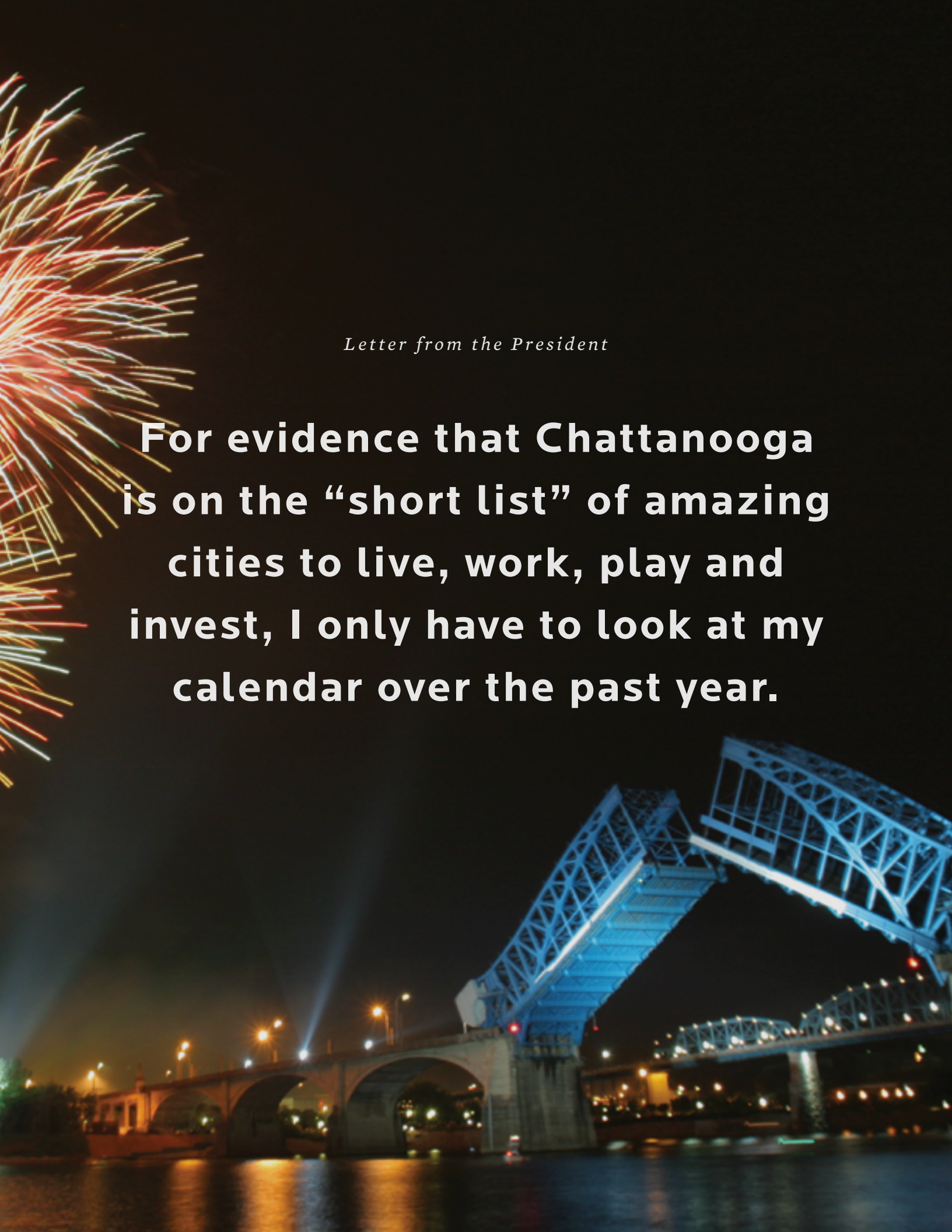




2014 ANNUAL REPORT





*Letter from the President*

**For evidence that Chattanooga is on the “short list” of amazing cities to live, work, play and invest, I only have to look at my calendar over the past year.**



**2014** has been filled working with developers, property owners, banks and architects. What this means for Downtown Chattanooga and City Center in particular is a 2015 filled with exciting development projects being announced and starting to break ground. Thankfully, many of the projects taking shape revolve around increasing our underserved housing supply.

