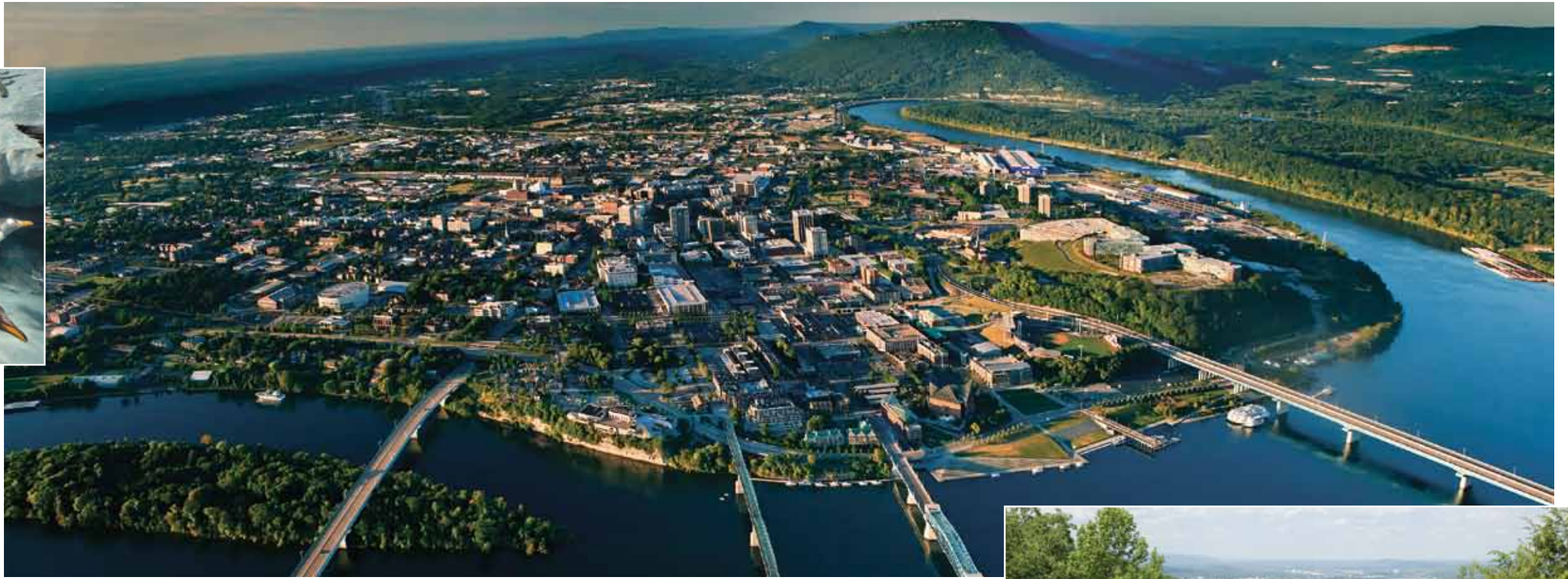


Visitors to the Tennessee Aquarium enjoy the penguin exhibit.



Chattanooga's Legacy

Tourism and Its Economic Success

BY JENNI FRANKENBERG VEAL

Chattanooga's legacy of tourism has its roots in history. Since the days following the Civil War, visitors have been drawn to the area to commemorate an intense American struggle that took place in this stunning southeastern landscape. Over the years, the history of the city has been preserved and attractions have been developed among the area's beautiful natural landscape. Chattanooga has endured and blossomed, emerging as a city celebrated for all it has to offer by guests

and residents alike. As visitors continue to flock to restaurants, attractions and hotels, the economic impact of tourism for the city has steadily grown and with it, jobs continue to be created.

A History of Visitors

Chattanooga became a popular attraction following the Civil War when soldiers brought their families back and visitors flocked to famous battle sites. Visitors arrived by rail, and many endured a two-dollar and four-hour

buggy ride up Lookout Mountain to visit the romanticized "Battle Above the Clouds." In 1895, the Chickamauga & Chattanooga National Military Park became the first national military park in the United States, commemorating the last Confederate victory of the American Civil War. Flocks of tourists to Lookout Mountain created business opportunities for locals, and many hotels were built there during the late 1800s and early 1900s. A second road was added to improve access to Lookout Mountain

and three inclines were built, including the current Incline Railway – the steepest passenger incline in the world – which opened in 1895.

