

# **AGENDA**

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

**Monday, March 2, 2026 @ 11:00 AM**

1. Call meeting to order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Minutes approval for the February 2, 2026, monthly meeting.
4. Recognition of any person wishing to address the Board.
5. **Northgate Mall Infrastructure Project TIF**

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.

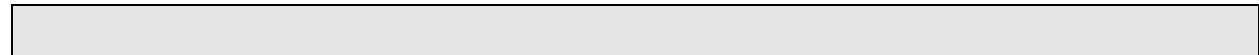
6. **Other Business – Discussion Items**
7. Adjournment.



**INDUSTRIAL DEVELOPMENT BOARD  
MONTHLY MEETING MINUTES  
John P. Franklin Sr. City Council Building  
Assembly Room  
Chattanooga, Tennessee  
for  
Monday, February 2, 2026  
11:00 AM**

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

Also Present were: Attorney for the Board, Phillip A. Noblett; Justin Bolender (Jacobs Engineering); Weston Porter and Eleanor Liu (Finance); Charita Allen and Winston Brooks (Economic Development); Brock Oliver and Garrett Williams (Henderson, Hutcherson & McCullough); and Mark Heinzer (Wastewater).



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



**MONTHLY MEETING OF JANUARY 5, 2026 – MINUTES APPROVAL**

On motion of Mr. Parker, seconded by Mr. Floyd, the minutes of the January 5, 2026, monthly meeting were approved as submitted.



**PUBLIC COMMENTS**

There was no one from the public with comments.



**RESOLUTION**

**PRESENTATION OF IDB AUDIT REPORT BY  
HENDERSON, HUTCHERSON & MCCULLOUGH**

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

**A RESOLUTION RATIFYING ACTION TAKEN BY THE  
INDUSTRIAL DEVELOPMENT BOARD CHAIR AND CITY  
FINANCE OFFICER TO EXECUTE A MANAGEMENT  
REPRESENTATION LETTER FOR THE AUDITOR,  
HENDERSON, HUTCHERSON & MCCULLOUGH PLLC  
FOR FISCAL YEAR ENDING JUNE 30, 2025.**

Mr. Brock Oliver is a CPA and gave a brief overview. Operations were in line for what was expected for the 2024 increase in revenue of \$28 million with e2i2. Operations were consistent year-to-year. Overall good news to report. Audit came back clean with no findings, no internal control issues, and no concerns.

Mr. Garrett Williams said the audit report was a clean opinion. We did not have any significant deficiencies or materials noted. The purpose of the audit is to make sure the financials are materially correct. We look at transactions and make sure for the most part everything is in line with what we expect. Significant accounting policies did not change from last year. We look at accounting estimates to make sure those are reasonable. There was no significant estimates noted. There were no issues working with the accounting department and always happy to work with them. They are very helpful in getting us what we need to get the audit done. We were not aware of any consultations with accountants during the audit, we had no uncorrected misstatements during the course of the audit, we were not aware of any fraud or illegal acts throughout the audit, which is good. We did not have any significant matters which we discussed with management during the audit. Overall, the audit went well and was done sooner than typically and we are happy with that.

Mr. Weston Porter spoke at this point. The resolution is related to the management representation letter and that is our representation for the Board and City finances Eleanor Liu managed for the IDB. Our representation to HHM which says that we provided everything you needed, we did not have any disagreements. It is standard language as required by auditing standards that they have to go through. It is the Board's representation to the audit firm saying that we have given you everything, we have not held anything back, and are not aware of anything that you need to be aware of for this audit. Something that has to be signed every year which is what the resolution is for.

Attorney Noblett asked if this report needs to be filed with the State Comptroller's Office. It has already been filed. The motion carried.

**ADOPTED**

**QUARTERLY PROJECT UPDATE NO. 3 BY WASTEWATER DEPT. AND  
JACOBS ENGINEERING GROUP, INC. W-20-027-101 MBEC CLASS A POWER  
(PROGRESSIVE DESIGN BUILD)**

**and**

**QUARTERLY PROJECT UPDATE CONSENT DECREE  
PROGRAM MANAGEMENT W-20-001-201 E2I2 SSO  
ABATEMENT PROGRAM (PROGRESSIVE DESIGN BUILD)  
BY WASTEWATER DEPT. AND JACOBS ENGINEERING GROUP, INC.**

Mr. Mark Heinzer, Administrator for the Wastewater Department, spoke about this item. There are two projects which there are quarterly updates on. The one is the e2i2 Wet Weather Storage Facility Project. That project is progressing well. We are a little over half-way done with it now. If you have driven I-75 near the split of I-24, you have seen some tanks going up over there and that is where this project is. This is going to reduce wet weather events. The project is progressing well. We are on schedule budget and scope wise.

The Class A Power Project is a project that is located at the Wastewater Treatment Facility and there is an overhaul of some of the processes there both the water treatment and the biosolids treatment. Both processes are getting overhauled and upgraded with technology and management.

That project is very early on within the space and right now we have just completed the basis of design. In the Fall, we will do the analysis alternatives. We have selected some alternatives to take it to the next phase of development of design. We received the basis of design report this past week, and we are currently evaluating that, and we will then proceed into the design phase of the project. That is a little bit behind schedule because the alternative analysis took longer than we anticipated with tracking to be completed in the overall timeframe of the project.

As far as the budget is concerned, we are still early on and there has been no budget issues yet. The construction phase is what we will be looking harder at the budget.

Mr. Jimmy Rodgers said the first project that was mentioned, is that the one that is \$153 million? Mr. Heinzer said yes. Do you know at this point how many local contractors, how much business they have gotten out of this project so far? Mr. Heinzer does not have a number for that. There are some local consulting firms that are involved on the construction side. Mr. Heinzer does not have the breakdown but can try to look into that. Mr. Rodgers is curious about \$153 million; how many local contractors are getting any of that \$153 million. Local workers are working on the site like Lawson Electric. They have some local people. Also, Brascoe & Gorrie are out of Birmingham and Rebar Installation Company that is from out of town and have workers out there. That is okay but thinks that in the future on an ongoing basis, we as a body and board need to be mindful of local contractors and local jobs. Please look into that as far as the expenditure is thus far out of the \$153 million and how many have gone to local contractors.

After further discussion regarding construction and how the alternative analysis has taken longer than anticipated, is there any specific reason for that? It is one of those projects that there is a lot of different ways you could go. Trying to look at the different pros and cons of each of

those alternatives took a little bit longer. There is no perfect answer for some of this. Trying to balance the budget with the end product is really where we can take that little extra time to make sure we have it right.

Attorney Noblett said we are at 55.74% complete on the storage tanks. Correct. Close to half-way done. Yes. We are good at that in both budget and scope. There is only 25% on the other project at Moccasin Bend right now. That is just on the design portion.



**OVERVIEW OF PURCHASING PROCESS FOR  
CIVICSERVE ECONOMIC DEVELOPMENT SOFTWARE**

Ms. Charita Allen, Senior Advisor for Economic and Workforce Development, spoke about this item. This item is to update and follow-up to our last conversation related to the City staff bringing an item in October to the Board for financial approval. That is for CivicServe economic development software. It was \$44,000. That money came out of the economic fee payments for PILOTs. The \$44,000 came out of the administrative fee that we put on all TIFs. We use that fund to fund this particular item. The staff neglected bringing the full packet when we brought that item and brought in an overview of the software and asked for funding without explaining the process. This is just an overview of the process.

Typically, what happens on software purchases, historically, we have been tracking all of our economic development projects on spreadsheets. For instance, if you are asking for a report on an item from 2008 or 2010, we are pulling into historical spreadsheets for that data. It is the same with TIFs and PILOTs. TIFs have their own spreadsheet and that is how we are tracking that. The goal was for us to pull all of this into one centralized database that also has a public facing, interface with it. We then went to our IT department and said we are looking at software, we can no longer track this as multiple spreadsheets, help us out.

This is a project for anything that is related to software purchases. It has to go through our information technology team. They essentially meet with us internally and ask us what we are looking for and provide us with a worksheet. We complete that worksheet. What you see circled is the research and discovery. That happens within the IT department. They are looking at whether the softwares are secure, safe, and compliant. All of those other pieces. They then come back to us with recommendations and based on those recommendations, we then go through the process of having demonstrations, online demos, face-to-face demos with the appropriate vendors that would be suitable for the software. Those are the two items that we are looking at. Research, discovery, and vendor and scope review.

In the packet is included all of the historicals related to that and within the packet we will see on roughly pages 9 and 10 an overview of all of the different vendors that were reviewed before we got to the selection of CivicServe. For that review, there is a score sheet, an evaluation of did the vendors meet or do they meet all of the requirements that were put forward. Based on that move forward. Some of those vendors were local and were reviewed. Some were not. As an aside, the finance team did hire someone recently who is going out to make sure that local vendors

and local service providers are registered to do business with the City so that they are within our database as we move forward. High level. That is the process we undertook. The Board has all of the documentation in the packet. Ms. Allen is not going to review each vendor individually. That is not necessary at this point. A lot of them had some strong points. All of them met the requirements that we needed for this particular software that we are looking for and that is how we landed on CivicServe.