We spent the last year planning and putting together strategies on how to move City Center forward, how to connect to our University in more tangible ways to downtown and how to encourage development of underutilized parcels of land. What has occurred is that of 22 properties identified as “under developed” in City Center, 11 of those have new owners and new plans, which could add 400 new apartments and 250 new hotel units. By working with UNUM and UTC, there is now a plan for Vine Street that could add over a thousand more people and more retail establishments, while offering that town to gown connection.

It’s amazing that 20 years ago, we built the first downtown apartment complex and had difficulty convincing banks and developers that people REALLY would live downtown. Now, as quantified from a recent study, we have pent up demand for well over 3,000 additional units of housing and could support 900 more units a year for the foreseeable future. The work this past year will go a long way in filling that void. If you build a GREAT city, then people want to be part of it.

The “buzz” we’ve received all over the country about our gigabit network; a recently announced Innovation District; VW’s commitment to add another line, create a research and development arm and build a downtown visitor’s center; a growing University population.....there’s never been a better time to be in our city. The energy is electric.

We are pleased to share with you an overview, not only of our development work, but also our programs. From Open Spaces that animates vacant downtown windows to Movies at Center Park which animated a vacant downtown lot, to Clean and Green, Park(ing) Day, retail recruitment and support efforts and Startup Week, all these things work to keep our city vibrant and animated. Our work and programs are made possible because of support from downtown stakeholders and partners. THANK YOU!

I am proud of the role River City Company has continued to play for close to 30 years in moving our downtown forward. And as the song says, we believe “the best is yet to come”!

Stay tuned.

**Kim White**  
President/CEO  
River City Company

# SMALL CITY ON THE RISE

[www.smartertravel.com](http://www.smartertravel.com)



## ACCOLADES

FEATURED IN THE NEW YORK TIMES, CNN MONEY, SLATE,  
UT SAN DIEGO, AND THE ATLANTIC'S CITY LAB

[money.cnn.com](http://money.cnn.com)

15 CITIES FOR CREATIVE 20-SOMETHINGS THAT AREN'T  
NEW YORK OR LOS ANGELES

[www.policymic.com](http://www.policymic.com)

MOUNTAIN BIKING ONLINE PUBLICATION SINGLETRACKS.COM  
NAMED CHATTANOOGA ONE OF THE TOP 10 BEST MOUNTAIN  
BIKING DESTINATIONS IN NORTH AMERICA.

NATIONAL GEOGRAPHIC-THE 2014 TRAVELER 50:  
WORLD'S SMARTEST CITIES

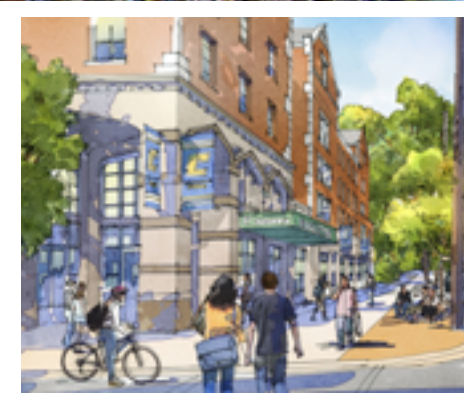
THREE LOCAL COMPANIES MAKE INC.'S TOP 5000 LIST

SILVER LEVEL BICYCLE FRIENDLY COMMUNITY FROM THE LEAGUE  
OF AMERICAN BICYCLISTS

[bikeleague.org](http://bikeleague.org)

FASTEST GROWING AFTER RECESSION

[nerdwallet.com](http://nerdwallet.com)



*Downtown Chattanooga Study: Housing, Retail,  
and Office Market Opportunities*

**In early 2014, River City  
Company completed an analysis  
that looked at opportunities for  
housing, retail and office space  
in Downtown Chattanooga.**

## HOUSING

To contribute to the liveability of downtown and complement this desire for downtown housing, strategic development that provides basic retail and community services (grocery, schools, etc.) should be encouraged.

