INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
John P. Franklin Sr. City Council Building
Assembly Room
Chattanooga, Tennessee
for
Monday, October 6, 2025
11:00 AM

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

Also Present were: Attorney for the Board, Phillip A. Noblett; Mark Smith and Tom Hayslett (Miller & Martin); Stacey Kenting, Jon Mesher, and David Neuhoff (CBL Properties); Joshua Haston (LDG Development); Betsy Knotts (Bass Berry & Sims); Helen Burns Sharp (ATM); Janice Gooden (CALEB); Gail Hart (Real Property); Eleanor Liu (Finance); Charita Allen and Winston Brooks (Economic Development); Matt Phillips (Rise Partners); and Lori Roberson (court reporter).

ELECTION

Ms. Althea Jones said that the Board's former Chair Kerry Hayes has moved to Nashville.

Mr. Jimmy Rodgers said that under the circumstances and looking at the Bylaws, it looks like we could either elect a new chairperson or Ms. Jones step up as the current Vice-Chair and we elect the replacement for Ms. Jones as Vice-Chair. Mr. Rodgers has made the City Attorney aware of his concern and deferred to him for what he thinks.

Attorney Noblett said that it is up to this body. This body by vote can elect a chair for this position and if the Vice-Chair becomes Chair then there is an opening for the Vice-Chair spot. We need to make sure that if we have any other appointments if it is just a move up type of situation that can also be a situation where you might need to have a new Assistant Secretary if everyone moved up in position. That is up to this body to decide in this meeting and that is why we want this early on the agenda.

The following new officers were elected:

Chairwoman Althea Jones, nominated/seconded by Floyd/Kain.
Vice-Chair Gordon Parker, nominated/seconded by Rodgers/Jones.
Secretary Jim Floyd, nominated/seconded by Rodgers/Johnson.
Assistant Secretary Nadia Kain, nominated/seconded by Rodgers/Shekari.

The motions carried.

Ms. Jones confirmed the meeting was duly advertised, and established that a quorum was present to conduct business.

MONTHLY MEETING OF AUGUST 4, 2025 – MINUTES APPROVAL

On motion of Mr. Rodgers, seconded by Mr. Floyd, the minutes of the August 4, 2025, monthly meeting were unanimously approved as written.

PUBLIC COMMENTS

Ms. Helen Burns Sharp (ATM) had some comments about an item on the agenda which is the Northgate TIF Application. Ms. Sharp realizes that we are very early in the process and there are a lot of steps. The reason Ms. Sharp wrote this now is because there are a couple of issues that need to be addressed before the application gets forwarded to the Application Review Committee, City Council, and County Commission. This is the first step in the process. There are a couple of fundamental questions that the Board might want to discuss.

The developer is requesting a 20-year TIF involving property taxes. They are also requesting that portion of the local option sales tax received by the City from certain mall sales be contributed by the City to the IDB pursuant to an economic development agreement. This sales tax is the major funding piece ($10.8 million out of $15.8 million). (See attached e-mail by Ms. Sharp for details on the following questions):

Question 1: Does state law allow sales tax revenues to be used with TIFs for a project like this? Question 2: Does the City need the "impartial third-party review" called for in your adopted TIF policies before proceeding with the application?

There were no questions by the Board.

QUARTERLY FINANCE REPORTS

Ms. Eleanor Liu presented the Quarterly Finance Reports. There is no change on the VW grant report since July. Everything is the same. Percent spent, encumbered, and contingencies are at 99.00%.

The second report is the IDB Economic Development Program Summary. In total, all the funds that we have are $2,045,510.23.

The TIF summary report is exactly the same as the one presented in July.

The last report is the Wastewater Program Summary. There are two programs. The e2i2 program and SPOI Program. To date, we have spent about $33,225,607.47.

The letter from the State Comptroller's Office was in the packet. Ms. Liu explained what the letter represented. There was prior period adjustment wording that cannot be used and should be used as error correction. The correction was made.

RESOLUTIONS

Northgate Mall TIF

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

A RESOLUTION ACCEPTING THE APPLICATION AND ATTACHMENTS FROM HIXSON MALL, LLC AND BI DEVELOPMENTS, LLC FOR A TAX INCREMENT INCENTIVE AND AUTHORIZING THE SUBMISSION OF THE TAX INCREMENT INCENTIVE APPLICATION FOR THE NORTHGATE MALL REDEVELOPMENT PROJECT TO THE CHATTANOOGA CITY COUNCIL AND HAMILTON COUNTY COMMISSION TO ADOPT A RESOLUTION OF INTENT TO CONSIDER AN ECONOMIC IMPACT PLAN.

This portion of the minutes was transcribed by the court reporter, Lori Roberson. See attached transcript.

The motion carried.

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

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO SET AN APPLICATION REVIEW COMMITTEE MEETING ON OR ABOUT OCTOBER 20, 2025, TO REVIEW THE APPLICATION FOR THE PUBLIC INFRASTRUCTURE IMPROVEMENTS TO SUPPORT THE REVITALIZATION OF THE NORTHGATE MALL.

This portion of the minutes was transcribed by the court reporter, Lori Roberson. See attached transcript.

The two members elected for the Application Review Committee are Jim Floyd and Nadia Kain. The Committee will be meeting on October 20th, 2025, at 9:30 AM in the Council Conference Room.

The motion carried.

ADOPTED

PUBLIC HEARING

Economic Impact Plan for the development of the North River Commerce Center Industrial Park

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

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA APPROVING A SECOND AMENDMENT TO THE ECONOMIC IMPACT PLAN FOR THE DEVELOPMENT OF THE NORTH RIVER COMMERCE CENTER INDUSTRIAL PARK AND THE REDEVELOPMENT OF NORTH ACCESS ROAD AND SUBMITTING THE AMENDMENT TO THE CITY COUNCIL AND COUNTY COMMISSION FOR APPROVAL.

This portion of the minutes was transcribed by the court reporter, Lori Roberson. See attached transcript.

The motion carried. Mr. Rodgers stepped out of the meeting at 12:20 PM.

ADOPTED

High Growth High Jobs Incentive Grant

A RESOLUTION AMENDING INDUSTRIAL DEVELOPMENT BOARD RESOLUTION DATED JULY 14, 2025, FOR THE MASTER MACHINE HIGH GROWTH HIGH JOBS INCENTIVE TO CHANGE THE DEFINITION OF WAGE AMOUNT OF "NEW EMPLOYEES", IN THE AMOUNT OF FIFTY-EIGHT THOUSAND SIX HUNDRED THIRTY-NINE DOLLARS ($58,639.00), TO MATCH THE HIGHER WAGE, IN THE AMOUNT OF SEVENTY-TWO THOUSAND THREE HUNDRED THIRTY DOLLARS ($72,330.00), AS PREVIOUSLY REFERENCED IN EXHIBIT A OF THE AGREEMENT AND THE ACCOMPANYING STAFF REPORT.

This item was addressed by Ms. Allen. This resolution was not voted on due to this being just an administrative clerical revision to fix the error. The amount that was listed is a lower amount and replaces the definition. We will have a new agreement that will need to be signed by the Chair. Attorney Noblett confirmed that this is just a clerical error.

NO VOTE

Bridge COVID-19 Revolving Loan Fund

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

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE A LETTER ADDRESSED TO THE SOUTHEAST TENNESSEE DEVELOPMENT DISTRICT (SETDD) REQUESTING RE-PAID IDB BRIDGE COVID-19 REVOLVING LOAN FUNDS TO BE RETURNED TO THE CITY OF CHATTANOOGA IDB FUND ACCOUNT NO. NR14, FOR AN APPROXIMATE AMOUNT OF THREE HUNDRED FIFTY-EIGHT THOUSAND DOLLARS ($358,000.00).

Ms. Allen said that this item is a follow-up to the item where this board allocated $1.5 million in Economic Development fees to the One Westside Project and as part of that we have covered in our overview that we have additional funds that would be coming back into the Board that will replace some of the funds being sent out and this is one of those. Ms. Liu mentioned that the CNE funds that would come back in and these are funds that are also going to come back in but we have to send an official letter requesting those funds move back from Southeast Tennessee Development District over to the IDB.