Moving forward, staff will provide more backup and documentation at the front end before we ask you to finance these items.

Attorney Noblett asked if this would help you get the information that we need to enter for the Hutcherson and Comptroller each year. Ms. Allen said it will. Hopefully pressing a couple of buttons. We are looking forward to that.

Ms. Kain asked if Ms. Allen has been able to speak with anyone who uses this program currently. Ms. Allen said they did. The particular program that was selected was based on it being designed specifically for PILOTs and TIFs. Instead of just being a contact database, at the end of day, it is PILOTs, TIFs, the entire lifecycle. The application fees, the marketing fees, application fees for the vetting, all of the different approval steps that happen between four legislative bodies, the tracking, monitoring, and reporting locally and the state. We are in the process of migrating the data now. We are hoping it will be seamless and working on that.

Ms. Allen has not checked with other municipalities. Mr. Winston Brooks led this project and spoke with users of this particular software program and others. There was further discussion regarding selecting a vendor.

Ms. Allen said they will do a better job when bringing items to the Board to explain how we got to the final result versus saying this is the vendor we are asking you to pay for the software.



### **IDB STAFFING COMPARISON**

Mr. Winston Brooks, Director of Economic Development, spoke regarding this item. Back in November, the Board asked for some information about how other markets in Tennessee administered their IDB. This report today is in response to that request.

Mr. Brooks enjoyed speaking with his colleagues across the state in Nashville, Memphis, Knoxville, Clarksville, and Montgomery. It has been very experiential for Mr. Brooks, and he thinks the Board will appreciate the information.

Mr. Brooks also talked to some attorneys about policy involved and Metro Nashville, Memphis, Shelby County, the City of Knoxville which is operated by the Knoxville's Community Development Corporation, and Clarksville Montgomery IDB. Mr. Brooks concluded his follow-up conversation with Mark Mamantov and our internal staff and as you are probably aware Mark Mamantov works with most of the IDBs across the state. His information was very valuable.

Each IDB is authorized under state statute 7-53-101 and for the most part use the same tools for bonds, PILOTs, and TIFs. The two primary administrative models are direct administration of city staff or a third-party organization. Starting with Chattanooga as you know Chattanooga has nine board members and one staff out of the legal team, who does that in her spare time, and she does a great job and could not be done without her support, and shared resources through the City Economic Development, Charita Allen, Mr. Brooks, and the rest of the team, Richard Beeland as well.

Based on that comparison of IDBs across East Tennessee's largest Chattanooga operation of staffing tied with Nashville for the lowest number of staff among the cities listed. Chattanooga operates with many of the IDBs in the state with one or two city staff managing deals and projects for financing with legal support. Chattanooga also supports small business programs such as Edge in Memphis with the city attorney's office providing staff for agendas, communication, and correspondence.

In Nashville they offered something similar to Chattanooga and a formal agreement. Mr. Brooks also wanted to mention that Charita Allen is the Senior Advisor for Workforce Development and Jamar Brown is the Senior Advisor in Nashville. Jamar through an Interlocal Agreement is identified as the one employee for the IDB and also covers the finance departments, legal department, and any other shared resources that might come through the City.

Memphis is a separate organization which manages city and county. They have nine dedicated staff for economic development and have the largest operating income about \$2 million. Mr. Brooks talked about revenue. When he talked to Nashville Senior Advisor Mr. Brown, he encouraged him to try to dig in and find the revenue for the source. Mr. Brooks was not successful in finding all of those revenue sources but found some. Chattanooga goes up and down based on the deals because of the fees that are paid for development tools to the IDB. In Memphis, they do a lot of deals, and their fee structure is higher than ours and that is why they are able to afford the staff of nine. It is also important to realize that they also have a port authority, foreign trade zone. They have a total of 18 employees for that organization. It also manages small business programs like Chattanooga and business attraction. It is interesting to note that Mr. Mamantov said that this was a really unique model throughout the state.

Moving to Knoxville, they are operated by the Knoxville Community Development Corporation. They have one staff member, Mr. Bentley, and he said they basically have one dedicated economic development staff person and another person that does redevelopment that can come in and a CEO could come in if the project needed extra assistance.

Through the conversations, it was advised that Mr. Brooks speak to Clarksville Montgomery County. They are fast growing and catching up with Chattanooga. They are operated with three staff members, they have a CEO, a Workforce Development Director, and a coordinator. They house the Chamber and the Tourism and Economic Development. While it is called Clarksville Montgomery, it is really just a county organization and do help Clarksville and operated by the County. It is operated by the County and also provides \$500,000 a year for operations.

The key takeaways are the ways that they are administered. Basically, city staff or third-party. The staffing levels vary and the largest board is in Clarksville with 13, Memphis has 11 board members, and they are either exclusive to the City they serve, or they are a mix of serving the City and County.

Attorney Noblett asked about Hamilton County because they have their own IDB as well. Mr. Brooks made a great point. Mr. Brooks did not dive directly into their board. Seems like that would have been a good place and Mr. Brooks will get that information. They do specific bond funds and have seen them involved and wondered how they would compare.

Mr. Brent Goldberg said he thinks they are similarly set up as to the way Chattanooga is currently. Mr. Rodgers said as far as these other four locations are any of these staff members paid by the IDB. Ms. Allen does a wonderful job in keeping us informed about what she does, but we do not pay her as a board. The same with Maria and Phil. We as the Board have no employees. Do any of these other four cities have employees?

Mr. Brooks said the Memphis organization is paid by the Edge organization. The only other one that can be questionable is Montgomery and he needs to confirm whether or not they are being paid by the County. They probably are being paid by the County.

Mr. Rodgers said that one of the reasons he asks is because he thinks through this past October through a County audit and some findings that they had, which is what brought this up. Mr. Rodgers is still amazed that Mr. Brooks and Ms. Allen's office can keep up with what you do and do all the side stuff that you are supposed to be doing and yet inform the Board and deal with us as well. From the audit, one issue that arose was someone being designated to oversee these things, keep focus, and make sure we are getting the reports back where we are supposed to be getting from the folks that get the TIFs. That would be a whole lot easier if we had someone he thinks by the IDB and say this is your job. Mr. Rodgers says he thinks we have funding and might pull it off.

Mr. Brooks said this was an interesting discussion we had with Mark Mamantov is how do you structure the fee schedule. You can increase your fees and if you do that you may reduce the number of developers that want to do deals because of the fee structure. That would be something that we would have to negotiate because they are, except for Clarksville, the Edge their fee structure was such that they are producing enough revenue to pay their staff. In Clarksville, the County was providing those resources to pay the staff. But it was probably paid by the County and not the IDB. But Mr. Brooks will go back and find out.

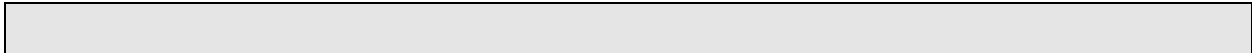
Mr. Goldberg would suggest and he does not disagree, he is not opposed to the Board paying an employee, but he would suggest that we would release employees from the City, so we do not have to set out payroll operations and payroll tax reporting. Mr. Brooks said that this is the issue too. In his discussion with Mark Mamantov, if you become an independent organization then you do have to allow for all of the other resources that you might be able to leverage using city finance department, legal teams, and development staff. That is the decision that has to be made and be willing to standards of all of those organizations. Or how do you arrange. We can continue to dig into this and do some more assessments, talk to all the stakeholders who are involved and see what might make sense.

Mr. Rodgers wishes that you would. That would be helpful to the Board and long-term. Chairwoman Jones said that this is a good first start in providing an overview of our peers and across the state but thinks just some more discussion around this would be helpful and more insight as you are researching more and more discovery.



**OTHER BUSINESS/DISCUSSION ITEMS**

Mr. Rodgers said we have a board member with a birthday today Ms. Shekari.



There being no further business or discussion items, the meeting adjourned at 11:35 AM.