UTC provides a huge opportunity to build the residential base particularly in the MLK district. Incorporating the growing student body in the downtown area will add vitality and after 5pm animation. Students support retail demand and offerings that will in turn attract more downtown residents.

**2,400**

number of units that could be absorbed immediately with current demand

**905**

number of units that Downtown Chattanooga could absorb annually

**200**

new students housing units

**110-165**

new for sale units  
(including rehabilitated and new single family development)

**45-75**

new for sale condos

**260-465**

new market rate apartment units

## RETAIL

New retail downtown will primarily be supported by new residents, UTC students, and tourists. Downtown employees, while strong support for retail today, are not projected to be a growing demand source. Over the next 10 years, the full potential for retail from all potential market segments could include:



Retail focus should be on strengthening and revitalizing the current retail offerings and identifying key locations that are currently underperforming. Re-tenanting should be a very strategic process accounting for new growth and which tenants would be appropriate for which neighborhood, particularly as retail tends to cluster together.

## OFFICE

The existing office supply in Downtown Chattanooga will likely meet the needs of office-using employment until 2020, unless a significant shift in the market occurs, such as residential conversion.

An opportunity to enliven underutilized office buildings is to consider non-traditional tenants such as a university, and more creative opportunities like renovating space to attract a new type of tenant (i.e. shared office space).



# THE BLOCK

[theblockchattanooga.com](http://theblockchattanooga.com)

The Block, one of Chattanooga's largest adaptive re-use projects in history, was officially welcomed to Downtown Chattanooga in the spring. Although Rock/Creek and High Point Climbing and Fitness opened in late 2013, a ribbon cutting was its official arrival to the Riverfront with the exciting expansion announcement of Kid Zone, a climbing gym built for kids operated by High Point on the Chestnut Street side of the facility. In 2014, The Block also welcomed Chantz Coffee, a local small batch artisan coffee shop, eatery and wine bar.



The Block is a truly local Chattanooga development. From the tenants to financing and construction, Chattanoogaans came together to create another showcase destination piece for downtown. And this year, the facility was featured in Rock and Ice Magazine, a key international climbing publication, and Adrex.com.