This is checks and balances on the financing. Staff is not allowed to go to the IDB and ask them for money. Attorney Noblett said that this item does need action by this Board to make sure the Comptroller is satisfied.

The motion carried.

ADOPTED

Southern Champion Tray PILOT

On motion of Ms. Kain, seconded by Mr. Floyd,

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD TO CONVEY AND TRANSFER CERTAIN REAL AND PERSONAL PROPERTY AND TO TAKE FURTHER ACTION IN CONNECTION WITH THE TERMINATION OF CERTAIN LEASE AGREEMENTS AND AGREEMENTS FOR PAYMENTS IN LIEU OF AD VALOREM TAXES IN CONNECTION WITH CERTAIN SOUTHERN CHAMPION TRAY PROJECTS.

Ms. Allen said that this is an administrative item and happens whenever a PILOT reaches the end of its term. Once those incentives reach the end because the properties are held within the IDB, once the incentive is over, the IDB has to transfer those properties back over to the legal entity that applied. This is moving the property out of the IDB and back into Southern Champion Tray.

Attorney Noblett said that the good news is that after that occurs, normal taxes will be required to be paid for these properties. That is the payment in lieu of taxes.

The motion carried.

ADOPTED

e2i2 Project

On motion of Mr. Floyd, seconded by Ms. Kain,

A RESOLUTION RATIFYING ACTION TAKEN BY THE VICE-CHAIR TO EXECUTE A SANITARY SEWER EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT WITH VTR SHALLOWFORD, LLC FOR PROPERTY LOCATED AT 7127 LEE HIGHWAY RELATING TO THE E2I2 PROJECT.

Attorney Noblett said that this is a sanitary sewer easement that needs to be done and the Vice-Chair has already signed it and we need ratification.

ADOPTED

OTHER BUSINESS – DISCUSSION ITEMS

(a) Update on June 2, 2025, agenda approving Chattanooga Chamber of Commerce request in the amount of $70,000.00 as a funding match for a site selector LED competitive analysis. The IDB was invoiced under budget in the amount of $60,000.00 as a final cost. The IDB retains the previously committed amount of $10,000.00.

Ms. Allen said that staff is bringing this item to the Board's attention because when the IDB awarded this amount, it awarded the amount of $270,000 and it came under and wanted to report that.

(b) Confirmation – CNE Small Business funds were deposited into the IDB Account No. NR14 IDB-PILOTs Z00306 in late August 2025, in the amount of $588,802.59.

Ms. Liu covered this in her report.

Ms. Jones recognized Mr. Brent Goldberg who is a new IDB board member representing District 9. Thank you for being here. We had a lot to cover on this meeting agenda. Ms. Jones appreciates Mr. Goldberg added to our group. Mr. Goldberg said thank you and it is his pleasure to serve and looks forward to working with all.

Ms. Jones thanked those representing the Board for the Application Review Committee and looks forward to a report back.

There being no further business, the meeting adjourned at 12:29 PM

JIM FLOYD, Secretary

APPROVED:

ALTHEA JONES, Chair

Gmail Helen Burns Sharp <untiedlaces@gmail.com>

Northgate TIF at IDB

1 message

Helen Burns Sharp <untiedlaces@gmail.com> Mon, Oct 6, 2025 at 10:17 AM
To: Helen Burns Sharp <untiedlaces@gmail.com>

This IDB meeting is the first step in the TIF process. While there may be changes based on questions raised later (TIF Application Review Committee, City Council, and County Commission), today is the first opportunity for a public body to be updated on and discuss two important issues raised by the City Council last week.

Do you believe more time is needed to answer those questions before the application moves forward?

The developers are requesting a 20-year TIF involving Property taxes. They also request that "the portion of the local option sales taxes received by the City from certain mall sales tax be contributed by the City to the IDB pursuant to an economic development agreement." This sales tax is the major funding piece ($10.8 million out of $15.8 million).

Question No. 1—Does state law allow sales tax revenue to be used with TIF for a project like this?
Two schools of thought:

- "YES" -Your excellent staff person, Charita Allen, points to state law Section 7-53-315, which essentially allows the "City to pledge any non-ad valorem revenues, including sales taxes, to assist with public infrastructure projects"
- "NOT SURE"-A review of state statutes that concludes sales tax revenue can only be used with TIF in conjunction in narrow, statutorily defined circumstances (brownfields and convention/tourism facilities).

I believe you need a written legal opinion from an attorney with expertise in TIFs to put this issue to rest. Otherwise, it may keep popping up.

Question No. 2—Does the City need the "impartial third-party review" called for in your adopted TIF policies before proceeding with the application?

The applicant requested a waiver of TIF policy 4.11, which requires an applicant affidavit and an independent third-party review. The City Council denied this waiver request.

In the application, the applicant certified that they would not undertake the project unless the requested tax increment incentive was provided because it would not result in a reasonable return on investment.

An independent third-party review has not been done. Its purpose is to evaluate the applicants' financial projections for the project to evaluate whether the amount and allocation period of the incentive they request is required for them to receive a commercially reasonable return on investment with respect to the project.

I believe this review needs to happen first. It may or may not change the amount or allocation period. We need to know. The city used this tool in a recent TIF, and my understanding is that it lowered the amount of the taxpayer subsidy.

MONTHLY MEETING OF THE BOARD OF DIRECTORS
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA
MONDAY, OCTOBER 6TH, 2025 @ 11:00 A.M.

IN RE: AGENDA ITEM 7(a) and 7(b) NORTHGATE MALL TIF and AGENDA ITEM 8 PUBLIC HEARING - ECONOMIC IMPACT PLAN FOR THE DEVELOPMENT OF THE NORTH RIVER COMMERCE CENTER INDUSTRIAL PARK

BOARD MEMBERS:

ALTHEA JONES, Chairwoman
JAMES FLOYD
NADIA KAIN
BRENT GOLDBERG
MARCUS CADE-JOHNSON
JIMMY F. RODGERS, JR.
MELODY SHEKARI

ALSO PRESENT:

CHARITA ALLEN, Economic Development
WINSTON BROOKS, Director of Economic Development
RICK DAVE, IT
BETSY F. KNOTTS, Bass, Berry & Sims PLC
MARIA MANALLA, City Attorney's Officer
JON MESHEL, CBL Properties
PHILLIP A. NOBLETT, City Attorney
MATT PHILLIPS, Rise Partners
HELLEN BURNS SHARP, ATM

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* * *.

CHAIRWOMAN JONES: Our next agenda item is Northgate Mall TIF. This item has two parts. The first part is a resolution accepting the application and attachments from Hixson Mall, LLC, and BI Development, LLC, for a Tax Increment Incentive and authorizing the submission of the Tax Increment Incentive Application for the Northgate Mall Redevelopment Project to the Chattanooga City Council and Hamilton County Commission to adopt a Resolution of Intent to consider an Economic Impact Plan. We'll start with that one.

MS. ALLEN: Good morning. Good morning, IDB members. Charita Allen, senior advisor for Economic & Workforce Development here at the City. I have included in your packets a staff report. That's just a one-paged overview of the item on which we're here speaking today.

Staff is recommending to approve accepting the application. We list in that staff report the authorizing state statutes for that. We include the City and County policies. And then we will go through the presentation after that.

We talk a little bit about the alignment with economic development plans in this staff report, including alignment with the RPA plan for regional centers and corridor approaches. We talk a little bit

about the RPA City-Council adopted plan in 2023 which encourages the revitalization of existing commercial centers.

And then we talk a little bit about the plan Chattanooga, Hixson, Red Bank plan that's in draft form from 2024 which talks about facilitating redevelopment of Northgate Mall and surrounding commercial areas into a compact walkable center. And so those will be in the presentation once we get that pulled up.

But, in the meantime, we will talk a little bit about the project and how we got where we are.

