

RESOLUTION NO. 32661

A RESOLUTION STATING THE INTENT OF THE CHATTANOOGA CITY COUNCIL TO CONSIDER AN ECONOMIC IMPACT PLAN AUTHORIZING A TAX INCREMENT INCENTIVE TO SUPPORT PUBLIC INFRASTRUCTURE IMPROVEMENTS TO ASSIST IN THE REVITALIZATION OF THE NORTHGATE MALL AREA AND TO WAIVE CERTAIN PROVISIONS OF 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;

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 Hamilton County (the "County");

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;

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

WHEREAS, the primary owner of the property on which Northgate Mall is located, being Hixson Mall, LLC and BI Developments, LLC (collectively, the "Developer"), has requested the Industrial Development Board of the City of Chattanooga (the "IDB") to provide a tax increment incentive to assist the Developer 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 has submitted an application requesting such incentive (the "Application");

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;

WHEREAS, the Developer has indicated that in connection with submitting its Application for a tax increment incentive pursuant to the Policies, certain waivers of the provisions of the Policies will be needed in order to make the proposed project financially viable; and

WHEREAS, the Developer has also informed City staff that, in conjunction with requesting a tax increment incentive that would be payable from incremental property taxes, the Developer 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, and that such request will be submitted to the IDB and the City if an economic impact plan is authorized as is described herein.

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

Section 1. Intent Resolution. As provided in the Policies, the City Council hereby acknowledges receipt of the Application and adopts this resolution to state its intent to consider an economic impact plan that is consistent with the Policies except as is otherwise provided herein.

Section 2. Waivers. Upon the request of the Developer, and based upon special considerations due to the nature of the assets being incentivized and the redevelopment nature of the proposed project, the City hereby waives the requirements of the provisions of the following provisions of the Policies: Sections 4.2 (Limit on Allocation of Gross Incremental Tax Revenues to the extent of a reduction in the 10th year) and 4.6 (Maximum Percentage of Project Cost and Minimum Project Size).

Section 3. Plan Approval. This resolution shall not be construed as an approval of an economic impact plan relative to the proposed project or a commitment to provide such approval but only as indication of the intent of City Council to consider such economic impact plan when presented.

ADOPTED: October 14, 2025