waiver is approved, in writing, by the governing bodies of the City and the IDB and by Hixson Mall, LLC.

Headings. The paragraph headings are inserted only as a matter of convenience and for references and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

Authorized Representatives. Any action required of or permitted to be taken pursuant to this Agreement by any of the parties hereto may be performed by an authorized representative of the respective party without further action by the governing body of such party, except as may be otherwise required by the Certificate of Incorporation of the IDB or the Charter of the City.

Limitation of Liability. All covenants, stipulations, promises, agreements and obligations of the parties contained in this Agreement shall be deemed to be the respective limited covenants, stipulations, promises, agreements and obligations of the parties, as applicable, and not of any officer, director, employee or agent of such parties nor of any incorporator, director, employee or agent of any successor corporation to any such party, in its individual capacity. No recourse shall be had against any such individual, either directly or otherwise under or upon any obligation, covenant, stipulation, promise or agreement contained herein or in any other document executed in connection herewith.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Intergovernmental Financial Assistance Agreement to be duly executed and delivered by their respective officials thereunto duly authorized as of the date first written above.

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Mayor

Attest:

City Clerk

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

By: _____
Chair

Attest:

Secretary

EXHIBIT B

MONTHLY SALES TAX COLLECTIONS FROM SALES TAX AREA FOR 2024

January	February	March	April	May	June	July	August	September	October	November	December	Total
(40,427.57)	(43,063.57)	(47,464.21)	(42,078.71)	(44,112.34)	(47,906.09)	(41,870.40)	(41,544.19)	(49,998.21)	(48,267.36)	(49,955.49)	(65,872.66)	(562,560.77)

49845807.2

RESOLUTION

A RESOLUTION AUTHORIZING AN AWARD OF A SMALL BUSINESS INCENTIVE GRANT TO KALABO INVESTMENTS, LLC D/B/A KALABO PAPER PRODUCTS, IN THE AMOUNT OF NINE THOUSAND ONE HUNDRED SEVENTY-FOUR DOLLARS (\$9,174.00).

BE IT RESOLVED, that the Industrial Development Board be and is hereby authorizing an award of a Small Business Incentive Grant to Kalabo Investments, LLC d/b/a Kalabo Paper Products, in the amount of \$9,174.00.

ADOPTED: April 20, 2026

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

GORDON PARKER, *Vice-Chair*

JIM FLOYD, *Secretary*

SBI-(34)



Industrial Development Board Company Summary

Incentive Type:

Growing Small Business Incentive

Company Name:

Kalabo Investments, LLC d/b/a Kalabo Paper Products

Physical Address:	2131 Polymer Drive, Chattanooga, TN 37421
Mailing Address:	735 Broad Street, Suite 500, Chattanooga, TN 37402
Phone Number:	423-421-2086
Federal Tax ID Number:	99-1172186
Web Address (URL):	https://kalabopaper.com/
Corporate Structure:	Limited Liability Company
Primary Industry:	Manufacturing
SETD Recommendation for Approval?	Yes
Recommended Award Amount for Job Creation:	\$4,587.00
Recommended Additional Award Amount for Reimbursement of Eligible Expenses:	\$4,587.00
Recommended Total Award Amount?	\$9,174.00

Date: April 20, 2026

TO: Industrial Development Board of Chattanooga Appointed Members

FROM: Winston Brooks, Director of Economic Development and Entrepreneurship

SUBJECT: Favorable Recommendation for Growing Small Business Initiative (GSBI) Grant: Kalabo Investments, LLC d/b/a Kalabo Paper Products

RECOMMENDED ACTION:

Staff respectfully recommends the approval of a Growing Small Business Initiative (GSBI) grant in the total amount of \$9,174.00 for Kalabo Investments, LLC (d/b/a Kalabo Paper Products). The company has successfully fulfilled all program requirements, driving local economic growth by purchasing new manufacturing equipment and creating five high-quality, full-time jobs within the City of Chattanooga.

Company Profile

Kalabo Paper Products is a locally owned and operated manufacturing business established in 2024, located at 2131 Polymer Drive, Suite 107 B, Chattanooga, TN. Under the leadership of President & CEO Hiren Desai, the company manufactures premium, commercial-grade paper goods, including toilet paper, paper towels, napkins, and breakroom supplies. Kalabo supplies high-volume operations across the Southeast, including restaurants, hotels, healthcare facilities, schools, and industrial plants. The company is currently in good standing with the Tennessee Secretary of State and operates as a for-profit entity within Chattanooga city limits.