Correct presentation, wrong cover. So here we are. So we're here talking about the proposed Northgate Mall TIF. What's the City's vested interest in the infrastructure? The first piece, if you look at this particular graphic, the orange areas show the stormwater runoff, and then the -- which is City infrastructure -- and then if you look at the gray box in the center, that is Northgate Mall property. And so that's a private sewer infrastructure.

And so, as it stands now, we have public infrastructure flowing into a private system. We are looking at our vested interests from a public health standpoint. Were that public infrastructure to fail, the public infrastructure then becomes the City's

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responsibility.

We are looking at the benefit from accessing private capital. This would be a public-private partnership in that the developer could do a City-backed TIF that would fund the infrastructure upfront, and they are asking for the public sales tax and the local option -- public property tax and local option sales tax to repay the fronting of that particular infrastructure.

Accelerating the project timelines, we're looking at proposed construction which would be January 1 of 2027, completion January 1 of 2028. That will be ahead of any capital project that the City would have. It would be ahead of any capital project that wastewater would have as well.

And then sharing risk, again, we're talking a little bit in this presentation about public-private partnerships. Economic development standpoint, we're going to go over with you some of the benefits for revitalizing the mall as it relates to previous sales taxes and how those have dipped, and previous property taxes and how those have dipped as well.

And then looking at enhancing future revenue streams, again, rebuilding existing infrastructure, looking forward to future development, what that development looks like is all based on the existing

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infrastructure and the future infrastructure that's in place. We talk a little bit about that.

We talk a little bit about the history. So it was once a thriving urban center. It was a center of activity. It was built in 1968 with the private sewer system. Hixson at one point was annexed into the City of Chattanooga in 1973. And so when that annexation happened, it still remained the public (sic) infrastructure system. It did not come into the public infrastructure.

Current status, there has been some existing redevelopment of the mall. That is limited based on the laterals in the existing infrastructure. So, again, what that looks like is small standalone development on the perimeter.

If we would ever want to have, for instance, multi-family housing, or vitalized town center, if you wanted to do Class A office buildings, those require upgraded and replaced infrastructure. And that's currently not viable with this particular private system.

And so, again, take a -- we give you some numbers here talking about the dip in appraised value. So 2017, looking at that $50 million figure. 2024 currently appraised at $28 million. And why that's important to us as the City and as the Industrial

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Development Board, that's a loss of property taxes when you look at that.

And then looking down at the sales tax piece, looking at how sales taxes have declined from their peak. And the developer will present after this, and he will talk a little about these numbers as well. But, again, that loss in sales tax revenue is a loss in sales tax that goes into our general fund that funds some of our operations for the City of Chattanooga.

So, again, we are looking at it from these are two revenue sources that impact our city services overall. And we have seen this steady decline in this particular region. And we say region because it's not just Northgate Mall proper. There are 13 private-owned properties around it that also generate sales tax and property tax that go to the City of Chattanooga.

We talk a little bit about the benefit. This is a proposed TIF boundary, and, again, this includes Northgate proper and some private property owners. You see there the cloverleaf, that's in the top corner there, that's cloverleaf is where the storm water and public rights-of-way feed into the private system. And so, again, it's upgrading and replacing the infrastructure. There's a safety -- public safety aspect for the City. It's achieving a vision of town center. Again, as malls

are being redeveloped -- and I will point to a couple of malls that are in this particular presentation. As malls are being redeveloped, they're not being redeveloped solely for retail. There are other functions that are happening there. The multi-family, the mixed use. There are some other services that happen with it.

You'll also see in the upper right corner, the tail-end of that TIF boundary, that's the Northgate Public Library, which is at the end of its life. So, at some point, that library will be redeveloped in the next three to five years as well.

And then looking, finally, new sewer and stormwater infrastructure will be dedicated to the City after completion. So, again, private system replaced, upgraded to City standards. There's a component which is owned by the Hixson Utility District. It would be built to Hixson Utility District standards. That would be dedicated over to the -- we did -- staff did have conversations with the utility district. They did not have in their capital budget or their capital plan any projections to replace any of their water lines for the next three to five years. The same with the City infrastructure, it's not in the capital plan for replacing them in the next three to five years as well.

And then let's talk a little bit about the

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TIF. I mean, this board has worked on other TIFs in the past and understands the process. But, again, it is looking at the property taxes and the existing boundary for the TIF district that's that green portion in this graph. Whatever is currently being paid in property taxes will continue to be paid.

As a property gets redeveloped, there's that orange piece, that's the increment. That only happens if the developer builds the infrastructure that encourages future development. So it's not just putting in infrastructure and having it sit; it's putting in infrastructure to drive future growth.

That future growth, that's the tax increment. That's what's discretionary. And so that's what this TIF is about, these next five and six steps to get the proposed TIF in place. That's looking at: How much is that increment? What does it look like? How much of it is the project entitled to pursue? And how do we make that happen?

And then, at the end of the proposed 20-year term, that green piece, that's where all of that extra valuation, that extra TIF increment, that comes back to the City.

And so, again, it's looking at we're getting taxes, we know we're receiving those, they're -- they

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have historically been declining and they will probably continue to decline without significant investment or redevelopment. How do we put in the infrastructure to encourage that orange piece to happen so that, as we get to the end of it, we get all the green afterwards? And so that's kind of what this graph looks like. And, again, the discretionary piece is what's in orange.

And then we talk about the waivers. So this is the presentation that was presented to City Council last week. We went to City Council, we asked for waivers of certain policies. And the City -- by the TIF policies that were approved by City Council, they're allowed to waive any and all policies as they determine.

We asked for these three waivers. They waived the first two. And the last one was that independent third-party review. And so the City Council said: You know, we still want that. Like, we get timing is of the essence and we understand all the other pieces. But that's something that the City Council was not willing to waive.

And our TIF -- our TIF counsel -- I get City Council and TIF counsel mixed up. So our TIF legal team staff is already reaching out to a third-party reviewer to provide that. It's not a reviewer that we've worked with in the past. So it will not be (indiscernible) and

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associates. It will not be our current legal team. It's an outside third party. So they've already reached out for that.

What's required for that is that that piece be in place when we get to the point where we are negotiating the EIP, and that's what happens in November. That's November 3rd.

And so the Economic Impact Plan -- and that's in another presentation. This is the -- the Economic Impact Plan is a legal document. And so on November 3rd, that's when the IDB will see that legal document. And that requires a public hearing. It will happen here.

And then it goes to City Council. And it goes to County Commission if applicable. And then the final step is it will come back to the IDB. And so what's important for us is that third-party review piece, we need to have that by November 3rd, which is when we will start looking at what are the numbers.

That's where -- and I will give you four main pieces of the EIP -- that's where we're identifying the boundaries. Do we have the boundaries? Do they (undiscernible)? Or do they need to be changed? We're identifying the location of the project. We're talking about the benefits to the municipality. We're talking about the anticipated tax receipts. We're talking about

job creation. All of those are the legal components that will go into the EIP. Again, that's November 3rd.

So that third-party piece, we don't need that today, but we need that before November 3rd, which is where we start looking at the legal document.

So for today, what we're asking is review -- accept the application as complete to start the process, set a date for an Application Review Committee, appoint two members from IDB, keeping in mind the Mayor will designate two members, City Council will designate two members, and there will be a member for the Chamber. Those are the pieces that we're asking for today to start the process.

And so there is an affidavit in the application which says from the company that the project -- that this infrastructure is needed to make the project happen. And this third-party review which we are saying we will have by the November 3rd EIP draft, that piece will verify that affidavit. So for that one, what we're saying is we don't need that now but we do need it before we get to the EIP portion.

And then let's talk a little bit about the public-private partnership. Some of you have seen some of these before. You voted for some of these, about public hearing to amend one of these. And, again, this

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is -- this is the public-private partnership and how that works for the City and the IDB. It's a contractual agreement between a public agency and a private sector entity. And so in addition to sharing resources, we are also sharing the risk.

And so I will give you this first example. The MLK Blue Goose Hollow TIF, so this one, the developer came to us, the developer was going through the Land Development Office process, a developer was working with CDOT, Chattanooga Department of Transportation, and someone in that department said, Hey, just so you know, if you maintain ownership of this and you close off this boulevard, the public will not have access to the Riverwalk.

