WESTON WAMP
COUNTY MAYOR

BOARD OF COMMISSIONERS
D.C. (CHIP) BAKER
GREG BECK
MIKE CHAUNCEY
JEFF EVERSOLE
JOE GRAHAM
LEE HELTON
STEVE HIGHLANDER
WARREN MACKEY
DAVID SHARPE
GENE-O SHIPLEY
KEN SMITH

HAMILTON COUNTY, TENNESSEE
OFFICE OF THE COUNTY ATTORNEY

JANIE PARKS VARNELL
COUNTY ATTORNEY

TIMOTHY N. CLARK
DEPUTY COUNTY ATTORNEY

ZACK YANEZ
CHIEF LITIGATION ATTORNEY

PAIGE IVEY EVATT
ATTORNEY AT LAW

March 5, 2026

Jim Irwin
New City Properties
750 Ralph McGill Blvd. NE
Atlanta, GA 30312

Gary Chazen
Andy Stone
Perimeter Properties
4416 Brainerd Rd
Chattanooga, TN 37411

Re: Development Agreement (U.S. Pipe and Wheland Foundry Site) – Compliance with Development Milestones

Gentlemen,

I am writing on behalf of Hamilton County regarding the Development Agreement entered into in 2024 by and between The Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee and Foundry Master Owner, Inc. (the "Development Agreement").

As you are aware, Section 3 of the Development Agreement establishes specific and time-sensitive development obligations applicable to the Site Area, including the Phase I Milestones and the Targeted Development Thresholds. These obligations were material inducements to the County's participation in the overall public financing structure supporting the Stadium project.

Based upon information presently available to the County, the development progress required under Section 3 does not appear to be proceeding in accordance with the contractual schedule. The County is particularly concerned with compliance relative to the development milestones set forth on page 3 and the "Targeted Development Thresholds" outlined in Section 3(c) of the Agreement.

The Development Agreement was structured with the expectation that private development activity would generate incremental ad valorem tax revenues to offset public financial commitments associated with the Stadium financing. Absent timely development, the County's taxpayers will begin bearing the financial burden of these obligations beginning next fiscal year. Current projections indicate that this delay will result in an approximate shortfall of $880,000 per year, or approximately $73,300 per month, which otherwise was anticipated to be offset by incremental tax revenue generated from the redevelopment of the Site Area.

625 GEORGIA AVENUE, SUITE 204 • CHATTANOOGA, TN 37402 • PHONE (423) 209-6150 • FAX (423) 209-6151

The County has a fiduciary responsibility to its taxpayers. Continued delay in development materially impacts the public financing model and shifts costs to citizens who were assured that private redevelopment would mitigate this exposure.

Accordingly, the County formally requests the following:

1. A detailed written status update outlining the current development schedule for:
    - The Phase I Development;
    - Any alternative development proposed pursuant to a Development Focus Shift (if applicable); and
    - Progress toward satisfying the First Targeted Development Threshold.
2. A comprehensive timeline identifying:
    - Completion of schematic design drawings;
    - Completion of design development drawings;
    - Submission of construction drawings and permit applications;
    - Permitting status; and
    - Anticipated commencement of construction.
3. Identification of any claimed Excusable Delay as defined in the Agreement, including the specific basis, duration, and written notice previously provided to the Authority, if applicable.

Please provide the requested information within fifteen (15) days of receipt of this correspondence.

This letter is not intended to waive any rights, remedies, or enforcement options available under the Development Agreement, including but not limited to the remedies set forth in Section 5 of the Agreement. The County expressly reserves all rights.

We remain willing to meet promptly to discuss a path forward; however, given the financial exposure to the County and its taxpayers, immediate clarity regarding the development timeline is necessary.

I look forward to your prompt response.

Sincerely,

Janie P. Varnell

Janie Parks Varnell
Hamilton County Attorney

Cc: Mayor Weston Wamp
Matt Patterson, The Sports Authority Board of Hamilton County and the City of Chattanooga
Cole Webster, The Sports Authority Board of Hamilton County and the City of Chattanooga
Brett Smalley, The Sports Authority Board of Hamilton County and the City of Chattanooga
Daisy W. Madison, The Sports Authority Board of Hamilton County and the City of Chattanooga
Edna Varner, The Sports Authority Board of Hamilton County and the City of Chattanooga
Rev. Ann Weeks, The Sports Authority Board of Hamilton County and the City of Chattanooga
Rudolph Foster, The Sports Authority Board of Hamilton County and the City of Chattanooga