Job Creation and Economic Impact

To qualify for the GSBI grant, businesses must create a minimum of five full-time jobs (30+ hours per week) within a contiguous 18-month period. Kalabo has met these expectations. The company has over five full time employees. The company expects to add fifteen more employees.

Equipment Investment

Kalabo's workforce expansion was driven by significant investments in their local manufacturing infrastructure. To keep up with demand and scale their workforce, the company purchased and installed new manufacturing machinery at their Chattanooga warehouse. Recent documentation and site photos confirm the active installation and operation of extensive paper rolling machines, custom packaging lines, and a tissue conveyor.

Grant Breakdown

The Southeast Tennessee Development District (SETD) has reviewed Kalabo's application, verified their job creation and equipment expenditures, and certified the award amounts. The requested \$9,174.00 grant is divided into two matched categories:

Recommended Award Amount for Job Creation: \$4,587.00

Recommended Additional Award Amount for Reimbursement of Eligible Expenses (Equipment):

\$4,587.00

Total Recommended Award: \$9,174.00

Fiscal Impact

Funds will come from account NR11 Z00303 with a balance of \$92,256.02.

SMALL BUSINESS INCENTIVE GRANT AGREEMENT

This Small Business Incentive Grant Agreement ("Agreement") is entered by and between the City of Chattanooga Industrial Development Board ("Grantor") and **Kalabo Investments, LLC D/B/A Kalabo Paper Products.**, a Wyoming LLC with an address at **735 Broad Street, Suite 500, Chattanooga, TN 37402** ("Business").

The purpose of the City of Chattanooga Small Business Incentive Grant Program ("Program") is to support economic development in the City of Chattanooga, Tennessee by incentivizing small businesses, as defined in the Chattanooga City Code, to create more jobs. The Program incentives will be in the form of various specified monetary awards (the "Award") that local small businesses will receive from the Grantor. The source of funding for this Program comes from the City of Chattanooga Industrial Development Board.

The total amount of the Award under this Agreement is Nine Thousand One Hundred Seventy Four and 00/100 (**\$9,174.00**) in recognition of the Business' creation of five (5) full time jobs in the previous eighteen (18) months prior to application.

2. ACKNOWLEDGEMENT OF BUSINESS OBLIGATIONS.

Business hereby acknowledges and agrees that: (a) this Award is made in reliance on Business' representations, warranties, covenants and agreements made herein and in their application submitted to the City of Chattanooga ECD, and that (b) upon any violation or breach of any such representation, warranty, covenant or agreement (including, without limitation, Business' failure or refusal to complete and submit the Application within the time period specified herein), Business shall be subject to any and all remedies listed in Section 8, including repayment of the full Award to Grantor, as well as any amounts the Grantor determines Business received under the Program, all as further provided herein.

3. CONDITIONS TO PAYMENT OF FUNDS; PAYMENT TERMS.

The Business must complete and sign this Agreement and IRS W-9 form and submit these items along with the following documents: the application that the Business submitted when applying to the Program, the spreadsheet containing the number of new jobs that were created and the corresponding salaries, state and local business licenses, certificate of existence, and photos from the site visit ("Verifying Information"), as provided in the Program requirements. If you are unable to complete an IRS W-9 form with an EIN (not your social security number) because you are a sole-proprietor, please also submit Schedule C of IRS form 1040.

Disbursements of the Award will be made upon Grantor's receipt and review of an executed original of this Agreement together with copies of all Verifying Information from the Business. Upon Grantor's confirmation of all required documentation and determination of Award, the Award shall be tendered in the form of a paper check that will be sent to the Business via certified mail or can be picked up in person from the City of Chattanooga ECD Office.

4. BUSINESS' REPRESENTATIONS AND WARRANTIES.

Business represents and warrants to Grantor as follows:

a. *Authority and validity of obligations.* Business has full right and authority to enter into this Agreement. The person signing this Agreement has full authority to sign this Agreement on behalf of the Business, and obligate the Business to the performance of each and all of the obligations under the Agreement.

b. *Compliance with Laws.* To the best of its knowledge, information, and belief after reasonable due diligence and investigation to determine the accuracy of this representation, Business represents that it is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to the operations of Business.

c. *Application.* All statements and information contained in this Agreement, the application or any other form or document submitted by Business in connection with the Program are true, complete and correct, as of the date hereof.

d. *Size of Business.* The Business employed 100 or fewer persons either at the time of the application or as of the date of this Agreement.