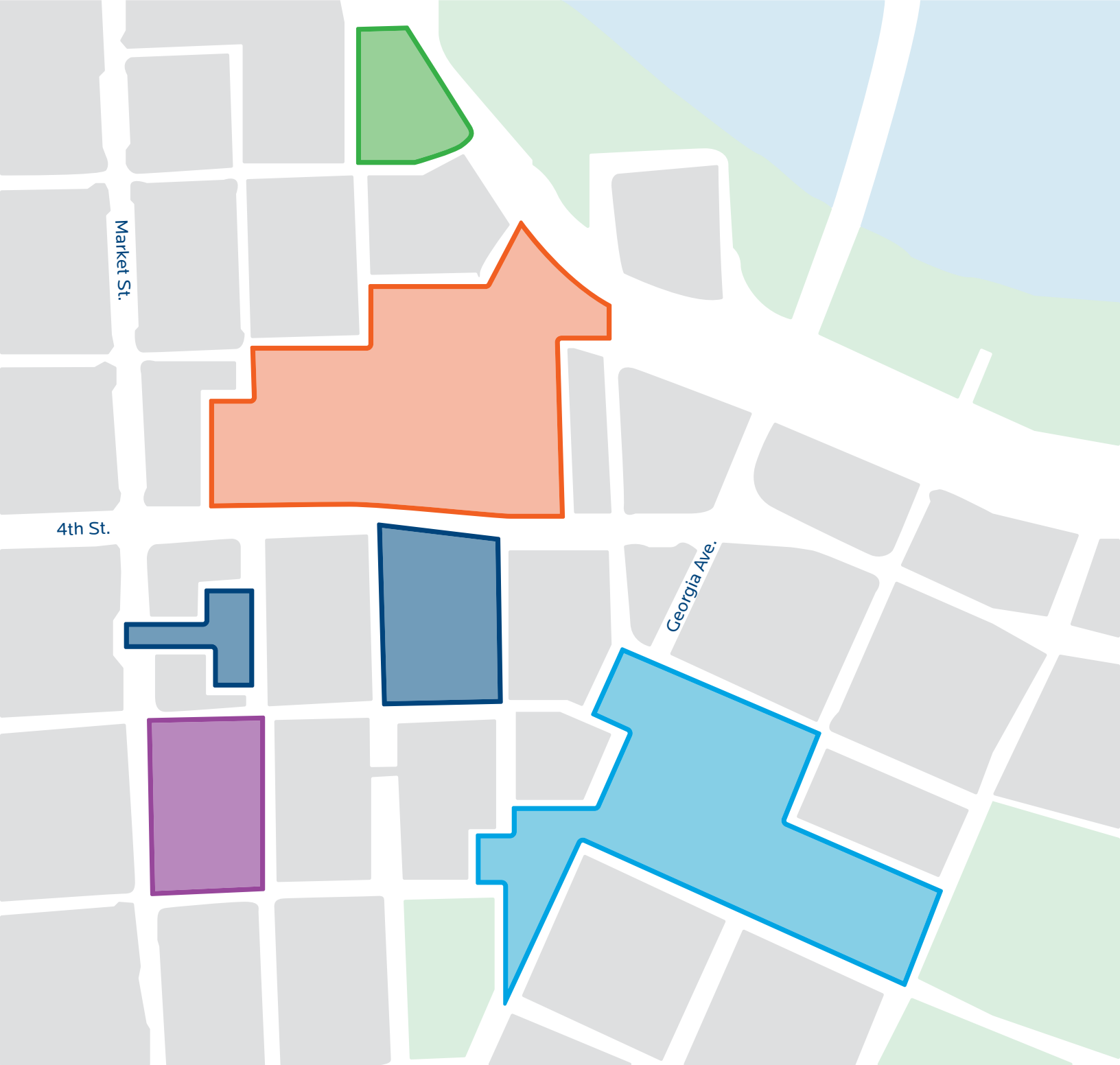




# PLANNING FOR THE FUTURE OF DOWNTOWN

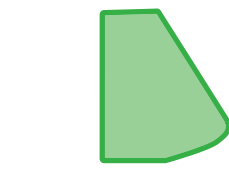


With the demand for downtown housing and the limited available space left in our urban core, River City Company along with the Lyndhurst Foundation engaged the services of an urban design firm to prepare a master plan with community input for several downtown parcels primarily owned by Unum. These parcels are currently used as surface parking lots or remain undeveloped, have the potential to unlock the demand for downtown housing and to stitch together currently isolated districts within the city. The strategic plan suggested the following action.



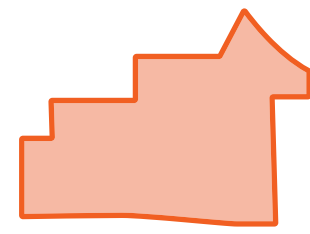
- ZONE 1
- ZONE 2
- ZONE 3
- ZONE 4
- ZONE 5

After the plan was completed and presented to stakeholders, Vision Hospitality Group announced a 5-story, 90 room boutique hotel at the Bluff View parcel. Additionally, a Request for Proposal (RFP) process is underway for the Vine and Georgia parcels, and the City of Chattanooga announced bike lane projects to better connect the districts of downtown. The Unum plan was also instrumental for UTC who made design changes to their future student housing development slated for Vine Street.