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**JIM FLOYD, Secretary**

APPROVED:

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**ALTHEA R. JONES, Chair**

**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**

**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 has previously approved and adopted that certain Economic Impact Plan for the Northgate Mall Infrastructure Project (the "Economic Impact Plan") regarding the development of an area described therein (the "Plan Area") located within the City; and

**WHEREAS**, the Economic Impact Plan has been approved by the governing body of the City; and

**WHEREAS**, Hixson Mall, LLC and BI Developments, LLC, Tennessee limited liability companies (collectively, the "Developer"), intends to (i) replace and/or substantially refurbish an existing, inadequate private water and sewer system that serves the Northgate Mall area to meet current public standards and code requirements and transfer such system to the appropriate public utilities and (ii) construct stormwater improvements in the same area (collectively, the "Project"). This 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 (the "Development"); and

**WHEREAS**, the Economic Impact Plan authorizes certain tax increment revenues realized from the Plan Area to be used to reimburse the Developer and its affiliates for certain eligible costs of the Project relating to the Development; and

**WHEREAS**, any such reimbursement shall be made in compliance with the Policies and Procedures for Tax Increment Incentives (the "Policies") that have been approved by the Board and the City; and

**WHEREAS**, the Board desires to authorize the execution of a Development and Tax Incentive Agreement (The Northgate Mall Infrastructure Project) (the "Development Agreement") among the Developer and the Board, pursuant to which the Board will agree to pay and/or reimburse the Developer for certain eligible costs relating to the Project in support of the Development with available tax increment revenues realized from the Plan Area; and

**WHEREAS**, the form of the Development Agreement has been submitted to the Board; and

**WHEREAS**, the Development Agreement will further the public purposes of the Board by promoting development of the Project within the Plan Area.

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

1. It is hereby found and determined that the assistance of the Project and the Development will promote the economy and development in the State of Tennessee and the City and the welfare of the citizens thereof.

2. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Development Agreement in substantially the form presented to the Board with such changes and completions approved by the Authorized Officers executing same in consultation with counsel to the Board, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same.

3. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to perform and fulfill the terms of the Development Agreement properly, including without limitation certificates, affidavits, and any other instruments of any kind or nature whatsoever, all in the form approved by the Authorized Officers in consultation with counsel to the Board.

4. Any authorization herein to execute any document shall include authorization to record such document where appropriate.

5. All other acts of the officers of the Board which are in conformity with the purposes and intent of this resolution and in furtherance of the Development Agreement are hereby approved and confirmed.

Adopted this 2<sup>nd</sup> day of March, 2026.

THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF CHATTANOOGA

By: \_\_\_\_\_  
Althea R. Jones, Chair

Attest:

\_\_\_\_\_  
Jim Floyd, Secretary

49232319.1

**Date:** March 2, 2026  
**TO:** Industrial Development Board of Chattanooga Appointed Members  
**FROM:** Charita Allen, Senior Advisor of Economic and Workforce Development  
**SUBJECT:** Approval of Resolution for Accepting the Development and Tax Incentive Agreement: Northgate Mall Infrastructure Project

**STATE OF TENNESSEE AUTHORIZING STATUTES:**

Tenn. Code Ann. §§ 7-53-101 — 7-53-317

Tenn. Code Ann. §§ 9-23-101 *et seq.*

**RECOMMENDED ACTION:**

Staff recommends approval of the Agreement, as it provides necessary infrastructure upgrades without putting the City's general fund at risk, and acknowledges the community engagement standards requested by the City Council.

The proposed Development and Tax Incentive Agreement with Hixson Mall, LLC ("Developer") regarding the Northgate Mall Infrastructure Project, involves the replacement or refurbishment of inadequate private water, sewer, and stormwater systems within the 71.43-acre Northgate Mall area. These improvements are necessary to meet public standards, transfer utility ownership to the appropriate public entities, and facilitate the transformation of the site into a mixed-use development.

**Project Overview & Key Dates**

The Developer is obligated to design and construct infrastructure improvements consistent with City of Chattanooga and Hixson Utility District (HUD) standards. The agreement outlines strict timelines for performance to ensure the project moves forward efficiently.

- **Effective Date:** 2026 (Pending Execution).
- **Design Deadline:** Fifteen months from the Effective Date. Agreement may be terminated prior to the design deadline if the project is determined not to be financially feasible.
- **Phase 1 Completion Deadline:** 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.
- **Project Completion Deadline:** December 31, 2031. The entire infrastructure project must be completed by this date. IDB determines total amount of reimbursement.
- **TIF Allocation Period:** Commences in the 2026 tax year for initial parcels. If the Developer does not initiate the allocation period for a tax parcel by May 1, 2033, the allocation automatically commences for the 2033 tax year.

### **Project Costs & Financing**

The agreement establishes a financing structure utilizing Tax Increment Financing (TIF) and local sales tax revenues to reimburse the Developer for eligible infrastructure costs.

- **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 \$8,700,000 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.

**DEVELOPMENT AND TAX INCENTIVE AGREEMENT  
(THE NORTHGATE MALL INFRASTRUCTURE PROJECT)**

THIS DEVELOPMENT AND TAX INCENTIVE AGREEMENT (this “Agreement”) is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2026 (the “Effective Date”), by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et. seq. (“IDB”), and HIXSON MALL, LLC, a Tennessee limited liability company (“Developer”).

WHEREAS, IDB desires to support job creation, economic growth and promote the development of underdeveloped areas within the City of Chattanooga, Tennessee (the “City”); and

WHEREAS, IDB has prepared and approved an economic impact plan (the “Economic Impact Plan”) regarding the 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 to transfer such system to the appropriate public utilities and the construction of stormwater improvements in the same area (collectively, the “Project”); and

WHEREAS, the Project would facilitate the redevelopment of approximately 71.43 acres of land, controlled by Developer and adjacent property owners, into a vibrant mixed-use development (the “Development”); and

WHEREAS, the Economic Impact Plan has previously been approved by the governing body of the City; and

WHEREAS, the area that is the subject of the Economic Impact Plan is located in the City and is generally located in an area north of Highway 153 and to the east of Hixson Pike and south of Northgate Park Lane, which area is shown on Exhibit A attached hereto (the “Plan Area”); and

WHEREAS, IDB and the City have entered into that certain Intergovernmental Financial Assistance Agreement dated as of the date hereof (the “Intergovernmental Agreement”), pursuant to which the City has agreed to grant, pledge and contribute to IDB certain local sales tax revenues (the “Sales Tax Contributions”) to be applied to pay a portion of the cost of the Project or to pay principal of and interest on debt issued by IDB to finance that portion of the Project that consists or will consist of publicly-owned infrastructure and improvements pursuant to Tenn. Code Ann. § 7-53-315; and

WHEREAS, IDB and Developer agreed to enter into this Agreement to evidence (i) Developer's commitment to undertake the Project and certain public engagement related to the redevelopment of the Plan Area; (ii) IDB's commitment to reimburse Developer for costs relating to the Project subject to the limitations in this Agreement, and (iii) other agreements of the parties related to the undertaking of the Project and the redevelopment of the Plan Area; and

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereinafter set forth in detail, the parties do hereby mutually agree as follows:

1. Representations and Warranties of Developer. Developer represents and warrants for the benefit of IDB and the City as follows:

(a) Organization. Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Tennessee, is in compliance with the laws of

the State of Tennessee, and has the power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) Authority. Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by Developer.

(c) Binding Obligations. This Agreement is a legal, valid and binding obligation of Developer enforceable against Developer in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) No Litigation. No litigation at law or in equity or proceeding before any governmental agency involving Developer is pending or, to the knowledge of Developer, threatened, in which any liability of Developer is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of Developer or the performance of its obligations hereunder.

(e) No Default. Developer is not in default under or in violation of, and the executions, delivery and compliance by Developer with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any material agreement or other instrument to which Developer is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over Developer or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

## 2. Representations and Warranties of IDB.

(a) Organization. IDB is a non-profit, public corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee, is in compliance with the laws of the State of Tennessee, and has power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) Authority. IDB has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by IDB.

(c) Binding Obligations. This Agreement is a legal, valid and binding obligation of IDB enforceable against IDB in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) No Litigation. No litigation at law or in equity or proceedings before any governmental agency involving IDB is pending or, to the knowledge of IDB, threatened in which any judgment or order would have a material adverse effect on the performance of IDB's obligations hereunder.

(e) No Default. IDB is not in default under or in violation of, and the execution, delivery and compliance by IDB with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any material agreement or other instrument to which IDB is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having