In the 19th century, nature travel became a popular American past-time. One of Chattanooga's popular natural attractions was Lookout Mountain's Natural Bridge, a rock structure that today is divided by Bragg Avenue at the corner of Scenic Highway. In the late 1800s, the healing mineral springs at the Natural Bridge lured visitors as well as Chattanoogaans who were desperate to escape a devastating yellow fever epidemic.

After World War I, U.S. Highway 41 – the major north-south route from the Midwest to Florida – was constructed to accommodate the automobile. The highway hugged the east side of Lookout Mountain, introducing thousands of road travelers to Chattanooga and creating new business opportunities for residents.



Rock City continues to be a cornerstone of tourism in Chattanooga.

Shortly after its development, Leo and Ruby Lambert opened Ruby Falls to the public in 1930. Two years later, Garnet and Frieda Carter opened Rock City. The Carters' ingenious "See Rock City" advertising campaign, painted on the roofs of barns across the country, helped put Chattanooga on the tourist map across the nation. Earlier, Carl and Minette Dixon had opened Lake Winnepesaukah in Lakeview, Ga., to guests in 1925.

During this time, Chattanooga was flourishing as a major railroad hub and

industrial and manufacturing center. By the 1930s, the city was known as the "Dynamo of Dixie," inspiring Glen Miller's hit song "Chattanooga Choo Choo" in 1941.

After World War II, the popularity of cars increased, and Chattanooga began attracting record numbers of tourists. The Civil War Centennial of 1957 gave rise to the opening of Confederama (now the Battles for Chattanooga Museum) at the base of Lookout Mountain and enticed Civil War enthusiasts to visit Chattanooga.



NOW OPEN IN DOWNTOWN CHATTANOOGA

Hampton Inn & Suites, the most popular brand in the hospitality industry, offers downtown Chattanooga its best. Vision Hospitality Group, Inc. opened the 134-room, six-story hotel at Fourth and Chestnut streets in April 2011, and the response has been tremendous.

Featuring an intimate urban courtyard with a resort style indoor-outdoor saltwater swimming pool, state-of-the-art fitness center, 585-square-foot hospitality suite, free high-speed internet, and complimentary hot breakfast for

guests, Hampton Inn & Suites Downtown provides easy access to local attractions, including the Tennessee Aquarium, IMAX Theater, Creative Discovery Museum, and more. Excellent dining options are a short stroll away as well.

“One of the reasons that the Hampton brand is so successful is that it caters to everyone,” notes Mitch Patel, President and Chief Executive Officer of locally-based Vision Hospitality Group, Inc. which developed the downtown project. “We wanted to bring in a brand that provides an

excellent stay and allows its guests to conveniently experience the flavor of the area. The interior has several unique design elements, and we took advantage of the L-shaped design for a courtyard area.”

The construction of the Hampton Inn & Suites Downtown incorporates elements of both the city’s historic past and its vibrant future. Situated on the former site of a local elementary school and the Chattanooga Regional History Museum, the project utilizes materials reclaimed from these buildings, including limestone quarried nearby more than a century ago. Management is currently pursuing silver level LEED certification, maximizing energy efficiency and aesthetics. Large windows, low flow faucets, reflective roofing, which reduces the energy necessary for cooling, and easy access to public transportation are just a few of these features.

“LEED certification is the right thing to do,” explains Patel. “It is just good business over time. There are travelers who look for environmentally friendly options, and it enhances the guest’s experience.”

Among other local Vision Hospitality Group, Inc. properties are the nearby Hilton Garden Inn Chattanooga Downtown, which opened in 2001, and the DoubleTree Hotel by Hilton, which began operating in 2008 following the acquisition and redevelopment of the former Clarion Hotel on Chestnut Street. Vision Hospitality Group, Inc. maintains a portfolio of 16 hotels operating throughout Tennessee, Georgia, and Indiana under such brand names as Hilton, Marriott, InterContinental Group and Hyatt.

“Chattanooga is our backyard,” relates Patel. “We love this city and have been in the hotel business here for a long time. We have noted a growing demand in downtown Chattanooga and are more confident in the city than ever before. Hampton Inn & Suites is an outstanding facility with excellent visibility at the gateway to Chattanooga’s riverfront.”



To make reservations or for more information on Hampton Inn & Suites at 400 Chestnut St., Chattanooga, call (423) 693-0500 or visit online at hamptoninn.hilton.com.