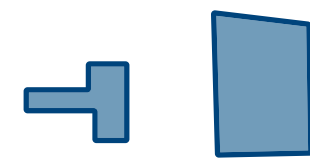
**ZONE 1: BLUFF VIEW**

The Bluff View parcel should become a boutique hotel or high-end residential building with underground parking and service areas.



**ZONE 2: WALNUT HILL NEIGHBORHOOD**

Walnut Hill parcels should become a mixture of townhouses and multi-family buildings designed with integral parking. Neighborhood commercial and services should be located on corners along 4th Street.



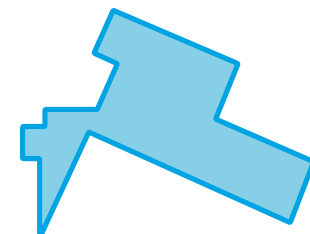
**ZONE 3: UNUM SQUARE**

A new public square could be built in front of Unum's corporate headquarters to complement new residential buildings, retail space, and professional offices.



**ZONE 4: 500 MARKET**

This urban block can become a mixed-use, high-density development with a mixture of offices, residences, a hotel, and ground floor commercial development along Market Street.



**ZONE 5: VINE AND GEORGIA**

Multi-family buildings and neighborhood-serving retail and restaurants will be built in this emerging district.

**MOBILITY IMPROVEMENTS**

Street improvements and transit adjustments are recommended to improve connections between UTC and the downtown, bicycle access, pedestrian safety, and stormwater management.



**CREATING**

*Waterhouse Pavilion*

The city's gathering place for 30 years now boasts free access to what makes Chattanooga known as the Gig City.

Powered by



Newly installed this year, Waterhouse Pavilion in Miller Plaza is home to the fastest WiFi available Powered by EPB Fiber Optics.

Waterhouse Pavilion was also Basecamp for Startup Week Chattanooga, a multi-day celebration of Chattanooga's entrepreneurial community with various workshops, panels, networking events and social gatherings.



Programming

Events and animation activities used to enliven spaces to create a unique sense of place, excitement and ownership.



### CLEAN AND GREEN 2014 RESULTS



**5** DOWNTOWN DISTRICTS CLEANED

- NORTHSHORE
- RIVERFRONT
- SOUTHSIDE
- MLK/UTC
- CITY CENTER

**6** NEIGHBORHOODS CLEANED

- FORT WOOD
- GLENWOOD
- HIGHLAND PARK
- HILL CITY
- ORCHARD KNOB
- OAK GROVE

**50+** Organizations provided volunteers

**8** Partnering organizations with Volkswagen Chattanooga as Clean and Green's lead sponsor

**20** Buildings and numerous city infrastructure pieces like bus stops and parking meters had graffiti removed

Volkswagen Chattanooga, Downtown Chattanooga Rotary and Rotaract Club, Chattanooga Neighborhood Enterprise, causeway, SERVPRO of Chattanooga, Custom Werks Graphics, the City of Chattanooga and Orange Grove Center

## MOVIES AT CENTER PARK

Three weekend outdoor movie event in Center Park during September



## PARK(ING) DAY

international event that reclaims metered parking spots as mini-parks for a day the third Friday in September





## OPEN SPACES

Takes empty storefronts and enlivens them with light, art and interactive installations in City Center. This program produced 19 installations from artists, technologists and hobbyists that include a wide variety of activity including a historical picture kiosk of Downtown Chattanooga, a digital graffiti wall and even an installation of books suspended from a ceiling attached to motion sensors that flock as someone walks by. Red Bank High School was able to create a special Open Spaces installation thanks to a grant made possible by the Tennessee Arts Commission.