5. COVENANTS OF BUSINESS.

The Business covenants that:

a. *Performance Obligations.* Business shall comply with all terms and conditions of this Agreement. Business shall promptly provide Grantor with written notice of any changes that would materially impact compliance with the covenants contained herein.

b. *Repayment Obligations.* Upon (i) the occurrence of an unremedied Event of Default (as described in Section 6) or (ii) a determination by Grantor that the Award was granted to the Business in contravention of the federal or state rules or regulations for the Program, the Business shall promptly repay the Award and/or such Program amounts determined by the Grantor to be due and payable.

c. *Required Reports.* During the Term of this Agreement, the Business shall provide the Grantor with such reports as requested by the Grantor to assist in evaluation of the Program's effectiveness and to determine compliance with this Agreement.

d. *Verification of Award Use, Maintenance of Records.* Business shall maintain all records, documentation and other evidence pertaining to this Agreement for no less than five (5) years after the date the Award is deposited in Business' account.

e. *Inspection and Audit.* Business shall permit the Grantor and its duly authorized representatives to visit

and inspect any of the Business's properties, books, accounts and financial records related to the purposes of the Award, and to discuss the affairs, finances and accounts with, and to be advised as to the same by, its officers, and independent public accountants.

f. *Compliance with Laws.* Business will comply in all material respects with the requirements of all applicable federal, state and local laws, rules, and regulations.

g. *Indemnification.* Business agrees to indemnify,

defend and hold harmless the Grantor, and their respective departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims, and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following: (i) any claim, demand, action, citation or legal proceeding arising out of or resulting from the Award; (ii) any claim, demand, action, citation or legal proceeding arising out of or resulting from a breach by Business of any representation or warranty made by the Business in this Agreement; (iii) any claim, demand, action, citation or legal proceeding which results from an act or omission of Business or any of their agents in its or their capacity as an employer of a person; and (iv) any claim, demand, action, citation or legal or administrative proceeding arising out of or resulting from Business' breach of the terms and covenants set forth herein.

6. EVENTS OF DEFAULT. Any one or more of the following shall constitute an event of default (an "Event of Default") hereunder:

a. *Noncompliance with Agreement.* Business' default in the observance or performance of any provision of this Agreement;

b. *Material Misrepresentation.* Any representation or warranty made in this Agreement, the Certification or in any other form or document furnished by the Business pursuant to this Agreement, or in connection with the Program, proves untrue, inaccurate or incomplete in any material manner as determined in the sole discretion of the Grantor;

7. REMEDIES UPON DEFAULT. If, after notice of default and opportunity to cure (if any), there remains an unremedied Event of Default, the Grantor may, at its sole discretion, take any or all of the following actions:

a. Terminate this Agreement and all of the obligations of Grantor under this Agreement on the date stated in such notice,

b. Declare the total amount of Award funds disbursed to Business, or any portion thereof, in an amount determined by the Grantor to be forthwith due and payable, including any and all fees, charges and other amounts payable under this Agreement. The total amount due shall be and become immediately due and payable without further demand, presentment, protest or notice of any kind.

c. Pursue and/or exercise any other right or remedy that Grantor may have, whether at law or in equity.

8. SUSPENSION AND TERMINATION. The Grantor may suspend or terminate this Agreement in whole

or in part, for cause, when the Business has failed in whole or in part to meet its commitments and obligations as outlined in this Agreement. Termination for cause may be considered an Event of Default.

9. GOVERNING LAW. This Agreement and the rights and duties of the parties hereto shall be governed by, and construed in accordance with the internal laws of the State of Tennessee without regard to principles of conflicts of laws.

10. NOTICES. All notices hereunder shall be in writing and shall be given to the relevant party at its address or e-mail address as set forth in the signature block on the last page of this Agreement.

11. HEADINGS. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

12. WAIVERS. No waiver by the Grantor of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the Grantor in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by Grantor shall preclude future exercise thereof or the exercise of any other right or remedy.

13. SURVIVAL OF REPRESENTATIONS. All representations and warranties made herein or in any other Agreement document or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Agreement documents and shall continue in full force and effect with respect to the date as of which they were made until all of Business's obligations or liabilities under this Agreement have been satisfied.

14. NON-ASSIGNMENT. This Agreement may not be assigned by Business without prior written consent of the Grantor.

15. MISCELLANEOUS.

a. *Effective Date.* The Effective Date of this Agreement shall be the date upon which the Agreement is signed by the Grantor's authorized signatory and the above representations and warranties shall be deemed to be ongoing during the Term of this Agreement.

b. *Contract Documents.* The resolution authorizing the Award and the application along with supporting documentation shall be attached hereto, and incorporated herein, as **Exhibit A**.