Hang gliding and mountain biking attract outdoor enthusiasts from across the country to the Scenic City.



Charlie Arant,
President & CEO,
Tennessee Aquarium



Bob Doak,
President & CEO,
Chattanooga
Convention &
Visitors Bureau



Hiren Desai,
CEO,
3H Group, Inc.

Outdoor venues continued to develop during this period as well, including the Chattanooga Audubon Society's Audubon Acres, a national Trail of Tears site chartered in 1944 by naturalist and writer Robert Sparks Walker. Also, John and Margaret Chambliss rescued a farm from industrialization and opened Reflection Riding Arboretum and Botanical Garden in 1956.

The popularity of the automobile began the demise of steam locomotives and passenger trains. In 1959, a group of Chattanooga rail fans organized the Tennessee Valley Railroad Museum and spent eight years gathering donations for a permanent site in Chattanooga to commemorate rail travel. The museum opened its doors to the public in 1969 at a site adjacent to the original 1856 Southern main line of the Southern Railway System and has remained a favorite Chattanooga attraction.

Throughout the 1960s, a number of cultural and environmental issues impacted Chattanooga's popularity, and tourism began a slow and steady decline. Finally, in October of 1969 – at the

height of the city's manufacturing days – Walter Cronkite announced on television that Chattanooga had been named the "Dirtiest City in America."

Tourism Reignited

Beleaguered with environmental pollution, job layoffs and a deteriorating city infrastructure, Chattanooga was forced to take a hard look at its state of affairs in the 1980s.

Small glimmers of hope remained on the horizon, however. Hang gliding joined the attractions on Lookout Mountain in 1978 and a trolley service began to offer shuttle services between various Lookout Mountain venues. The first Riverbend Festival took place for five nights in June of 1982, and the Lookout Mountain Parkway, a 93-mile scenic tour that spans Georgia, Alabama and Tennessee, was developed in 1985 to attract tourists.

Chattanooga leaders began to consider tourism as a way to offset the exodus of industry that was impacting cities across the country. Recognizing the opportunity to capitalize on the city's



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natural resources, the Moccasin Bend Task Force set out to study the 22-mile section of the Tennessee River that flows through Chattanooga in 1982. This study ultimately led to nearly \$800 million in state, federal, foundation and private monies dedicated to projects to recreate the city, with a particular emphasis on downtown and areas surrounding the Tennessee River.

The catalyst for the city's downtown renewal was the opening of the Tennessee Aquarium in 1992, a \$45 million privately funded project that helped transform downtown's riverfront from a wasteland into a scenic and economically thriving waterfront. With the Aquarium as its center, the city grew in many directions. Within a decade's time, the Walnut Street Bridge was restored as the world's longest pedestrian bridge; Coolidge Park was built on the north side of the Tennessee River; the Creative Discovery Museum opened; and the Chattanooga Convention Center expansion was completed. Additionally, the Bluff View Art District opened its doors, and the city's first downtown dining establishments began to appear, including 212 Market and Big River Grille.



Lake Winnie is a favorite Chattanooga family attraction.

Public support for Chattanooga's transformation continued when in 2002 former Mayor Bob Corker unveiled the 21st Century Waterfront Plan. The city raised \$120 million to implement the plan, which included expansion of the Tennessee Aquarium, Creative Discovery Museum and Hunter Museum of American Art, as well as development

of public spaces along the Tennessee Riverwalk.

Tourism Today

Through cooperative efforts at all levels of the community, the city now once again finds itself as a premier tourist destination, entertaining millions of visitors each year. The world is recognizing Chattanooga for its efforts as well. The city has been featured among many genres, including a top 10 family vacation destination by *Family Fun* magazine; one of the top 50 bike-friendly communities by *Bicycling* magazine; and one of the most enlightened cities by *Utne Reader*.

Regional visitors – primarily from Atlanta, Nashville, Knoxville, Birmingham and Huntsville, Ala. – make up about 80 percent of the total annual tourist population in Chattanooga, according to Bob Doak, president and CEO of the Chattanooga Convention & Visitors Bureau (CVB). The official tourist season in Chattanooga begins in March, with particularly heavy traffic in June, July and August; however, many attractions are open year-round.