## 2014 DEVELOPMENT DATA:

72

NUMBER OF NEW HOUSING UNITS WERE COMPLETED  
(INCLUDES APARTMENTS AND SINGLE FAMILY HOMES)

### UNDER CONSTRUCTION

426

MARKET RATE  
APARTMENTS

721

UNITS OF  
STUDENT  
HOUSING

71

SINGLE FAMILY  
HOMES

**1218** TOTAL UNITS UNDER CONSTRUCTION, APPROXIMATELY  
100 MILLION + DOLLARS OF INVESTMENT DOWNTOWN

### IN PRE-DEVELOPMENT STAGE, THERE ARE:

614

MARKET RATE  
APARTMENTS

1890

UNITS OF  
STUDENT  
HOUSING

**2504** TOTAL PRE-DEVELOPMENT UNITS  
150 MILLION + DOLLARS OF INVESTMENT DOWNTOWN

## MARKET RENTS IN CHATTANOOGA

MARKET RENTAL RATE FOR A TWO-BEDROOM HOME IS 30 PERCENT  
BELOW THE NATIONAL MEDIAN IN CHATTANOOGA FOR 2014

ADDITIONALLY, CHATTANOOGA IS

- LOWEST PRICED METRO AREAS IN TENNESSEE FOR METROPOLITAN RENTAL RATES
- AMONG THE 209 US METRO AREAS, CHATTANOOGA IS THE 15TH LOWEST IN THE AVERAGE RENTAL RATE FOR A TWO BEDROOM APARTMENT WHICH AVERAGES TO \$679 A MONTH WELL BELOW THE NATIONAL AVERAGE OF \$984 PER MONTH.
- COMPARATIVELY KNOXVILLE IS \$774 A MONTH, MEMPHIS IS \$780 A MONTH AND \$851 A MONTH IN NASHVILLE



## CITY VITALS DATA:

### COMMUNITY INVOLVEMENT

Chattanooga ranks 35 out of 130 U.S. Metro areas in the percentage of the population that reported volunteering for a community activity in the past year

### ECONOMIC INTEGRATION

Chattanooga ranks 18 out of 130 U.S. Metro areas in the percentage of the population living in middle income neighborhoods

### DATA TRANSFER SPEED

Chattanooga ranks 2 out of 130 U.S. Metro areas in the average download speed in megabits per second (mbps)

### VENTURE CAPITAL

Chattanooga ranks 85 out of 130 U.S. Metro areas in the amount of ventured capital raised per person

### ENTREPRENEURSHIP

Chattanooga ranks 49 out of 130 U.S. Metro areas in the percent of the adult population who are self-employed

### CREATIVE PROFESSIONALS

Chattanooga ranks 64 out of 130 U.S. Metro areas in the percentage of workers employed as Mathematicians, Scientists, Artists, Engineers, Architects, Designers and Entertainers

### WEIRDNESS INDEX

Chattanooga ranks 20 out of 130 U.S. Metro areas in the extent to which a metropolitan area's distinctive consumer behavior differs from the national average

### INTERNET SEARCH VARIETY

Chattanooga ranks 29 out of 130 U.S. Metro areas in the analysis of Google web search patterns in metro areas in comparison to nation patterns for the most popular search terms

Source: CEOs for Cities City Vitals 3.0: Benchmarking for City Performance



## PARTNERS AND SUPPORTERS

Benwood Foundation	Chattanooga Area Chamber of Commerce	Miller & Martin, PLLC
Lyndhurst Foundation	Chattanooga Neighborhood Enterprise	Outdoor Chattanooga
MacLellan Foundation	Chattanooga Presents	Public Art Chattanooga
City of Chattanooga	Chattanooga Public Library	Republic Parking System
Hamilton County Government	Chattanooga Times Free Press	Sulzberger Foundation
Berry & Hunt	Coker Tire	SunTrust Foundation
Bike Chattanooga	Cornerstone Bancshares Foundation	The University of Tennessee at Chattanooga
BlueCross BlueShield of Tennessee	Downtown Council Chamber of Commerce	UNUM
Capital Mark Bank and Trust	EPB of Chattanooga	Vision Hospitality Group
CARTA	First Tennessee Foundation	Volkswagen Chattanooga
Chambliss, Bahner and Stophel, P.C.	green spaces	Walden Security
Chattanooga Area Convention & Visitors Bureau	Henderson, Hutcherson & McCullough	