And the City and the County had just spent tens of millions on that particular portion of the Riverwalk. And so that's where that public-private partnership came to play. And it was there's a public benefit, we'd like to partner with you, or the developer is would you partner with us to make sure the public benefit is maintained?"

And so this was a TIF, roughly a $4 million TIF, that allowed extension of ML King Boulevard to the Riverwalk, and it also provided parking, landscaping, infrastructure, all of those other pieces that go along

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with that sort of public piece.

Access Road TIF -- and I know we have a public hearing on that one here shortly -- again, this was infrastructure that the City never would have funded on the front end, it never would have required the right-of-way to do that. It worked with the developer who was doing a project in the area and we said, Hey, just so you know, there's a soccer complex and there's roadway and access and there's no signaling, so people are coming out of this road, they're making a left turn against four-lane traffic, there is no signally, we'd like to revitalize that infrastructure.

It's not something that was in the capital plan. It probably would not have for a long time, but, again, developer at the table developing the project and we said, Would you consider building out our infrastructure, we'll provide increment to repay you for that? And that's where we're seeing this piece.

So, again, looking at how public-private partnerships work, there's a public benefit for us, for the City and the IDB on the Northgate Mall TIF because, again, we have public infrastructure that is flowing into a private system and were the private system to ever fail, we then are in a critical standpoint to say, Now we have to address this public system on our own, on our

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dime, on our timeframe, what would that look like absent a public-private partnership where you already have a developer who's doing work in and around that area.

And, again, I talked a little bit about this while we were waiting for the presentation to load. And, again, this is just project alignment. And so how this works is when the Chamber has a plan, or RPA has a plan, there's a Plan Hamilton, when those plans are put together with public input, those plans then get disseminated to all the economic development entities that are located in our ecosystem. We then flag the one where we feel like there might be a potential P3 that's involved. It does not always happen. Sometimes it aligns. Sometimes it doesn't.

But, again, when you start to look at the Hixson-Red Bank plan, it points out -- there's a section in the bullet point that says facilitate to redevelop the Northgate Mall. Well, what does that facilitation look like? It could be private, it could be public dollars that go directly into it. It could be public infrastructure that goes into it. It could be the facilitation of a high-rise project that includes a public library into it. It can look like any number of things.

But what's important is that we flag these

items and then, if they come to us, we bring them forward to the elected bodies where the elected bodies to decide whether these are projects that we want to see happen moving forward.

And then, again, these are some recent -- one of those is not so recent because it's 2007. But these are other Tennessee shopping malls, shopping center center TIF projects. And, again, you're looking at Rivergate $42 million TIF, Oak Ridge, that's a $13 million TIF, Bellview $10, East Stone Kingsport $9.5 TIF. These are for -- some of them are infrastructure. Some of them are vertical construction. Some of them are demolition. They're just -- just total -- use their dollars to demolish this eyesore that's been vacant and abandoned, just take it all.

So, again, all of these TIFs are a little different. And so the TIF that we're -- proposed TIF we are bringing to the table is a combination of some of those. But, at its core, it's infrastructure so that if you want to redevelop it to an outside-type mall, if you want to have a town center, if you want to have multi-family housing, if you want to have a hotel, none of that -- none of that could happen with the existing infrastructure.

Okay. And then the proposed timeline, kind

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of where we are with everything -- I need glasses for this. Okay. So we just finished the two EIPs with the Council where we basically went to them and said: This is a TIF. It's not like previous TIFs you've done. It does not have a big project attached to it that's generating increment. It's mainly for infrastructure. It's going to be using property tax and local sales tax from smaller projects that are happening in or around it. It's different. We need some waivers.

And so, again, without those waivers, this application would not have been able to come forward to this particular board. So the Council, again, approved two of those waivers, said no to the other one. We are moving forward and we are reaching out. We will comply. Obviously, the applicant will comply with that.

And then, again, here we are accepting the application and the $8,000 application fee that goes along with that. The fee can cover any resources or any studies or special items that the IDB might need to review this particular application.

And then Tuesday, the 14th, we go back to City Council reviewing it for a TIF. Again, those are all the staff's -- those are proposed application committee, that has to happen on October 20th. That's where, roughly, you've got seven people sitting around a

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table in the J.B. Collins meeting room for two hours and they're just reviewing the TIF application. They are asking every single question about every single answer. They're looking at all of the studies. They're looking at all of the supporting documents to say, Okay, we get it, we've asked all the questions.

There's a reporter that attends that meeting that takes notes. And then anything that comes ahead of that meeting gets incorporated into future documents. So if there's a question that needs to be asked, they typically will ask it. It's recorded, and then we get that answer, and then that's incorporated into future documents moving forward.

And so we go from Application Review Committee to the public hearing by the IDB and the vote on the EIP. Again, that's where the legal document that says, We think we're doing a TIF, we're not sure yet, but this is a legal document and here are the items that need to be debated and reviewed. And that would come before this board November 3rd. And then passing and voting of it from the IDB then goes back to City. And then, if appropriate, it would go to County for review and approval. And then the TIF's in place.

And then after that, there's a development agreement, that typically would happen late

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December/January. I think we've had one that's gone to March or so. And then at that time, it goes over the parameters, the development, what it looks like, drawings, all of those pieces. Perfect.

And then I will have the developer come up and talk a little bit about the sewer.

MR. MESHEL: Thank you very much. There's another presentation in there.

THE COURT REPORTER: What is your name, sir?

MR. MESHEL: Jon Meshel, CBL Properties. I'm appreciative of the board today and the opportunity to speak to you all. Charita, thank you for your presentation.

That's the right one. As the City stated, we are seeking a developer-backed TIF. We are proposing to finance the work with the reimbursement funded by real estate tax and sales tax.

The proposed sales tax contribution will be capped and limited to new retail, as that will open on the former Sears' land, retailers that are already under development will open later this year.

With comments today, we intend to provide some additional color to the City's presentation and to address some questions that have come up.

The Northgate Mall has long served...

MS. ALLEN: We did pass out the presentation to the IDB members.

MR. MESHEL: Okay. Thank you. Sorry for the interruption. Northgate Mall has long served as a cornerstone of the Hixson community and was built prior to Hixson's incorporation into the city, as Charita mentioned, during a time when public services were not available. This means that to support the mall's development, a private system had to be constructed.

I would like to note that had the mall been built a few years later, the system would have been designed, constructed, and dedicated to the City.

As the corridor has grown, it became necessary for this private system to expand to serve other businesses and landowners. Now this failing private infrastructure system serves not just the mall, but 12 other adjacent properties and nearly 20 other businesses.

CBL purchased the mall in 2011. And since then, we have invested over $40 million in and around the mall. Tens of millions of additional dollars have been invested by owners of parcels surrounding the mall and to the benefit of the community.

However, like many aging retail centers, the campus now faces a critical challenge. Its

infrastructure, particularly the water and sewer systems, both outdated and is still privately owned. As a critical infrastructure system that serves not only the mall property but 12 additional properties owned by other entities, a failure of the system would create a significant disruption of the businesses served by the system, including businesses such as T.J. Maxx, Aubrey's, Cava, Miller's Ale House, and many others.

In the years since CBL purchased the mall, the retail industry has changed significantly. Malls similar in size and market position have had to evolve. Anchor stores on our campus, such as JCPenney, Sears, and Burlington have closed. National retailers inside the mall, such as Children's Place, Victoria's Secret, Kay Jewelers, GNC, Justice, Christopher & Banks have also closed.

Simply put, the mall in its current format is not sustainable. The financial impact is real and detrimental to the City. As the City stated, the real estate tax as related to the campus have declined from a peak of $1.1 million in 2017 to $575,000 in 2024. This is nearly a 50 percent decline.

We reinvested in the property by redeveloping around the periphery and working to preserve its value and tax revenue, but we have reached the limit of what

this existing infrastructure system can support.