jurisdiction over IDB or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

3. Construction of Project.

(a) The Project shall generally consist of the replacement and/or improvement of the water, sewer and stormwater distribution or collection systems in the Plan Area as shown on the schematic drawing attached hereto as Exhibit B-1 (the “Schematic Drawing”). Developer shall cause the design of all main line components of the water and sewer improvements that are part of the Project, which are those components that generally serve the Plan Area and certain existing businesses in the Plan Area as generally shown in Exhibit B-2, to be completed within one (1) year of the Effective Date (“Phase 1”). Notwithstanding the foregoing, (i) if Developer is required to obtain an easement or other property right in order to provide a water or sewer connection to an existing business in the Plan Area after commercially reasonable efforts (or the City does not provide such easement or other property right), Phase 1 of the Project shall not be required to include the provision of a water or sewer connection to such business, and (ii) Developer shall not be required to replace a water or sewer connection to any existing businesses in the Plan Area if the connection has been recently installed to City or HUD (defined below) standards, as applicable (some of which are shown in yellow on Exhibit B-1), provided that such connection is in good working order and can be integrated into Phase 1 without a diminution in its capacity and functionality. Developer shall cause the plans and specifications for the Project or each phase thereof to be prepared in a manner that is generally consistent with the Schematic Drawings, provided, that any improvements on Developer’s or its affiliates’ property may be designed to facilitate the redevelopment of that property based on then current market conditions. Developer shall submit the plans and specifications for the Project (or each phase as is permitted below) for approval by the City (to the extent the City is the authorized governmental entity to approve such plans and specifications). The parties acknowledge that a portion of the Project consists of water distribution lines that will be dedicated to the Hixson Utility District (“HUD”), and Developer shall provide the plans and specifications for such water system improvements to HUD for approval. Developer shall provide the plans and specifications to IDB after they have been approved by the City and HUD. The plans and specifications for the Project as approved by the City and HUD are referred to herein collectively as the “Approved Plans”. IDB may rely on the City’s and HUD’s approval of the Approved Plans for all purposes, and IDB will defer to the City and HUD in approving any modifications or amendments with respect to the Approved Plans. Developer shall not make any material changes to the Approved Plans without the prior written approval of the City and HUD, as applicable. Notwithstanding the foregoing, Developer may elect not to proceed with construction of the Project (x) at any time prior to one (1) year from the Effective Date hereof if Developer reasonably determines that the cost of undertaking the Project (based upon estimates Developer obtains based upon plans and specifications for Phase 1) or the overall development of the Plan Area is not financially feasible or (y) if Developer is unable to obtain the necessary approvals to proceed with the Approved Plans within fifteen (15) months of the Effective Date after using commercially reasonable efforts to obtain the same, and in either event, Developer may terminate this Agreement by notice to the City and IDB without any further recourse beyond the obligations of Developer under Section 6(b), below.

(b) Unless Developer terminates this Agreement as provided in subsection (a), Developer shall cause Phase 1 to be completed no later than December 31, 2028, and Developer shall cause the entire Project to be completed no later than December 31, 2031, subject to the provisions of subsection (c), immediately below. The foregoing requirements to complete the Project shall in all cases be subject to extensions for a period of time equal to the delay in completion caused as a result of Excusable Delay as hereinafter defined. “Excusable Delay” shall mean any delay in performance under this Section due to strikes, lockouts, or other labor or industrial disturbance, civil disturbances, labor shortages, supply chain shortages, transportation interruptions, pandemics, epidemics, quarantines, future

order of any government, court or regulatory body claiming jurisdiction, act of the public enemy, war, riot, sabotage, blockade, embargo, lightning, earthquake, fire, hurricane, tornado, flood, washout, explosion, unusually inclement weather, moratorium or other unusual delay in obtaining necessary governmental permits or approvals (with Developer using commercially reasonable efforts to obtain the same) or any other cause whatsoever beyond the reasonable control of Developer (excluding financial inability to perform) to the extent that in each case of Excusable Delay, Developer has notified IDB in writing within thirty (30) days after the occurrence constituting Excusable Delay and the anticipated number of days by which performance is delayed of each Excusable Delay event and has specified in detail the circumstances as a result thereof.

(c)

(1) Developer may construct the Project in phases provided that the undertaking of the Project in a phase will not materially disrupt the provision of water or sewer service to any recipient of such service from the existing water and sewer system. If Developer decides to undertake the Project in phases, Developer shall submit to the City and IDB a description of each such phase, the maximum amount of reimbursement requested under Section 5 for such phase (which shall not exceed \$8,700,000 in aggregate for all phases of the Project) shall be submitted to the City and IDB, and the plans and specifications for each such phase shall be submitted for approval as provided in subsection (a) above.

(2) If, no later than December 31, 2028 (as extended for Excusable Delay), Developer has completed Phase 1, Developer shall have the option to elect the phasing and extent of further improvements that will be undertaken as part of the Project. Developer shall submit to the City and IDB a description of each such subsequent phase and the maximum amount of reimbursement requested under Section 5 for such phase (which shall not exceed \$8,700,000 in aggregate for all phases of the Project), and the plans and specifications for each such phase shall be submitted for approval as provided in subsection (a) above. The parties acknowledge that any subsequent phases after Phase 1 will consist of such improvements as Developer shall determine are necessary or desirable to undertake the redevelopment of the Plan Area and that such improvements and subsequent phases will only be undertaken as Developer determines are necessary or desirable for such purpose.

(3) If Developer elects to construct the Project in phases in accordance with this subsection, the maximum reimbursement obligation of the IDB shall be determined as of December 31, 2031 (as extended for Excusable Delay) based upon the total amount of Certified Costs (as defined below) as of such date, and Developer shall not be entitled to reimbursement for any costs incurred after December 31, 2031 (as extended for Excusable Delay), which is the required completion date for the Project. Developer, at its own expense, may undertake and complete any additional improvements that otherwise would be part of the Project, but Developer shall not be entitled to reimbursement therefore unless completed by December 31, 2031 (as extended for Excusable Delay).

(d) The Project improvements shall be constructed in accordance with the regulations and policies of the City and HUD and all other applicable governmental authorities or utilities. If Developer fails to complete any of the Project improvements for each phase, after Developer has started the construction of such phase and after the IDB has given Developer notice of such failure and an opportunity to cure in accordance with Section 8(a), the City, HUD or IDB may complete such Project improvements, and Developer shall reimburse the City, HUD or IDB, as the case may be, for all additional costs incurred in connection therewith, including damages, losses, costs and expenses, that exceed the amounts available for reimbursement under this Agreement.

(e) In connection with undertaking the construction of the Project, Developer shall obtain or cause to be obtained performance and payment bonds to secure the completion of the Project and the payment of the subcontractors undertaking the Project. Each of the performance and payment bonds shall be equal to the cost of the Project of, if the Project is being constructed in phases, the construction cost of the applicable phase. Developer shall provide for IDB to be an additional obligee under such performance and payment bonds.

(f) Upon completion of the applicable phase of the Project, Developer shall provide to IDB a detailed list of the costs incurred by Developer (the “Certified Costs”) in connection with the construction of the Project and shall identify all costs eligible, in the judgment of Developer, for reimbursement from Tax Increment Payments (as defined below) and/or Sales Tax Contributions. Developer shall certify the accuracy of such costs in such manner as is reasonably requested by IDB or the City, and Developer shall provide such documentation supporting such costs as may be reasonably requested by IDB or the City. If the amount of Certified Costs is less than the amount of reimbursement requested in the Approved Plans, the difference between the amount requested in the Approved Plans and the Certified Costs shall remain available for reimbursement of future costs of the Project, but in no event shall the total amount available for reimbursement of Certified Costs exceed \$8,700,000 and in no event shall Developer receive reimbursement for any costs incurred after the required completion dates for the Project (as they may be extended by Excusable Delay).

4. Undertaking of Public Engagement Process relating to Redevelopment of Plan Area.

(a) The parties acknowledge that the primary public purpose of the construction of the Project is to facilitate the redevelopment of approximately 71.43 acres controlled by Developer and adjacent property owners. Developer and IDB acknowledge that the City Council of the City adopted a resolution on January 2, 2026 (the “City Resolution”), urging IDB to require in this Agreement that a robust community engagement process be undertaken with the expectation that the redevelopment of the Plan Area will balance the needs of the public with the needs of a viable commercial real estate project, with the goal of transforming the Plan Area into a complete, walkable town center as envisioned in Plan Chattanooga’s Hixson/Red Bank Area Plan. A copy of the City Resolution is attached hereto as Exhibit C. In support of this goal, Developer agrees to undertake the public participation requested in the City Resolution and keep City staff informed of the progress of such public participation process. Public participation shall include: (i) focus group meetings with select groups of area residents, (ii) public meetings open to all and for which public notice is given in advance, and (iii) presentations to area civic groups such as the Friends of Hixson and Hixson Area Chamber of Commerce (the “Public Engagement Process”). As part of the Public Engagement Process, Developer shall consider the commercial feasibility of the components and principles listed in Section 2 of the City Resolution. Developer shall report to IDB at least semiannually on the Public Engagement Process, which report shall include a list of all the meetings and presentations, including dates and locations, that occurred in compliance with the City Resolution and this Agreement. Upon completion of the Public Engagement Process, Developer shall use its commercially reasonable efforts to redevelop that portion of the Plan Area owned by Developer or its affiliates.

5. Reimbursement.

(a). Subject to the conditions below, IDB shall reimburse Developer for the Certified Costs solely from Tax Increment Payments (as defined below) and to the extent eligible, Sales Tax Contributions allocated to IDB by the City. IDB shall not be required to make any such reimbursement if this Agreement has been terminated; provided that the foregoing provision shall not apply to any Certified Costs for phases of the Project, if applicable, that have been completed prior to termination or for reimbursement under Section 3(d), and the terms of this Agreement shall continue in full force and effect

until such Certified Costs or related tax increment financing have been paid or this Agreement has otherwise expired by its terms. IDB shall only be required to reimburse Developer from Tax Increment Payments and Sales Tax Contributions for Certified Costs, and IDB shall only be required to reimburse Developer from Sales Tax Contributions for any Certified Costs that are costs related to sewer and water system improvements that have been completed and dedicated to the City or HUD.