## DOWNTOWN BEAUTIFICATION SUPPORTERS

BB&T Huffaker and Trimble	Downtown Council Chamber of Commerce	MC Properties
Berry & Hunt	EPB of Chattanooga	Regions Bank
CapitalMark Bank & Trust	First Tennessee Bank	Republic Parking System
CARTA	First Volunteer Bank	Southern Realty Company
Chattanooga Area Chamber of Commerce	Fischer Evans Jewelers	Tennessee Aquarium
Chattanooga Land Company	Independent Healthcare Properties, LLC	Tennessee Valley Federal Credit Union
Citizens Savings & Loan	Joseph Decosimo and Company	United Way of Greater Chattanooga
Cohutta Bank	Kinsey, Probasco, Hays	UNUM
Custom Home Realty Partners	Lamp Post Group	
Dome Building Realty Partners	Lovemans Homeowners Association	



## BOARD OF DIRECTORS

**Tom Griscom, Chairman**  
*Consultant and Former Executive  
Editor & Publisher  
Chattanooga Times Free Press*

**Corky Coker, Vice Chairman**  
*President  
Coker Tire Company*

**Tim Kelly, Secretary**  
*Owner  
Kelly Auto Group*

**John Giblin, Treasurer**  
*CFO  
BlueCross BlueShield of Tennessee*

**Charlie Arant, Past Chair**  
*President  
Tennessee Aquarium*

**Dr. Steve Angle**  
*Chancellor  
University of Tennessee Chattanooga*

**Mayor Andy Berke**  
*City Mayor  
City of Chattanooga*

**Mayor Jim Coppinger**  
*County Mayor  
Hamilton County*

**Allen Corey**  
*Consultant & Former CEO/President  
Gordon Biersch Brewery Restaurant Group,  
Inc.*

**Stephen Culp**  
*Founder  
SmartFurniture.com and Delegator.com*

**Breege Farrell**  
*Chief Investment Officer  
Unum*

**Joe Graham**  
*Commissioner - District 6  
Hamilton County Board of Commissioners*

**Ron Harr**  
*Former President/CEO  
Chattanooga Area Chamber of Commerce*

**Chip Henderson**  
*City Councilman - District 1 and Chair  
Chattanooga City Council*

**Steve Jett**  
*CARTA Board Chairman & Attorney  
Chambliss, Bahner & Stophel*

**Mitch Patel**  
*President & CEO  
Vision Hospitality Group, Inc.*

**Dana Perry**  
*President and Managing Shareholder  
Chambliss, Bahner & Stophel*

**Jimar Sanders**  
*Attorney  
Miller & Martin, PLLC*

**Britton Stansell**  
*General Manager  
Republic Parking System*

**David Wade**  
*Executive Vice President/COO  
EPB*

**Miller Welborn**  
*Partner  
Lamp Post Group*

**River City Company is the  
economic development engine  
for Downtown Chattanooga.  
Through its work to cultivate  
and advocate for a vibrant  
and healthy downtown, River  
City Company stimulates the  
community's economic, social  
and cultural growth.**



  
**RIVER CITY  
COMPANY**  
WORKING TO KEEP DOWNTOWN WORKING



[rivercitycompany.com](http://rivercitycompany.com) | [@RiverCityCo](https://www.instagram.com/RiverCityCo) | [@DowntownCHA](https://www.instagram.com/DowntownCHA) | 423.265.3700  
[facebook.com/rivercitycompany](https://www.facebook.com/rivercitycompany) | [facebook.com/chattanoogadowntown](https://www.facebook.com/chattanoogadowntown)

---

850 Market Street | 2nd Floor Miller Plaza | Chattanooga TN 37402