The combination of the deterioration of the existing retail format in this location coupled with the costs associated with the failing private infrastructure make meaningful redevelopment that aligns with the City's existing vision for the area as outlined by One Chattanooga, Plan Chattanooga, and Chattanooga Regional Planning Agency impossible without public-private partnership.

I want to reiterate, a meaningful redevelopment of the closed mall -- enclosed mall cannot support a public infrastructure project that serves 12 additional property owners and numerous other business. This is infrastructure work that the City needs to support its businesses and its taxpayers.

To address this, CBL, in partnership with the City of Chattanooga is proposing a developer-backed TIF. Importantly, this is not a request for existing public funds. CBL would fund the improvements upfront assuming 100 percent of the financial risk with 100 percent of the TIF being repaid by new revenue generated from the ongoing development of the former Sears' parcels once they are reassessed. Once complete, the new infrastructure would be dedicated to the City of Chattanooga and the Hixson Utility District.

The benefits of this proposal are immediate and tangible. The improvements will help stabilize the tax base that has eroded significantly over the past decade and create new revenue stream for both the City and the County.

The project is a strategic investment in public infrastructure that supports existing businesses, prevents urban sprawls, and aligns with long-term planning goals for the Hixson corridor.

In this proposed public-private partnership, with work being completed by the developer, the City avoids the complexity of managing the project, the City bears none of the financial risk, gains a modern utility -- a modern utility system necessary to continue to effectively and safely serve its customers, and the community will get a revitalized commercial center.

A future revitalization of Northgate Mall hinges on this infrastructure work. Without it, the future of the mall is bleak and likely to be repurposed into low-value uses, such as self-storage, that do little to support surrounding businesses, create jobs or generate meaningful tax revenue.

This is not alarmism; it's reality as seen in other communities. Malls that lack coordinated public-private investment have become blighted and

underutilized. There are numerous examples of malls being returned to lenders and public entities needing to step in and purchase parcels just to prevent further decline.

Chattanooga has an opportunity to avoid a negative outcome by supporting a plan that stabilizes the tax base, protects public infrastructure, and positions Northgate Mall for meaningful community center development.

Ultimately, this proposal is about more than just Northgate Mall; it's about preserving essential City services to the nearly 20 existing businesses, ensuring that Hixson continues to grow in a way that benefits everyone, residences, businesses, and the City alike.

CBL is invested in this project and the future viability of the Northgate campus, a future that will only be possible if this critical infrastructure work is completed.

As I mentioned at the beginning, we are seeking a developer-backed TIF. CBL will be financing the work and taking the risk. Thank you.

MR. RODGERS: Madame Chairwoman?

CHAIRWOMAN JONES: Yes.

MR. RODGERS: Mr. Meshel, CBL Properties owns this particular property; did I understand that

correctly?

MR. MESHEL: We own the middle of the property, the mall portion of the property, and we own some of the parcels around the property, but not all of the parcels.

MR. RODGERS: Okay. Since the resolution is explicitly dealing with Hixson Mall, LLC, and BI Development, LLC, explain for us, who are those people?

MR. MESHEL: Hixson Mall, LLC, is the entity that owns the mall, the enclosed mall. There are 12 other properties around the campus, one of which is BI Development, LLC, which CBL is a managing member. So the idea is that CBL's entities, the mall, will pay for all of the infrastructure that supports the mall and the other businesses around the mall.

MR. RODGERS: Does CBL have an ownership interest in Hixson Mall, LLC?

MR. MESHEL: Yes. Yes. Sorry if I wasn't clear.

MR. FLOYD: Does it also have interest in BI Development?

MR. MESHEL: Yes.

MR. FLOYD: Okay. Because all of those are attached; correct?

MR. MESHEL: All of the parcels are taxed?

MR. FLOYD: Attached.

MR. MESHEL: Attached. I'm sorry.

MR. FLOYD: Can we see the previous slide?

MR. DAVE: (Complies.)

MR. MESHEL: So 13 and 10 are the two entities making the application.

MR. FLOYD: Right. And it looked like they are attached, to me.

MR. MESHEL: This is not a clear parcel map. It's a utility map with an overlay. They are adjacent to each other, that is correct. But they're separately-owned entities. CBL purchased 10 from JCPenney when JCPenney closed.

MS. KAINS: Excuse me. So, to be clear, this would benefit all of these parcels is kind of what we're saying. You're just the applicant. But this is going to be beneficiary, obviously, to all of the surrounding -- they're not going to have to have access separately? It's going to be a public utility?

MR. MESHEL: That's correct. So just what we stated, and explained it again, all of these parcels are served by a private line owned by the mall, the mall entity, the mall entity which is owned by CBL, and they're all served by this private line today. They're served by the private line. They pay the City and the

Hixson Utility District. And so what we are talking about is putting new public lines to serve all those customers and to serve the mall. The economic challenge for the mall is that 13 -- property number 13, in the middle, cannot support the infrastructure project that benefits all of the existing businesses. It's too much money for 13 to support.

MS. KAIN: And there won't be any current additional expense to those surrounding businesses for this market, it's all going to be financed for this project?

MR. MESHEL: That's the way it's proposed, correct.

MR. GOLDBERG: Madame Chair?

CHAIRWOMAN JONES: Yes.

MR. GOLDBERG: So one question I have is about the road. So what is -- is there a plan for the Northgate Mall Drive Loop? Because that's privately owned; correct?

MR. MESHEL: That is correct.

MR. GOLDBERG: By CBL?

MR. MESHEL: Correct. There is not a plan proposed as part of this scope of work. When we look forward, when you think about redeveloping it into a mixed-use town center, that will have to be considered as

part of the improvements in order to achieve the vision that we're looking for.

MR. GOLDBERG: I assume some of the infrastructure is underneath that road.

MR. MESHEL: That's correct.

MR. GOLDBERG: So that's just one -- I mean, that would be one concern I would have, generally. I mean, I think that's something that needs to be looked at as part of the EIP. I just know that road's been talked about at least since 2013 since I have been involved in any local government. It seems like it would be short-sighted not to transfer that road to make it a public road as a part of this process.

MR. MESHEL: We have looked at that, and I don't think that there's enough width on the road in order to comply with the public road standards that the City requires. But it's been a while since we've looked at that, but we definitely could take another look at that while we're in the process. I think we would love for it to become a public road. I'm just not sure that it can become a public road.

MR. GOLDBERG: If it's going to be in the middle of a TIF district, I would say it's a great time to look at that road one more time.

MR. MESHEL: It's a great point.

MR. GOLDBERG: And, of course, City Council has the ability to waive road standards as they see fit is my understanding.

MR. MESHEL: Okay.

MR. NOBLETT: It's got to be 26 feet normally.

MR. MESHEL: Good comment.

MR. GOLDBERG: I have another question, and this may be for Charita. Have we asked DFM to do a third-party review? That would be a suggestion I would have. They look at this kind of work regularly. I would think, from an infrastructure standpoint, they would be able to help with projections for -- especially with sales tax. I mean, that's the one that's going to be, in my mind, the biggest question is what those projections might look like.

MS. KNOTTS: Hi, I'm Betsy Knotts with Bass, Berry & Sims. I'm on the TIF legal team with Mark Mamantov. And so we have been talking with Davenport Finance Group, and we have proposed an engagement with them to do a third-party review. They are very familiar with doing TIF reviews. I think they did one for the Rivergate Mall recently. They've also been involved in some out in Knoxville as well. So I think they're relative. And based on his workload, he's able to turn

it around pretty quickly, which is kind of important for this project.

But DFM's established and I think they should always been engaged as a City financial while they review projections and anything related to financing.

MR. RODGERS: Betsy, what's your last name? I'm sorry.

MS. KNOTTS: Knotts. K-n-o-t-t-s. Like Don Knotts.

MR. RODGERS: Okay. Gotcha. And what's your take on Ms. Sharp's concern about the -- she had two problems. About sales tax, what's your take on that?

MS. KNOTTS: So we've already drafted that legal opinion. That was something we looked heavily into before we got to this part of the process.