(b). Subject to the foregoing, IDB shall reimburse Developer from the Tax Increment Fund, as defined below, on May 1<sup>st</sup> of each year from amounts that are on deposit in the Tax Increment Fund up to the full amount then held in the Tax Increment Fund. Upon the written request of Developer, if delinquent taxes are allocated to the Tax Increment Fund, IDB shall apply such delinquent taxes to reimburse Developer within sixty (60) days of receipt by IDB. In no event shall IDB be required to reimburse Developer for an amount in excess of the maximum amount provided in the Plan, and all reimbursements shall be subject to the right of the IDB to withhold administrative expense fees as provided in Section 7(a) hereof.

(c) Notwithstanding any provision herein to the contrary, IDB shall only be required to reimburse Developer for Certified Costs with respect to the Project or any phase of the Project (i) once the Project or such phase of the Project has been completed, and (ii) to the extent applicable, the portion of the Project or phase thereof that constitutes sewer or water system improvements has been dedicated to the City or HUD, as the case may be.

(d) Notwithstanding any provision herein to the contrary, including the provisions relating to commencement of allocation periods with respect to specific parcels as provided Section 11 hereof, Developer acknowledges that the City shall always receive and retain property taxes (including, if applicable, payments in lieu of taxes) at least equal to the Base Tax Amount (as defined in the Plan), which is \$522,221.00, from the Plan Area. Prior to any disbursement from the Tax Increment Fund on each May 1st, IDB shall confirm that the City has received and retained at least the Base Tax Amount for the prior tax year, and if for any reason, the City has not received and retained the Base Tax Amount for the prior tax year, the IDB shall, to the extent Tax Increment Payments are available in the Tax Increment Fund, pay the City the difference between the amount of property taxes that the City has received and retained and the Base Tax Amount, and if inadequate funds are available to make such payment, IDB shall pay the City such amount from the Tax Increment Fund from Tax Increment Payments as funds become available for such purpose.

(e) If this Agreement is terminated for any reason and all amounts payable from the Tax Increment Fund pursuant to the terms hereof have been paid in full by IDB, IDB shall transfer all remaining amounts in the Tax Increment Fund to the City.

6. Other Developer Obligations. Developer furthermore agrees to the following:

(a) Developer shall not discriminate upon the basis of race, color, creed, sex, handicap or national origin in connection with the construction of the Project.

(b) Developer shall reimburse IDB for all reasonable legal fees and expenses, including general and special counsel fees and expenses, incurred in connection with negotiating and preparing the Economic Impact Plan, this Agreement, any tax increment financing, and any litigation or governmental proceeding challenging the validity or the application of any term of the Economic Impact Plan or this Agreement. Developer may include these costs, from time to time, to the extent such costs are eligible for reimbursement under applicable state law, in the Certified Costs for the Project or the applicable phase of the Project, and may receive reimbursement for such costs in accordance with the terms of this Agreement.

7. IDB Obligations. In reliance upon Developer's agreement to use its commercially reasonable efforts to construct the Project, IDB hereby agrees to the following:

(a) IDB will establish and maintain a separate and special fund of IDB to be known as the Northgate Infrastructure Tax Increment Fund (the "Tax Increment Fund"), to be kept separate and apart from all other funds of IDB. The Tax Increment Fund will include two subaccounts into which will be deposited in one subaccount all incremental property tax revenues received by IDB pursuant to the Plan (the "Tax Increment Payments") and into another subaccount will be deposited all Sales Tax Contributions. In accordance with IDB's tax increment incentive policies as amended from time to time, IDB shall deduct 2.5% of each amount deposited in the Tax Increment Payments subaccount to reimburse the administrative expenses of IDB and City relating to the transactions described herein, and IDB shall deposit such fees in one or more separate accounts as to which Developer shall have no interest. IDB shall pay all administrative fees of the City from the amounts so deducted by IDB.

(b) IDB shall not pledge or otherwise obligate the Tax Increment Payments or Sales Tax Contributions to the payment of any indebtedness other than any Tax Increment Financing (as defined below) that may be issued as provided in Section 10 below.

(c) Except as may be provided in this Agreement or in an amendment to this Agreement, IDB shall not apply the Tax Increment Payments or Sales Tax Contributions for any purposes other than the payment of the reimbursement of Certified Costs or the payment of debt service on any Tax Increment Financing (as defined below) that is issued in accordance with Section 10 below.

8. Events of Default. The occurrence and continuance of any of the following events shall constitute a "Event of Default":

(a) failure of Developer to perform any of its obligations under this Agreement after written notice is given to Developer of such failure and Developer has not cured such failure within sixty (60) days of such notice; provided, however, the period to cure the failure to maintain insurance as required hereunder shall be ten (10) business days following such notice; provided, further, that if (i) such default cannot be cured within such sixty (60) day period; (ii) Developer notifies IDB in writing stating the reasons for delay prior to expiration of said sixty (60) day period; (iii) Developer promptly commences curative actions within such sixty (60) day period; and (iv) Developer thereafter diligently and continuously pursues cure efforts, then the period for cure shall be extended for such period of time as shall reasonably be required under the circumstances, and provided, further that Developer shall not be entitled to any extension if the default is monetary in nature or results from Developer's inability to perform due to financial reasons; and provided, further that with respect to any delay in the completion of the Project or any phase of the Project beyond required completion dates contained in Section 3 hereof, Developer shall only be entitled to such additional period to cure such default as is a result of Excusable Delay; or

(b) any material representation, warranty, certification or other statement made or deemed made by Developer in this Agreement or in any statement or certificate at any time given by Developer in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made; or

(c) a court of competent jurisdiction shall enter a decree or order for relief in respect of Developer in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed, or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against such entity under any applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order

of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over such entity, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of such entity for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of such entity, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or

(d) Developer shall have an order for relief entered with respect to it or shall commence a voluntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case or to the conversion of an involuntary case to a voluntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or such entity shall make any assignment for the benefit of creditors, or such entity shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or such entity shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in subsection (c) above.

9. Certification. Developer certifies, to the best of its knowledge and belief, that it and its members, and officers:

(a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal, state, or local department or agency;

(b) have not within a three (3) year period preceding this Agreement been convicted of, or had a civil judgment rendered against them for commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property or any other crime of moral turpitude;

(c) are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in subsection (b) above;

(d) have not within a three (3) year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default;

(e) have paid their state, local and federal taxes and do not have outstanding taxes that have not been paid by their delinquency date; and

(f) have not within a three (3) year period declared bankruptcy or defaulted on any bank loan.

10. Tax Increment Financing. Subject to any required approvals by the State of Tennessee or any department or office thereof, IDB shall cooperate with Developer to finance the payment and/or reimbursement of Certified Costs through the issuance of one or more series of notes or other debt obligations in an aggregate principal amount not exceeding the lesser of \$8,700,000 or the Certified Costs submitted by Developer under Section 3( the "Tax Increment Financing") (less any costs that have been previously reimbursed). Such Tax Increment Financing shall be payable from and secured by Tax

Increment Payments and any other sources provided by Developer. Such Tax Increment Financing may also be payable from and secured by the Sales Tax Contribution, provided that such Sales Tax Contributions may only be applied to pay debt service on debt incurred by the IDB to finance water and sewer system improvements that are or will be dedicated to the City or HUD pursuant to this Agreement. In no event shall the City be required to guaranty or otherwise provide any source of payment, other than Tax Increment Payments and Sales Tax Contributions, for the payment of any Tax Increment Financing. Any Tax Increment Financing shall be issued on the following terms and conditions:

(a) IDB will apply the Tax Increment Payments and Sales Tax Contributions in accordance with the Economic Impact Plan, this Agreement, and the Intergovernmental Agreement to make debt service payments under the Tax Increment Financing;

(b) The proceeds of the Tax Increment Financing shall only be applied to pay Certified Costs of the Project that have not been previously reimbursed, capitalized interest as permitted by law, any appropriate debt service reserve and all other costs related to closing of the Tax Increment Financing, subject to the limits contained in the Economic Impact Plan and the Intergovernmental Agreement. All disbursements of proceeds shall be subject to the review of IDB to confirm that such proceeds are applied to eligible costs under applicable state laws;

(c) The Tax Increment Financing shall mature no later than six (6) months after the later of (i) expiration of the final allocation period, or until the receipt thereof as to any delinquent taxes, for any parcel in the Plan Area from which Tax Increment Payments will be applied to pay debt service on the Tax Increment Financing or (ii) the payment of all Sales Tax Contributions under the Intergovernmental Agreement;

(d) The terms of the Tax Increment Financing, including the interest rate thereon and the manner and terms pursuant to which the Tax Increment Financing is sold, shall be subject to the approval, not to be unreasonably withheld, of Developer and IDB. The interest rate on any such Tax Increment Financing shall not exceed a market rate of interest in the reasonable judgment of a qualified financial adviser selected by IDB, which financial adviser may be the financial adviser for the City. Also, no series of Tax Increment Financing may be issued unless sufficient Tax Increment Payments and Sales Tax Contributions from completed improvements or improvements under constructions are projected to exist, in the reasonable judgment of IDB or a financial consultant retained by IDB, to pay the debt service on such series of Tax Increment Financing;

(e) Developer shall be responsible for arranging and paying all costs associated with the Tax Increment Financing to the extent not paid from the proceeds of the Tax Increment Financing;

(f) The documents pursuant to which each Tax Increment Financing is issued, including the notes or other debt obligations, related loan agreements and assignments of tax increment revenues, shall be in such form as is reasonably acceptable to both IDB and Developer; and

(g) The Tax Increment Financing shall be non-recourse to IDB, except to the extent payable from the Tax Increment Payments and Sales Tax Contributions.

