

RESOLUTION NO. 32644

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, AUTHORIZING THE APPROPRIATE STAFF OF THE CITY TO ACCEPT AN APPLICATION FOR A TAX INCREMENT INCENTIVE RELATING TO PUBLIC INFRASTRUCTURE IMPROVEMENTS TO SUPPORT THE REVITALIZATION OF THE NORTHGATE MALL AREA, WHICH APPLICATION IS EXPECTED TO INCLUDE REQUESTS FOR WAIVERS UNDER THE CITY'S POLICIES AND PROCEDURES RELATING TO TAX INCREMENT INCENTIVES.

WHEREAS, Northgate Mall has been a leading retail area in the Hixson area of Chattanooga for many years; and

WHEREAS, due to its age and changing retail conditions, Northgate Mall needs to be revitalized with additional businesses and capital improvements, which will provide an economic benefit to the City of Chattanooga (the "City"); and

WHEREAS, the water and wastewater system that serves Northgate Mall, which is privately owned, needs to be replaced and/or substantially refurbished and then transferred to the appropriate public utilities in order to facilitate the revitalization of the Northgate Mall area; and

WHEREAS, certain stormwater improvements are also needed in the area to support such revitalization; and

WHEREAS, the primary owner of the property on which Northgate Mall is located intends to request the Industrial Development Board of the City of Chattanooga (the "IDB") to provide a tax increment incentive to assist the owner with paying the cost of the improvements to water, wastewater, and stormwater systems that provide service to Northgate Mall and surrounding properties and associated rights-of-ways; and

WHEREAS, the City and the IDB have previously approved Policies and Procedures relating to Tax Increment Incentives (the “Policies”) under which the City and the IDB will consider requests for tax increment incentives; and

WHEREAS, the owner of Northgate Mall has indicated that in connection with submitting an application for a tax increment incentive pursuant to the Policies, certain waivers of the provisions of the Policies will be requested in order to make the proposed project financially viable; and

WHEREAS, the owner of Northgate Mall has also informed City staff that, in conjunction with requesting a tax increment incentive that would be payable from incremental property taxes, such owner will also request that certain local option sales tax revenues derived from certain new businesses be made available to pay the cost of the proposed project.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Chattanooga, Tennessee, as follows:

Section 1. Authorization. The City hereby authorizes the appropriate City staff to continue discussions with the owner of Northgate Mall relating to a tax increment incentive and to accept from such owner an application for a tax increment plan submitted pursuant to the Policies which may include a request to the waivers described below.

Section 2. Acknowledgement of Potential Waivers. The City Council acknowledges that, pursuant to Section 4.10 of the Policies, that the application to be submitted by the owner will request certain waivers of provisions of the Policies including requested waivers, in whole or in part, of Sections 4.2 (Limit on Allocation of Gross Incremental Tax Revenues), and 4.6 (Maximum Percentage of Project Cost and Minimum Project Size) based upon a number of factors, including

the importance of revitalizing a major retail center, approximately thirteen (13) adjacent properties, and certain public rights-of-way.

Section 3. Additional Sales Tax Incentive. The City acknowledges that the owner will request that the proposed project be supported by a grant, contribution and/or pledge of local option sales tax revenues payable by the City from certain businesses located on the Northgate Mall property and hereby requests City staff to provide specific recommendations relating to such request to City Council.

ADOPTED: September 30, 2025

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