We're relying -- it's separate from the TIF statute, so I think that's where there's some confusion. We're relying on 7-53-315. It's a completely separate provision. For jurisdictions that have central business improvement districts, which Chattanooga has, they have the ability to grant through their IBD revenues other than ad valorem tax revenues. So that includes all types of sales, local option sales tax.

Here, we are being more conservative and just using increment. So the statute would allow the IDB to utilize, essentially, City-wide local option sales tax that's available. But here, we're just using from the property directly, an increment portion of the sales tax.

So I think once people understand that there's legal authority for it and we're being very conservative here, they'll feel, probably, more comfortable. But, yes, we have already drafted that legal opinion.

MR. GOLDBERG: I may be wrong, but isn't that the same situation for the stadium sales tax?

MS. KNOTTS: No. I don't want to talk off the cuff about the stadium, but I don't think that's what was used there.

MR. GOLDBERG: I just know it's a certain portion of the sales tax.

MR. KNOTTS: Yeah. And I think the stadium was a Brownfield.

MR. GOLDBERG: Yeah, I think you're right.

MS. KNOTTS: Yeah.

MR. RODGERS: Will you provide us a copy of that, please?

MS. KNOTTS: Yes. It's just not finalized yet, but yes. We'll be signing off on all this.

MR. RODGERS: Thank you.

MS. KNOTTS: Yes.

MR. GOLDBERG: I only had one more question. For the term of the TIF, is the 20-year term determined based on projections of when it'll be paid back? I just wondered why not 15?

MR. MESHEL: Yes, it is projected based on a conservative underwriting of a payback, and it is also not assume -- it assumes that there is no increment associated with the middle of the mall, so I think it's our goal -- our stated goal and our desire would be to pay it back a lot sooner with additional development that comes online in the middle of the property. But it guarantees that it will be paid back with what's underwriting.

CHAIRWOMAN JONES: Any other questions?

(No response.)

MR. NOBLETT: Yes. I was going to have one for Ms. Knotts.

CHAIRWOMAN JONES: Sure.

MR. NOBLETT: On the issue -- I guess we need to probably -- there's no AG opinion on this, at least, is there, as to use of 7-53-315 for sales tax?

MS. KNOTT: No, there's no AG opinion on that.

MR. NOBLETT: I was wondering because it specifically is talking about situations where there's a

central business improvement district. But this is outside of the central business improvement district.

MS. KNOTTS: Right. It's a peer statutory construction analysis and it does not require that the property be within the central business. And I did look into the legislative history. It dates back to 2010 when this was originally enacted.

MR. NOBLETT: Right.

MS. KNOTTS: And it really is a focus on pure public infrastructure and for communities that have these central business improvement districts, they're obviously focused on revitalizing areas of their city. So it fits in the policy matter. And they may have extra funds outside of their, you know, ad valorem taxes that's available to be used to put in new sidewalks and, you know, whatever type of infrastructure is needed in certain parts of the City. So there is a special carveout, I think, for parking facilities and sports facilities.

MR. NOBLETT: Parking, yes.

MS. KNOTTS: Those have to be in the center city area, but all other public infrastructure does not have to be in the center city area.

MR. NOBLETT: And this sewer system that was developed was before the Clean Water Act occurred, and

because of that was initially going into the river with a private system. So since that time, it has been hooked onto our regional wastewater system here. So outside of this area, it is being treated at this point in time much differently than it would have been in 1968.

So the City and the regional area has provided that level of improvement. But we are also talking about 5,575 linear feet of sanitary sewer that's in connection with this TIF, which is a whole lot of pipe underground that's got to go.

And if that pipe is going underground, there may also be disruption to the roadways in whatever area it's going in, so just think of that as you're looking at an economic improvement plan.

MR. RODGERS: One other thing.

CHAIRWOMAN JONES: Yes.

MR. RODGERS: Clarify for us, who's paying you and your firm for your services in connection with this project?

MS. KNOTTS: So, we have an engagement with Chattanooga. That's how it works. And then if the project goes through, the developer does pay our fee.

MR. RODGERS: Ultimately, the developer does?

MS. KNOTTS: Yes. But we are ethically, you know, binding to represent the City and the Industrial

Development Board, and we enjoy that.

MR. NOBLETT: We'll try to make sure they do a good job.

(Laughter.)

CHAIRWOMAN JONES: Any other questions from the board?

MS. KAIN: So to just clarify.

CHAIRWOMAN JONES: Yes.

MS. KAIN: So this is just kind of like we're just approving we're going to move to the next phase of the application process. We are going to move forward and we'll have, you know, the opportunity for more questions. Like, we will have that, we'll go over everything. We'll have the details for this application review.

Okay. I just want to say we're not really approving any movement; we're just approving process?

MS. KNOTTS: Absolutely, yes. And like Charita said, the Economic Impact Plan public hearing is on first -- will probably on November 3rd, and that's sort of the high-level document. We also call it like the constitution of the agreement. It just sort of guides the process to get City and County approval, if we can.

And then after that's done, the TIF is

established and we put all the details into the development agreement.

MS. KAIN: Gotcha.

MS. KNOTTS: So this is just the very beginning.

MS. SHEKARI: (Indicating.)

CHAIRWOMAN JONES: Yes.

MS. SHEKARI: I have a couple of just minor questions. So the timeline we think, with November 3rd being the public hearing, we think we'll be able to get a third-party review by that time?

MS. KNOTTS: Yes.

MS. SHEKARI: And the finalized -- there's two different timelines. I don't know who -- are we sticking with the one that you went over, Charita, if the one is not under this, because it's much faster?

MS. ALLEN: So is there -- there may be a second timeline, for the North River Commerce Center project.

MS. SHEKARI: Okay. Okay. I'm sorry. This is that timeline. Okay.

MS. ALLEN: Highly unusual, but, yes, we have two TIFs before us at the same time.

MS. SHEKARI: Okay. No worries. I think that's actually all I have.

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CHAIRWOMAN JONES: Phil?

MR. NOBLETT: Yes. Your current resolution here on the second page in Section 2 has actually got the reference to 4.11 Applicant Affidavit and Third-Party Review, we need to strike that, I think, at least that's the amendment here on this resolution -- it's still on the form -- because of the City Council's action this past week. So that's been done. So I would recommend that you make, I guess, a motion to amend to strike the last one.

MR. RODGERS: Where are you, Phil?

MR. NOBLETT: On the second page of the resolution.

MS. ALLEN: It's the actual resolution on which you'll be voting, so we want to strike the waiving of the third-party review because Council did not approve that.

MR. NOBLETT: Correct.

MS. ALLEN: So you would be approving the item with the amendment to strike that.

MR. NOBLETT: Yes. We didn't learn about this until September the 30th, so that's where we are.

CHAIRWOMAN JONES: So if there aren't any more questions -- are there any more questions?

(No response.)

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CHAIRWOMAN JONES: So for Item (a) for number 7 on our agenda, so we are entertaining a resolution accepting the application and attachments, and then also with this amendment to 4.11 Applicant Affidavit and Third-Party Review being struck. So I will entertain a motion.

MR. FLOYD: I make a motion that we approve the resolution with the striking of the 4.11. I think it's correct on mine.

MR. RODGERS: Yes.

MR. GOLDBERG: The resolution was correct.

MS. ALLEN: We did send out a second page.

MR. RODGERS: I don't see the ordinance referenced.

MR. GOLDBERG: It's already gone.

MS. SHEKARI: The chair changed that.

MR. GOLDBERG: Donna knew that. Wow. Okay.

MS. SHEKARI: It's got waivers.

MS. ALLEN: Okay. So that means a copy's in there.

MR. GOLDBERG: Are you talking about the one in red?

MR. NOBLETT: That's it. Just those two, that's all.