11. Commencement of Allocation Periods; Subdivision.

(a) The allocation period for Tax Increment Payments for the parcels listed on Exhibit D attached hereto shall commence in the 2026 tax year (which tax year is the same as the calendar year). On or prior to each December 1<sup>st</sup> preceding each tax year thereafter, Developer shall give notice as to the additional tax parcels in the Plan Area as to which Developer desires to initiate the allocation period

for Tax Increment Payments for the following tax year. IDB will confirm that the parcels identified by Developer are in the Plan Area and then will notify the City of the tax parcels as to which the allocation period for Tax Increment Payments shall commence in the following year; provided however, the allocation period for the Tax Increment Payments shall commence not later than the earliest to occur of (i) the first full calendar year after completion of new improvements or substantially renovated improvements on such parcel, or (ii) the 2033 calendar year, and if Developer does not give notice to IDB to initiate the allocation period for any tax parcel on or prior to May 1, 2033, then allocation of all Tax Increment Payments for any tax parcels as to which allocation has not previously commenced shall commence automatically for the 2033 tax year. Each allocation period for a parcel shall be for the maximum period provided in the Plan.

(b) Within thirty (30) days after each subdivision of a tax parcel in the Plan Area, Developer shall give notice of such subdivision to IDB, or the City on behalf of IDB, together with the proposed allocation of base taxes with respect to such tax parcel among the subdivided parcels. IDB will review the accuracy of the information submitted and shall confirm its acceptance (or disapproval with the basis therefor) of such allocation to Developer. The IDB will not unreasonably withhold or deny its approval if the proposed allocation is consistent with an allocation method that is authorized by the Economic Impact Plan.

12. Cooperation. Each party shall cooperate with the other party to provide such assistance as may reasonably be requested in connection with the fulfillment of each of its respective obligations under this Agreement. Such cooperation shall include, without limitation, the best efforts of both parties to cause the cooperation and assistance of their respective employees, agents, consultants, contractors and principals; provided that Developer acknowledges that the City and its other instrumentalities are independent from IDB and that IDB cannot guarantee their cooperation.

13. Relationship to Intergovernmental Agreement. In the event of any inconsistency or conflict between the terms and provisions of this Agreement relating to the Sales Tax Contributions and the Intergovernmental Agreement, the terms and provisions of the Intergovernmental Agreement shall control.

14. Indemnity. Developer shall indemnify IDB and the City, their respective successors and assigns, and every director, officer, employee of IDB or the City (individually, an "Indemnitee") with respect to, and hold each Indemnitee harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto) which may be imposed on, incurred by, or asserted against such Indemnitee, in any way relating to or arising out of this Agreement (other than as a result of a breach hereof by IDB or the City), or the construction of the Project ("Indemnification Liabilities"). Developer shall reimburse each Indemnitee on demand from time to time for all Indemnification Liabilities incurred by such Indemnitee. Each Indemnitee will promptly notify Developer of the commencement of any proceeding involving it in respect of which indemnification may be sought pursuant to this Section. The obligations of Developer under this Section shall survive the termination of this Agreement.

15. Boycott Prohibition. Developer hereby certifies to IDB that Developer nor any of its wholly-owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates are currently engaged in nor will they engage in a boycott of Israel during the term of this Agreement, as described by Section 12-4-119 of the Tennessee Code Annotated. For purposes of Section 12-4-119, "boycott of Israel" shall mean engaging in refusals to deal, terminating business activities, or other commercial actions that

are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken (i) in compliance with, or adherence to, calls for a boycott of Israel, or (ii) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason.

16. Term. This Agreement shall be effective upon the Effective Date and shall remain in effect until the earlier of: (a) all Tax Increment Payments and Sales Tax Contributions have been received and applied pursuant to this Agreement; (b) termination by mutual agreement of the parties or their successors and assigns; or (c) termination by IDB upon an Event of Default. If this Agreement is terminated pursuant to clause (c) above, Developer shall pay to IDB all costs incurred by IDB in connection with the termination of this Agreement, including, but not limited to, reasonable attorneys' fees. The termination date of this Agreement may be extended by written mutual consent of the parties hereto.

17. Governing Law; Amendment. This Agreement shall be governed and construed under and in accordance with the laws of the State of Tennessee and may not be modified or amended except in writing signed by all parties.

18. Assignment. Developer shall not engage in, permit or suffer any Transfer without IDB's written consent. As used herein, the term "Transfer" shall mean any assignment, mortgage, pledge, hypothecation, encumbrance, lien or other transfer of Developer's rights under this Agreement or any interest under this Agreement, provide that notwithstanding the foregoing, Developer may grant a security interest and/or collaterally assign Developer's right to receive payments under this Agreement to secure financing of all or any portion of the Public Infrastructure. A change in the ownership interests in Developer due to one or more transfers of ownership interests shall be deemed to be a transfer or assignment prohibited by this Section unless after such change in ownership interests no change in control of the entity in question has occurred as compared to the ownership of such entity on the date of this Agreement. The current ownership interests in Developer, including voting rights, are shown in the list attached hereto as Exhibit E. Developer shall provide such further documentation as IDB may reasonably request from time to time to demonstrate compliance with this Section. For purposes of this Section, "control" shall mean the possession of the power to direct or cause the direction of the management and policies of the entity in question.

19. Successors and Assigns. Subject to restrictions on assignment provided in Section 18 above, this Agreement shall inure to the benefit of and be binding upon the parties hereto and the successors and assigns of the parties.

20. Limitation of IDB Liability; No City Liability. THE LIABILITY OF IDB FOR ANY CLAIM OR JUDGMENT BY OR IN FAVOR OF DEVELOPER RELATING TO THIS AGREEMENT, THE PROJECT OR THE DEVELOPMENT OF THE PLAN AREA IN ANY MANNER IS EXPRESSLY LIMITED TO IDB'S INTEREST IN ANY TAX INCREMENT PAYMENTS OR SALES TAX CONTRIBUTIONS TO IDB FROM THE PLAN AREA, AND OTHERWISE, IDB SHALL NOT HAVE ANY PECUNIARY LIABILITY UNDER THIS AGREEMENT FOR ANY ACT OR OMISSION OF IDB. NO OTHER PROPERTY OR ASSETS OF IDB SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER PROCEDURES FOR THE SATISFACTION OF REMEDIES OF DEVELOPER HEREUNDER OR RELATING HERETO. UNDER NO CIRCUMSTANCES SHALL IDB BE LIABLE FOR ANY SPECIAL OR CONSEQUENTIAL DAMAGES, ALL OF WHICH ARE HEREBY WAIVED BY DEVELOPER. NO RECOURSE SHALL BE HAD FOR ANY CLAIM BASED UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THIS AGREEMENT OR ANY TRANSACTION OR MATTER RELATING HERETO AGAINST ANY PAST, PRESENT OR

FUTURE DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, OR AGENT OF IDB, WHETHER DIRECTLY OR INDIRECTLY, AND ALL SUCH LIABILITY OF ANY SUCH INDIVIDUAL AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR IDB ENTERING INTO THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE PARTIES AGREE THAT DEVELOPER MAY ENFORCE THE TERMS OF THIS AGREEMENT THROUGH A CLAIM OF SPECIFIC PERFORMANCE. IN NO EVENT SHALL THE CITY NOR ANY OF ITS OFFICERS, EMPLOYEES, COUNSEL OR AGENTS HAVE ANY LIABILITY FOR ANY OBLIGATION OF OR ANY BREACH BY IDB UNDER THIS AGREEMENT WHATSOEVER.

21. Notices. Any notices permitted or required to be given hereunder shall be given in writing and shall be delivered in person or sent by overnight courier service or by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to IDB:

Industrial Development Board of the City of Chattanooga, Tennessee  
100 E. 11<sup>th</sup> Street  
Suite 200  
Chattanooga, TN 37402  
Attention: Chair

with a copy to:

Phillip A. Noblett  
Chattanooga City Attorney  
100 East 11<sup>th</sup> Street  
Suite 200  
Chattanooga, TN 37402

If to Developer:

Hixson Mall LLC,  
2030 Hamilton Place Blvd.  
Chattanooga TN 37421  
Attention: Senior Vice President - Redevelopment

with a copy to:

Hixson Mall LLC,  
2030 Hamilton Place Blvd.  
Chattanooga TN 37421  
Attention: General Counsel

Notices shall be effective only upon actual receipt or upon refusal to accept delivery by the intended recipient. Any party may change its notice address set forth above by giving notice of such change to the other party hereto.