16. INTEGRATION. This Agreement represents the entire and integrated agreement between Grantor and Business. This Agreement may only be modified by a written amendment signed by authorized representatives of both the Grantor and Business.

The Parties to this Agreement have read and understood the terms herein. By signing below, each party affirms that he or she is an authorized signatory on behalf of the contracting entity and has the authority to enter into this legally binding agreement on its behalf. The Parties agree to be bound by the terms set forth herein.

GRANTOR

____ Grantor's Authorized Representative Signature

____ Printed Name

____ Title

____ Date ("Effective Date")

BUSINESS

____ Entity's Name

____ Business' Authorized Representative Signature
(CEO, President, Officer, etc.)

____ Printed Name

____ Title

____ Date

Contact Information for Notice and

Communications: **GRANTOR**

Industrial Development Board of the City of
Chattanooga
Attn: Winston Brooks
101 E. 11th Street, 3rd Floor
Chattanooga, TN 37402
(423) 643-7353
wbrooks1@chattanooga.gov

With a copy to:
CITY OF CHATTANOOGA
OFFICE OF THE CITY ATTORNEY
100 EAST 11TH STREET, SUITE 200
CHATTANOOGA, TN 37402
(423) 643-8250

BUSINESS

Kalabo Paper Products
Attn: Hiren Desai
735 Broad Street, Ste 500
Chattanooga, TN 37402
Cell: (423) 421-2086
Email: hiren@3h.group

1700 Riverview Tower
900 S. Gay Street
Knoxville, TN 37902
(865) 521-6200

M E M O R A N D U M

TO: Charita Allen
Winston Brooks
Phil Noblett

FROM: Mark Mamantov

DATE: April 14, 2026

RE: Engagement of Stifel, Nicolaus & Company, Incorporated as underwriter for Access Road Tax Increment Financing

The Industrial Development Board has previously approved a tax increment financing with respect to the North River Commerce Center Industrial Park in connection with the redevelopment of the North Access Road area. Because that financing was not marketable until a significant portion of the buildings in the industrial park had been completed and a predictable amount of tax increment revenues was available, the developer for the project purchased the financing on an interim basis. Now that a significant portion of the development has been completed and a predictable tax increment revenue stream exists, the developer has requested the Industrial Development Board to refinance a portion of the tax increment financing through the sale of tax increment notes to investors unrelated to the developer. This refinancing will provide a long-term fixed rate for the portion of the debt that is refinanced. The developer has requested the Industrial Development Board to approve the engagement of Stifel, Nicolaus & Company, Incorporated, as the underwriter for this refinancing. Stifel is one of the most experienced underwriting firms in the country for this type of financing. In order to comply with certain federal securities laws, Stifel has requested the Board to sign an engagement letter, the approval of which is on the Industrial Development Board's agenda. The engagement letter is preliminary and nonbinding, and any compensation payable to the underwriter would only be payable if closing occurs. However, the execution of this engagement letter would allow the underwriter to work with City staff and the developer to prepare the necessary documents for the financing and present the financing to the Industrial Development Board for consideration.

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M E M O R A N D U M

TO: Charita Allen
Winston Brooks
Phil Noblett

FROM: Mark Mamantov

DATE: April 14, 2026

RE: Approval of Intergovernmental Financial Assistance Agreement for Northgate Mall
Redevelopment

At the last meeting of the Industrial Development Board, the Board approved a development agreement relating to the Northgate Mall redevelopment. Pursuant to that agreement, certain incremental property tax revenues were made available to the developer as an incentive to undertake a redevelopment project. Because the incremental property tax revenues were fairly limited, the City Council agreed to supplement those revenues with a pledge of certain local option sales tax revenues of the City to be derived from the area being redeveloped. To do so, the City Council approved an Intergovernmental Financial Assistance Agreement under which the City agrees to contribute a certain amount of local option sales tax revenues to the Board to supplement the incremental property tax revenues. When the Development Agreement was approved, which was everyone's primary focus, we failed to request the Board to also approve acceptance of the Intergovernmental Financial Assistance Agreement. A proposed agenda item for Board's meeting on April 20th is approval of this Agreement. This Agreement does not commit the Board to undertake any additional commitments to the developer. It just acknowledges that the local option sales tax revenues will be received by the Board and applied as is provided in the Development Agreement.

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