MS. ALLEN: Okay. Perfect. So there's no --

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12:00:43 so we have the correct resolution, yes?
12:00:43 MR. NOBLETT: In the amended packet, yes.
12:01:13 MS. ALLEN: Okay.
12:01:16 MS. SHEKARI: We do have another name for the
12:01:16 secretary, though, but other than that.
12:01:19 MR. NOBLETT: Yes.
12:01:23 CHAIRWOMAN JONES: Would you repeat your...
12:01:25 MR. FLOYD: I make a motion that we approve
12:01:27 the resolution accepting the application for the Hixson
12:01:33 Mall, LLC, and the BI Development, LLC, for the tax
12:01:38 increment incentive authorizing the submission of the tax
12:01:40 increment application for the Northgate Mall
12:01:43 Redevelopment project to the Chattanooga City Council and
12:01:49 Hamilton County Commission to adopt the Resolution of
12:01:49 Intent to consider the Economic Impact Plan.
12:01:55 CHAIRWOMAN JONES: Is there a second?
12:01:58 MR. GOLDBERG: Second.
12:02:00 CHAIRWOMAN JONES: All in favor?
12:02:03 (Unanimous response.)
12:02:03 CHAIRWOMAN JONES: Any oppose?
12:02:04 (No response.)
12:02:05 CHAIRWOMAN JONES: Okay. Great. The
12:02:07 resolution passes. First section B of this, we need to
12:02:11 have a resolution of the board of directors of the IDB of
12:02:15 the City of Chattanooga to set an Application Review

12:02:18 Committee meeting on or about October 20th, 2025, to
12:02:21 review the application for the public infrastructure
12:02:26 improvements to support the revitalization of the
12:02:27 Northgate Mall. So we need to identify two people,
12:02:33 right --
12:02:34 MR. NOBLETT: Yeah.
12:02:35 CHAIRWOMAN JONES: -- that are available
12:02:35 October 20th?
12:02:37 MR. NOBLETT: Yeah, two people that are
12:02:39 available, and just appoint those as the representatives
12:02:42 of the Industrial Development Board. We were looking
12:02:43 through our minutes concerning this matter, and the only
12:02:47 appointments that I saw was June the 5th of 2023. And by
12:02:50 your requirements on here, the application of the board
12:02:54 has to appoint two members before the end of each
12:03:00 calendar year for the following year. So I think you
12:03:01 need to do that at this point in time.
12:03:04 CHAIRWOMAN JONES: So...
12:03:08 MR. RODGERS: It would be through the end of
12:03:08 June, you say?
12:03:08 MR. NOBLETT: It says before the end of the
12:03:12 calendar year for the following year. And the last time
12:03:16 I saw it was -- June 5th, 2023 was the more recent one.
12:03:23 MS. ALLEN: And so, board, what we are asking
12:03:24 is for two representatives from the board to serve on the

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12:03:27 Application Review Committee. We anticipate that it is,
12:03:30 roughly, I would say, a four-hour commitment. There's a
12:03:34 two-hour meeting, but we send you all of the materials
12:03:38 ahead of time that we would ask the two members to
12:03:40 review.
12:03:40 And so it would look like the application
12:03:44 packet, all of the attachments, reviewing all that before
12:03:47 arriving to the meeting, and then sitting through the
12:03:51 two-hour meeting to ask the developer, the finance team,
12:03:57 and the City staff any questions related to the proposed
12:04:00 TIF.
12:04:00 And so that meeting we are proposing is
12:04:04 October 20th, and that will be from 9:30 to 11:30 in the
12:04:12 Council Committee Room, recognizing this board would have
12:04:15 two representatives, the City Council is appointing two,
12:04:18 the Mayor's appointing two, and then the Chamber will
12:04:22 have a representative as well.
12:04:25 MR. FLOYD: Madame chairman, this is in my
12:04:28 district, so I don't know if you can take volunteers.
12:04:31 MS. ALLEN: Yeah, we will.
12:04:31 CHAIRWOMAN JONES: Yes.
12:04:32 MS. ALLEN: That wasn't addressed to me, but
12:04:32 yes.
12:04:37 MR. FLOYD: Does it need to be to you?
12:04:40 MS. ALLEN: No.

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12:04:40 CHAIRWOMAN JONES: So we'll now select those
12:04:44 two members. So I'm hearing one recommendation. Is
12:04:50 there a second recommendation?
12:04:55 MR. JOHNSON: As previously, before, I'll be
12:04:55 on a cruise ship, Disney cruise. Otherwise, I would.
12:04:55 (Laughter.)
12:05:02 CHAIRWOMAN JONES: October 20th at 9:30.
12:05:05 MS. ALLEN: You're passing up Application
12:05:05 Review Committee for a Disney cruise?
12:05:05 (Laughter.)
12:05:05 MS. KAIN: I don't like cruising. I think I
12:05:05 would represent as well.
12:05:16 MR. FLOYD: Very good.
12:05:17 CHAIRWOMAN JONES: So Nadia and James will be
12:05:21 our two representative. Is there a second for them?
12:05:21 MR. JOHNSON: Second.
12:05:28 (Laughter.)
12:05:28 MR. GOLDBERG: Third.
12:05:31 CHAIRWOMAN JONES: All those in favor, say
12:05:31 aye?
12:05:31 (Unanimous response.)
12:05:34 CHAIRWOMAN JONES: Any oppose?
12:05:34 (No response.)
12:05:34 MS. ALLEN: Perfect.
12:05:36 CHAIRWOMAN JONES: Thank you two for

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representing us on October 20th at the Application Review Committee meeting.

MS. ALLEN: And so has the board officially selected October 20th as the committee meeting date? It's just a motion and a second unless the Council says otherwise.

MS. KAIN: I make a motion to accept October the 20th.

MR. RODGERS: Second.

CHAIRWOMAN JONES: Okay. All those in favor?

(Unanimous response.)

CHAIRWOMAN JONES: Great.

MR. NOBLETT: This will be a noticed meeting as well, won't it?

MS. ALLEN: Yes.

MR. NOBLETT: Okay.

MS. ALLEN: Thank you, board.

MR. MESHEL: Thank you.

CHAIRWOMAN JONES: Moving on to our next item: Public Hearing for Economic Impact Plan for the development of the North River Commerce Center Industrial Park. This is a resolution of the Board of Directors of the IBD of the City of Chattanooga approving a second amendment to the Economic Impact Plan for the development of the North River Commerce Center Industrial Park and

the redevelopment of North Access Road and submitting the amendment to the City Council and County Commission for approval.

MR. BROOKS: Good morning.

MR. NOBLETT: Good morning.

MR. BROOKS: I'm Winston Brooks, Economic Development Director for the City of Chattanooga. It's a pleasure to be here before you today to talk about a great project that many of you are probably familiar with. It's the North River Commerce Center.

And it was alluded to in Charita's comments earlier about some other TIFs that have been successful in the community with some of the -- I think there's $9.4 million in public utility infrastructure that's been associated with that project with the road alignment, Riverwalk easement and infrastructure there.

So the reason that we're here today is for the North River Commerce Center resolution. It's basically an administrative change to an economic impact plan which was finalized in 2022. Because it's an amended economic impact plan, the change must come before the City Council, and the IDB to be voted on this morning. Today is the public hearing.

So the slide in front of you there, those are the parcels. Two of the parcels have been developed,

currently are very successful, have met their capital investment as well as the jobs requirement. Exceeded their job requirement. So, basically, about 40,000 square feet of Class A industrial space built there. There's $9.4 million of public structure. This used space is partially occupied. The other space is full occupied.

And what's happened is that, along the way, the logistics sector has experienced a downturn and there's some other macroeconomic issues that have caused the need for this type of large facility to change. And so that's why we're here, to look at how to amend the second economic impact plan so that it could continue to be successful.

And so the solution is to amend the TIF economic impact plan to broaden the scope of the project to include commercial uses, extending the deadline to complete the full build-out by five years, and then also adding some additional performance requirements. And these changes will also help support some financing for the builder.

So, as I mentioned, it's actually kind of interesting, if you are not familiar with the great recession that sort of started in 2022 when it started to take a downturn and it just continued, and so now we want

to extend the construction deadline to December 31st, 2031 from December 31st, 2026.

And we also put in an additional performance requirement. The original economic impact plan was written on a very, very narrow scope, and so the only performance requirement is 800,000 square feet of Class A industrial warehouse like you see there. And so we are asking that that be changed to also include a hundred million dollars of capital investment. So there will now be two performance requirements that would be added.