22. Severability; Conflict with Plan. The invalidation of any one or more of the provisions of this Agreement or any part thereof by judgment of any court of competent jurisdiction shall not in any way affect the validity of any other such provisions of the Agreement but the same shall remain in full

force and effect. If any provision of this Agreement is in conflict with a provision of the Economic Impact Plan, the terms of the Economic Impact Plan shall control to the extent necessary to resolve the conflict.

23. Amendments. This Agreement may be amended only by written mutual consent of IDB and Developer.

24. No Government Limitation. This Agreement shall not be construed to bind any other agency or instrumentality of federal, State or local government in the enforcement of any regulation, codes or laws under its jurisdiction, including the City.

25. Venue. Venue for any litigation related to any dispute in connection with this Agreement or the transactions contemplated hereby shall be in the state courts in Hamilton County, Tennessee.

26. Time of the Essence. Time shall be of the essence in the performance of the terms and conditions of this Agreement.

27. Merger. This Agreement constitutes the complete and entire agreement among the parties with respect to the subject matter hereof, and all prior agreements and understandings are merged into this Agreement.

28. Third-Party Beneficiary. The City shall be an express third-party beneficiary of this Agreement. No other party shall be deemed a third-party beneficiary of this Agreement.

29. Approvals. Any approval that is required or may be provided by IDB or the City hereunder may be granted by a duly authorized representative of IDB or the City and not the governing body of such entity, unless specifically provided otherwise herein. For purposes of this Agreement, the duly authorized representative of IDB shall be the duly elected Chair of IDB or his or her designee, and the duly authorized representative of the City shall be the duly elected Mayor of the City or his or her respective designee.

30. Captions. All captions, headings, paragraph and subparagraph numbers and letters and other reference numbers or letters are solely for the purpose of facilitating reference to this Agreement and shall not supplement, limit or otherwise vary in any respect the text of this Agreement. All references to particular paragraphs and subparagraphs by number refer to the paragraph or subparagraph so numbered in this Agreement.

31. Business Day. If any date on which performance or notice is due under this Agreement should fall on Saturday, Sunday or any other day which is a holiday for the City, performance or notice shall not be due until the next business day.

32. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

33. Stormwater Fees. Nothing in this Agreement shall be considered a waiver of any stormwater fee payable by any property owner in the Plan Area, including Developer or any affiliate thereof, and Developer agrees to pay or cause its appropriate affiliate to pay all such stormwater fees that are legally payable by Developer or such affiliate.

*[SIGNATURES APPEAR ON FOLLOWING PAGE]*

IN WITNESS WHEREOF, IDB and Developer have caused this Agreement to be duly executed as of the date first above written

**IDB:**

INDUSTRIAL DEVELOPMENT BOARD OF THE  
CITY OF CHATTANOOGA, TENNESSEE

By: \_\_\_\_\_  
Chair

ATTEST:

By: \_\_\_\_\_  
Secretary

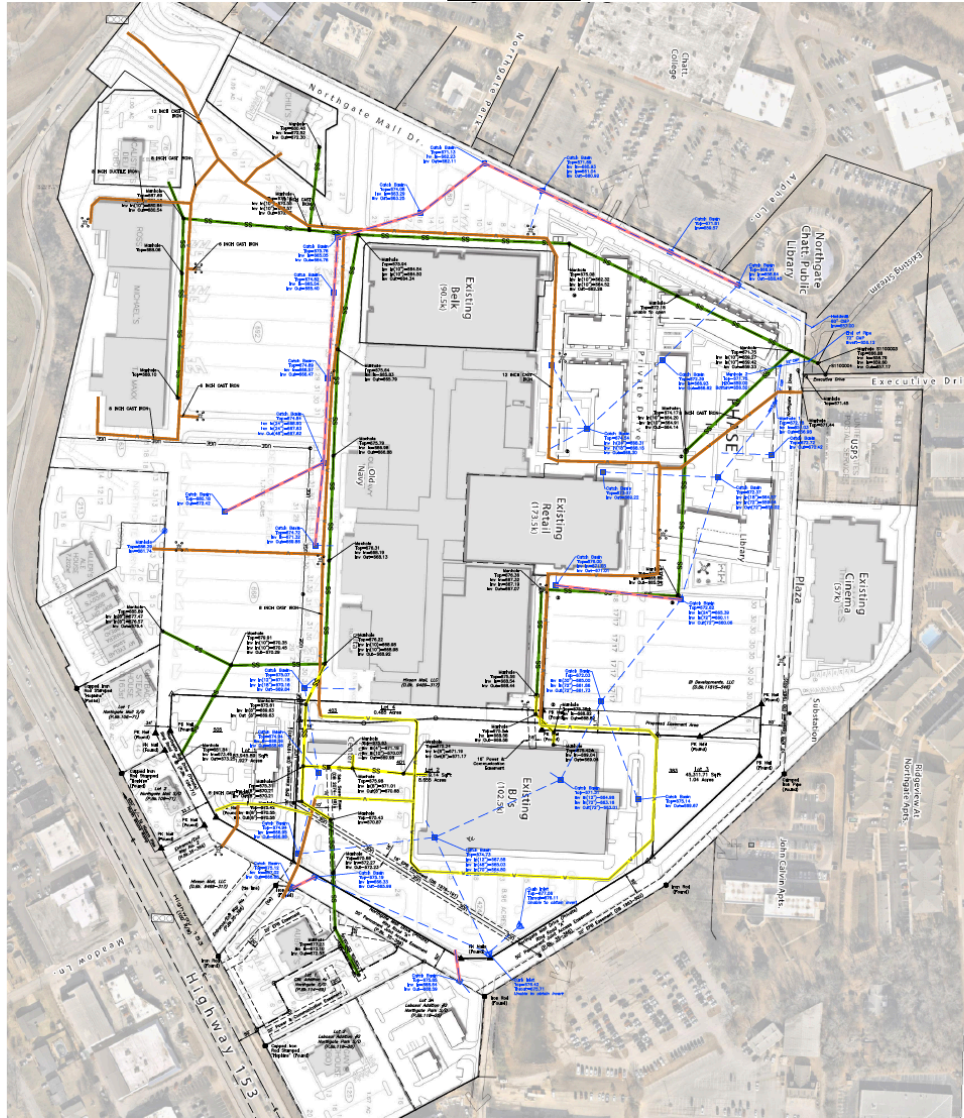
**DEVELOPER:**

HIXSON MALL, LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_



EXHIBIT B-1



**STORM LINE REPLACEMENT  
INTENDED TO BE IN SAME LOCATION  
AND SIZE FOR PRICING PURPOSES**

STORM LINES 60"Ø OR LESS SHALL  
BE HDPE

STORM LINES GREATER THAN 60"  
SHALL BE RCP

**SANITARY SEWER TO BE  
REPLACED PER CITY STANDARDS**

- 5,575 ± LF OF SANITARY SEWER TO BE REPLACED WITH 8" SDR 26 PVC
- REPLACE ALL MANHOLES

**WATERLINE TO BE REPLACED  
PER HIXSON UTILITY DISTRICT  
STANDARDS**

- 4,838 ± LF OF EXISTING 6" & 8" CAST IRON WATERLINE TO BE REPLACED WITH 8" DUCTILE IRON
- 1,750 ± LF OF 12" CAST IRON WATERLINE TO BE REPLACED WITH 12" DUCTILE IRON
- REPLACE 12 FIRE HYDRANTS