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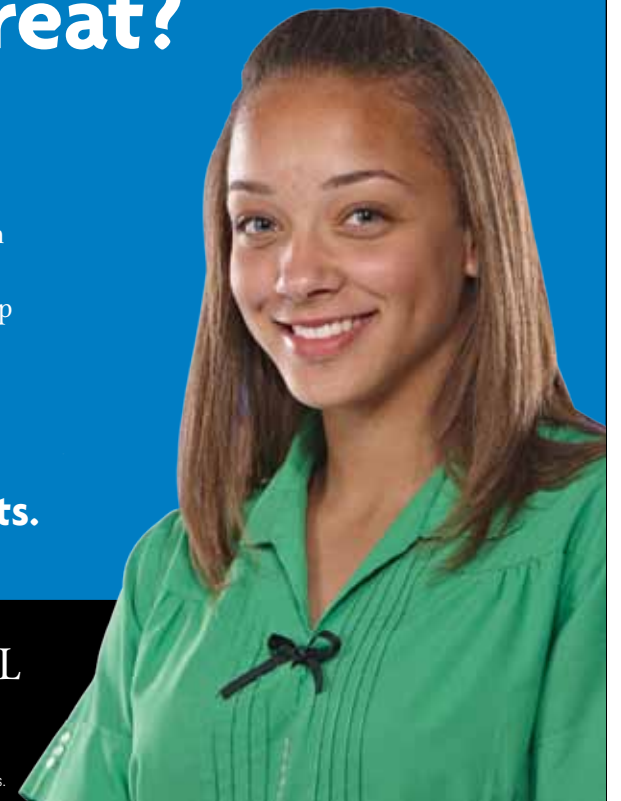
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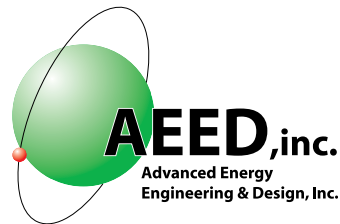


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"Tourism is one of our top industries," says Doak, adding that the CVB's recent "Take Me There" campaign commercial is in line for a national ADDY award. "The money created through tourism is used to

improve our city, create jobs and pay for the attributes we enjoy as residents."

Doak notes, "Visitors are drawn to Chattanooga for many reasons: attractions and museums, outdoor recreation and

sporting tournaments, conventions and meetings, music and events. Chattanooga has become a dining destination as well. There are more than 100 restaurants downtown and about 75 percent of them are locally owned, which makes them unique to visitors."

"Chattanooga has gone from a one-day destination to a two or three-day trip," says Hiren Desai, CEO of 3H Group and a member of the CVB executive board. "There is enough to do here that it has become a multiple-day stay for visitors." *National Geographic Traveler* magazine confirmed this sentiment recently by featuring Chattanooga as the only Tennessee city in its "Great Long Weekends: 46 Places to Get Away From It All" feature.

For Perspective

Today, tourism in Chattanooga and Hamilton County is a \$750 million industry.

"Visitors generate \$19 million in local sales tax revenues and support 7,800 full-time jobs in the tourism industry alone," says Doak. "Since the Visitors Center originally opened in July 1993, we've seen an economic impact increase of 175 percent."

Hotel/motel room tax collections, which are one way to measure the health of tourism, totaled almost \$5 million in 2010, an all-time record for Chattanooga. Hamilton County hotel revenue saw a more than 25 percent increase from 2005-2010, and since 2001, hotel revenue has increased by nearly 50 percent.

According to the U.S. Department of Commerce, Bureau of Economic analysis, in 2009 (the most current year for which data is available) the GDP for the Chattanooga area equaled \$20.3 billion. Leisure and hospitality accounted for \$720 million, about 3.6 percent of the area GDP.

For perspective, according to Dunn & Bradstreet, revenue associated with tourism (lodging, camps and amusement/recreation) was greater in 2010 than 15 of 19 manufacturing segments in the Chattanooga metropolitan area.

The Future of Tourism

The key to Chattanooga's future success with tourism, according to Tennessee Aquarium President and CEO Charlie Arant, is continuing the good work that was started in the 1980s: "The private and public sectors need to continue to work together to enhance what our city has to offer so visitors will come back to see what is new, and we can attract new visitors."

Bob Doak adds, "We continue to see growth at our attractions, hotels, restaurants and shopping venues because the community is investing in these private enterprises. This creates more jobs and keeps more locals staying in our community. Visitors are attracted to cities where this kind of dedication is so apparent. Chattanooga is a city envied all over the world, and I couldn't think of a better city to be promoting right now!"



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