And then also we want to broaden the scope to include other commercial types of businesses, not just industrial. But that commercial has been carved out and so it's going to go from distribution only to additional commercial uses with restrictions, so that means no hotels, no retail, no gas stations, no bait shops. And if there is an item that's not specifically called out, it'd come back before the IDB.

So, for example, think of office spaces and lab spaces, and things like that that has some interest out there, but because of the way the TIF is written by the economic impact plan, you can't do it.

So most of you are familiar with that economic impact plan. I love what counsel referred to it as the constitution of the financing agreement. And so we would like to refer to these as increment financing not to focus on the front end. But the economic impact plan is really what affects the development.

And so it identifies the boundaries, which we just looked at, with those spaces sitting across the river, some of them north of the road. It also identifies industrial park project located within the area. So it has to be a project, and construction of those building would be the project. And then you have to discuss the benefits to the City as well as identify what increment and what parcels those increments are going to come from. So that's kind of the high-level overview of what an economic impact plan is.

It does require a public hearing, which we're at today. It must be approved by the City Council and the County Commission and it's the final step for that TIF, and it may be amended.

We're kind of through with this chart now. I think it was covered earlier, basically, how the increment is generated. But it does stabilize the pace, and that's important for many projects.

In terms of policy project alignment, this North River Commercial Center Industrial Park does align with all the planning that's taken place within the City of Chattanooga, including Chattanooga One Vision plan,

the RPA plan, as well as the Chamber's Climbs Higher plan. So it fits in well with the strategy of where we are.

And then this has a little shorter timeline since it's amended the EIP. It doesn't require as many steps as a new application. So here we are on the 6th. We present it to City Council to make them aware of the project. And then we'll be preparing for a vote on October 28th to amend the North River City Economic -- North River Commerce Center Economic Impact Plan. That's a mouthful. NRCC EIP. And then, finally, on November 3rd, we finalize the amendment on the amendment. And that's it. Do we have any questions? Otherwise, I'll ask the developer to step up.

CHAIRWOMAN JONES: Any questions?

MR. GOLDBERG: To clarify, this is to extend from a 15-year to a 20-year TIF; right?

MR. BROOKS: So it's going to remain a 20-year TIF. They are extending the deadline of construction within that 20 years and move it out from December of '26 to December of -- I'm sorry -- from December of 2026 to December of 2031. So it's a five-year. And I will let the developer speak on it. Any other questions for me?

(No response.)

MR. PHILLIPS: Good morning -- or good afternoon now, I guess, technically. My name is Matt Phillips, managing partner of Rise Partners.

First of all, I want to thank the board for your support from the beginning. Many familiar faces when we first talked about this in 2022. Some of you are new. But without the support of the board, the City, the County, we are still looking at a blighted property on Access Road and, so, what's really become a hub for business industry and jobs, so I want to thank you from the get-go.

We think what's happened at North River Commercial Central is a model for public and private partnership. And so what we've done since 2022, when we had groundbreaking, we have invested $50 million in Class A industrial space, one of which is here on the screen. That's Building 100, now fully occupied, and I will talk about that here in a moment.

We've invested $9.4 million in public infrastructure. Some of which has already been mentioned. The North River Soccer Complex now has full access to a new road signal, which is great. I get to use that myself when I go see my nephew play soccer, so, you know... And then there's been some road improvements on Access Road, utility improvements.

As I mentioned to the City Council, this infrastructure was put in place just after World War II, so it was -- much of the underground infrastructure wasn't able to be utilized for this type of redevelopment.

So the TIF, the public-private partnership that we established, allowed those things to occur. We -- let's see if I can figure this out. There we go. That's what it looked like before. We touched a little bit on that before.

If you were there for groundbreaking, big empty parking lot, the old softball fields that were covered in kudzu, graffiti everywhere, that sort of thing, and then also acres upon acres upon acres of good real served M1 land that was literally locked behind a barbed wire fence that this TIF was able to allot for future development.

And for us in the real estate business, good M1 real served land in Chattanooga is hard to find, really really hard to find. So we were able to unlock that with this public-private partnership.

The beginnings of that, again, looked like what's on the screen. We are not finished here. That's why I'm standing in front of you today. But I am excited to say again that Building 100 is fully occupied. That's the building at the top here.

And what's interesting is the makeup of those businesses that are in that building are exactly what we hoped they'd be. It's a mix of businesses that we were able to retain in Chattanooga because of our project. It's businesses that are new to Chattanooga because of our project.

And in one case, it's a business that's new to the United States. Prelco is a Canadian manufacturing group that was able to plant a flag in Chattanooga, their first manufacturing operation, because of this project, and so very proud of that.

And we also -- and this has already been mentioned, but I'll say it again, we're also ahead of schedule on jobs from what was expected in the Economic Impact Plan back in 2022. So all good stuff, all good news from that perceptive. So, again, I can't thank you enough for your support.

And, if I may, I will touch on the question that was asked. Again, this is not extending the life of the TIF. This was a 20-year TIF to begin with; it's going to remain a 20-year TIF.

Inside the documents was a construction completion date of December of 2026. The request is to extend that construction completion date to 2031 so that

there is not what we would think would be a premature clawback.

So I'm here to answer any other questions. Thank you so much for all your support.

CHAIRWOMAN JONES: Any questions for Mr. Phillips?

MS. KAIN: I have one. When you revise the scope and general description, so are we going to be adding a different type of structure to this area? Because, right now, you have these large facilities. And so is it going to kind of restructure the type of buildings you are going to put over there?

MR. PHILLIPS: Not outside the intent of the project to begin with, I would say. And we always -- I mentioned the M1 land that's real served. I mean, that's great manufacturing opportunities.

But if we were to -- to just use a hypothetical, hypothetical example, based off the letter of the agreement, if we were to do a deal with a seatbelt manufacturer who's going to make seatbelts for Volkswagen and manufacture it right there onsite and have a rail come pick it up, and create a bunch of really good jobs, well, underneath the definition of the project, that's not allowed.

If we were to recruit a great laboratory

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space, good high-paying jobs for scientists and others -- which, actually, somebody approached us for parcel C -- it's not allowed.

And so I kind of joked in front of the City Council that we're all moving very fast in 2022, but we didn't have a great crystal ball around that language. In hindsight, we should have been more broad about how we define the project.

The project was really defined as industrial distributions, and that's very limiting when you think about what could potentially be done and what would be great for the community.

MS. KAIN: Okay.

CHAIRWOMAN JONES: Any other questions?

(No response.)

CHAIRWOMAN JONES: If not, we'll entertain a motion.

MR. PHILLIPS: Thank you.

MR. RODGERS: So moved.

CHAIRWOMAN JONES: Is there a second?

MR. FLOYD: Second.

CHAIRWOMAN JONES: All those in favor?

(Unanimous response.)

CHAIRWOMAN JONES: Any opposed?

(No response.)

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CHAIRWOMAN JONES: Great. The motion passes. Thank you.

MS. SHARP: Point of order, please. What happened to the public hearing? This was advertised as a public hearing.

CHAIRWOMAN JONES: Okay. My apologies. Anybody from the public wish to speak?

MS. SHARP: Hellen Burns Sharp, Accountability for Taxpayer Money. I supported this project in 2023. I support this amendment. And I will say as an aside, it's really nice to have a normal TIF in Chattanooga, and this is one. I think it's been a good one. Thank you.

CHAIRWOMAN JONES: Thank you, Ms. Sharp. Anybody else wish to address the board about this?

(No response.)

CHAIRWOMAN JONES: Thank you very much. The public hearing is closed.

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STATE OF TENNESSEE:
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I, Lori A. Roberson, Licensed and Certified Court Reporter, the officer before whom the foregoing public hearing was taken, do hereby certify that the public hearing was taken by me in machine shorthand and thereafter reduced to typewriting; that the said public hearing is a true record;

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That the said public hearing has in no manner been changed or altered since same was given, but that the same has remained in my possession up to the time of delivery.

In witness whereof, I have hereunto set my hand this 17th day of October, 2025.

Lori A. Roberson

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