**WATERLINE TO REMAIN**

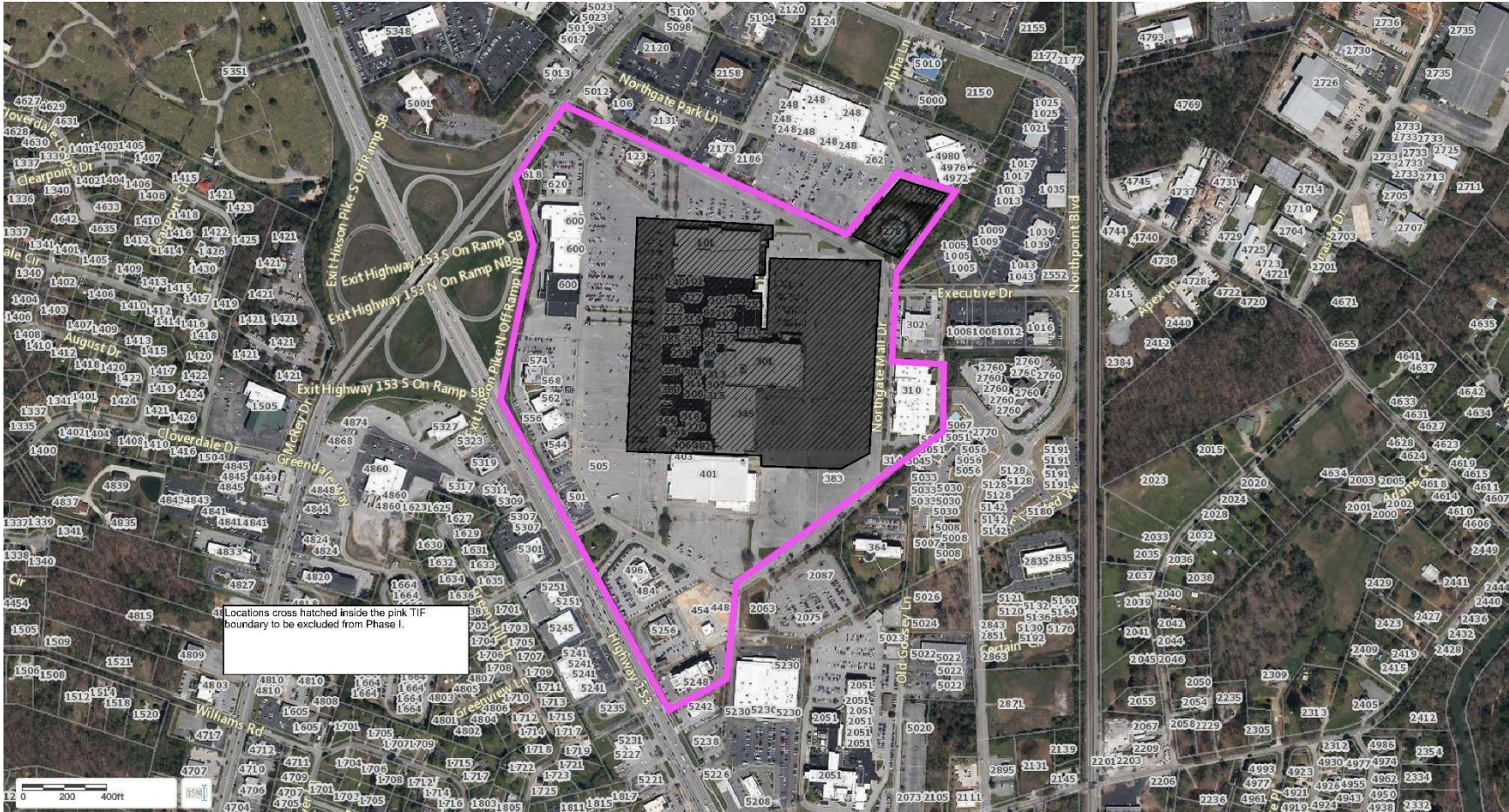
- 2,179 ± LF OF WATERLINE TO REMAIN (RECENTLY INSTALLED BY CULVERS & BJS)

**SANITARY SEWER TO REMAIN**

- 873 ± LF OF SANITARY SEWER TO REMAIN

**PROJECT SCHEMATIC PLAN  
EXHIBIT B-2**

OVERVIEW OF EXISTING BUSINESSES TO BE SERVED BY PHASE 1 INFRASTRUCTURE



The existing business within the Plan Area are all businesses shown on the map above except those businesses crosshatched in black above.

Exhibit C

CITY RESOLUTION

(ATTACHED)

RESOLUTION NO. 32755

A RESOLUTION URGING THE INDUSTRIAL DEVELOPMENT BOARD (“IDB”) TO ENSURE THAT THE FOLLOWING PROVISIONS ARE INCLUDED IN THE DEVELOPMENT AGREEMENT WHICH THAT BODY WILL ENTER INTO WITH CBL PROPERTIES REGARDING THE NORTHGATE MALL INFRASTRUCTURE PROJECT, WITH THE EXPECTATION THAT THE REDEVELOPMENT OF THE SITE OF NORTHGATE MALL WILL BALANCE THE NEEDS OF THE PUBLIC WITH THE NEEDS OF A VIABLE COMMERCIAL REAL ESTATE PROJECT, WITH THE ULTIMATE GOAL OF TRANSFORMING THE SITE INTO A COMPACT, WALKABLE TOWN CENTER AS ENVISIONED IN PLAN CHATTANOOGA’S HIXSON/RED BANK AREA PLAN.

WHEREAS, the Chattanooga City Council has recently passed resolutions approving the Economic Impact Plan and the Intergovernmental Financial Assistance Agreement pertaining to the Northgate Mall Infrastructure Project, which resolutions authorize a Tax Increment Incentive for that project; and

WHEREAS, the members of the Chattanooga City Council have heard many comments from Chattanooga residents regarding the kinds of developments that are desirable for the current site of Northgate Mall in Hixson (“Site”), as it is redeveloped; and

WHEREAS, the government of the City of Chattanooga (“City”) has an obligation to the citizens of Chattanooga to help shape the redevelopment of the Site, given that significant amounts of City property tax and sales tax revenue will go towards repayment of the costs of public infrastructure being developed at the Site through the Tax Increment Incentive;

NOW, THEREFORE, BE IT RESOLVED THAT THE CHATTANOOGA CITY COUNCIL, hereby urges the Industrial Development Board (“IDB”) to ensure that the Development Agreement that the IDB will enter into with CBL Properties regarding the Northgate Mall Infrastructure Project includes a robust community engagement process, with the expectation that the redevelopment of the Site will balance the needs of the public with the needs of a viable commercial real estate project, with the ultimate goal of transforming the Site into a compact, walkable Town Center as envisioned in Plan Chattanooga’s Hixson/Red Bank Area Plan:



1. CBL and the City will engage with the public in a meaningful way throughout the process of completing the Northgate Mall Infrastructure Project and redevelopment the Site of Northgate Mall. The goal of this public engagement is to ensure that the infrastructure project and redevelopment of the Site achieve the highest and best use of the property from a commercial and economic standpoint, while also serving the best interest of area residents by taking into account their needs and expressed desires with regard to the Site. This public engagement may include, but will not be limited to, the following forms: focus group meetings with select groups of area residents, public meetings open to all and for which public notice is given in advance, and presentations to area civic groups such as the Friends of Hixson and Hixson Area Chamber of Commerce; and
  
2. The public engagement should consider, at a minimum, input from members of the public, input from City staff and input from CBL regarding the community priorities, the City priorities and the commercial feasibility of the following development components and principles:
  - a. No more than twenty-five (25%) percent of new construction at the Site will consist of residential developments of any kind. The development of individually-owned condominiums is the preferred form of residential development for the Site;
  - b. CBL will cooperate with the City to locate and reserve a parcel of land or building space at the Site that would be sufficient to house a new Northgate branch of the Chattanooga Public Library;
  - c. The redevelopment of the Site will include a substantial area dedicated for use as a park or other dedicated greenspace with access to utility services;
  - d. The Site will include an amphitheater, bandshell, or other accommodation designed to serve as an outdoor entertainment venue for community music, art, and theater events. This accommodation can be a part of the park or other dedicated greenspace noted above;
  - e. The Site will include sidewalks, crosswalks, and/or other pedestrian/bicycle accommodations necessary to ensure that the Site will be accessible by foot or bicycle for those who live in adjacent areas and to those from any area who may choose to walk or cycle to and from the Site;
  - f. Any roadway infrastructure built in conjunction with redevelopment of the Site will be built to public standards, in accordance with the standards set forth by City Code and the City's public works department. Any such roadway infrastructure will be built under the guidance and supervision of the City's public works department and dedicated to the City upon completion; and

- g. Any stormwater infrastructure built as part of the redevelopment of the Site, in addition to complying with all standards set forth by City Code and the City's public works department, will be built in such a way as to minimize any negative environmental impact to North Chickamauga Creek.

ADOPTED: January 6, 2026.

40827396v2

EXHIBIT D  
PARCEL ALLOCATIONS COMMENCING IN 2026

<b>Parcel ID</b>	<b>Description</b>
110H-E-004.51	Chili's
110H-E-004.50	McAlister's
110H-E-003.01	Northgate Corner
110H-E-003	Northgate Corner
110H-E-004.12	Outback
110H-E-004.13	Arby's
110H-E-004.52	Aubrey's
110H-E-001	Panda Express
110H-E-004.10	Logan's
110H-E-004.21	CAVA
110H-E-004.11	Towne Place Suites
110H-E-002.01	Culver's
110H-E-002	BJ's
110H-E-006	former JCP
110H-E-004.20	AMC

\* The tax increments shall be calculated on the basis of each parcel within the area subject to the plan (and not on an aggregated basis) as such parcels are designated for allocation. The calculation of the increment for each parcel shall be made in accordance with Tenn. Code Ann. Section 9-23-103 and the provisions of this Agreement.

EXHIBIT E  
OWNERSHIP INTERESTS IN DEVELOPER

