

# Paving The Way [to] PROSPERITY



## COVENANT TRANSPORT

David and Jacqueline Parker started Covenant Transport in 1986 with just 25 trucks and 50 trailers. "Chattanooga, as well as the entire state of Tennessee, is positioned in a great locale for accessing major interstate commerce infrastructure, which made it an easy choice for building our business around," says David. Today the company employs more than 6,000 people (5,712 corporately, 800 locally).

By Brian Beise

Since Chattanooga's earliest years, **transportation** has paved the way for **economic success**. Today, it continues to remain a key factor in our city's **growth & prosperity**.



David and Jacqueline Parker of Covenant Transport

(1816- 1839)

**Little Town on the River**

From its earliest days, Chattanooga's economy has been defined by its proximity to the Tennessee River. In 1816, John Ross established a trading post on the banks of the Tennessee River just above Chattanooga Creek. A Cherokee community sprang up around this trading post, which came to be called Ross's Landing. The settlement's location beside the Tennessee River helped it thrive as a center of commerce, and it continued to grow as steamboats brought in more and more goods, traders, and settlers. By 1840, Chattanooga had a population of 8,175.

**Remembering the Trail of Tears** In 1837, the Indian Removal Bill began to force Native Americans off their land, despite John Ross's every effort to lobby against it. In 1838, the new settlers changed the name "Ross's Landing" to "Chattanooga."



(1839- 1860)

**The Railroad Chugs into Town (1839-1860)**

In 1839, the burgeoning Western and Atlantic Railroad (W&A) selected Chattanooga as its northern terminus. The first train pulled into town in 1849.

Soon enough a rail line linked Chattanooga to Nashville. A line from Memphis to Charleston followed shortly thereafter, connecting Chattanooga to the Mississippi River, which increased river trade. The river remained important to the city, but the advent of trains made Chattanooga a bona fide boom town.

This was the railroad's gateway city, where the cotton of the South met the corn of Southern Appalachia. Coal, iron, copper, timber, and other raw materials were transported through Chattanooga to distant markets. The thriving rail system drew foundries and manufacturers to town as well. Flush with commerce and industrial manufacturing,

**U.S. XPRESS**



Pat Quinn and Max Fuller in 1998

U.S. Xpress started in 1986 as a partnership between Pat Quinn and Max Fuller, who at the time, had 50 trucks between them. Today, U.S. Xpress has over 7,000 tractors and more than 7,500 employees.

While Fuller and Quinn started their company in Dalton, they eventually moved to Chattanooga because of the city's strategic location as a crossroads for I-75, I-24, and I-59. Then in the 2000s, they transitioned the company from a predominantly long haul truckload carrier to a diversified truckload provider with dedicated regional teams, local brokerage operations, and cross-border services.

**KENCO**



After the government took over Jim Kennedy's fireplace fixture business for ammunition manufacturing during World War II, Kennedy decided to start another business with his son-in-law, Sam Smartt, Sr. and his son, Jim Kennedy Jr. That company grew into Kenco, a freight transportation and logistics company that employs more than 700 Chattanoogaans. Having started with a single warehouse in 1950, Kenco now has more than 90 facilities and more than 30 million square feet of warehouse space across North America.

"Our knowledge capital and use of technology has grown exponentially," says Don Friddell, director of marketing at Kenco. "Kenco has evolved from a regional warehousing company to become North America's largest woman-owned third-party logistics provider. We have invested in talent and technology to provide our customers with engineered solutions and complete visibility into their supply chain."

# CHANGE



It's funny how where you're going today can have a huge impact on where we all go tomorrow. How one, simple act can help grow our economy, attract new industry and open up a world of possibilities for our city. This is more than civic responsibility or being community-minded: It's the power of change. And it starts when all of us make that one, simple decision to **get on board.**



chattairport.com

(1861- 1900)

**War & Reconstruction**

Tragedy and turmoil contributed to the city's growth as well. Because of its strategic location as a gateway to the South, Chattanooga became a key battleground in the Civil War, with both river and rail serving as vital transportation for soldiers and supplies.

The war devastated the city's economy, but when it came time to rebuild, Chattanooga sprang back by capitalizing on its natural assets. Two former Union soldiers founded Roane Iron Works, taking advantage of the area's rich natural resources and water and rail transportation. Roane grew to be one of the city's largest employers and the first of many manufacturers that sprang up in the area due in part to Chattanooga's transportation systems. A wealth of retail and wholesale businesses soon followed, as well as an important rail line that extended from Chattanooga to Birmingham, Meridian, Miss., and later New Orleans.

As industry grew, so too did business for transportation. New passenger stations opened, a rail line to Cincinnati was completed, and local business welcomed entrepreneurs and capital from the North. With the growth of rail travel and manufacturing came tourism too. To accommodate the thousands of new travelers passing through, the Union Depot train station was erected in 1882. By 1890, Chattanooga had earned a reputation as the "Dynamo of Dixie." The city had survived the Civil War, and entered the 20th century booming with business. It also had a new rail, the Chattanooga Southern Railroad (which later became the Tennessee, Alabama, & Georgia Railway), that ran southwards through the northwest corner of Georgia and into Gadsden, Alabama.

**The "Dynamo of Dixie"**

By 1925, the Chattanooga Manufacturers Association had 318 member companies, churning out 896 different products. The city's great iron foundries and machine works made it a bustling industrial city, and earned it the nickname the Dynamo of Dixie.

**TRANCO LOGISTICS**



Byron and Bruce Trantham



Tranco Logistics was started in 1995 by twin brothers Bruce and Byron Trantham with 5,000 square feet of space, a pickup truck with a camper top, and a van. The Tranthams built the modest operation to fill a specific need for convenience store franchise Golden Gallon, which was transporting goods from Knoxville to their stores in Chattanooga.

As Chattanooga has attracted new industry and the area has grown, the need for the company's services has also increased. Since 2010, their business has experienced double-digit growth. Today, the company has nearly one million square feet of storage and a fleet of trucks.



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(1900s- 1920s)

The Auto Arrives

There was always work to be done to make Chattanooga's infrastructure capable of accommodating the transportation needs of industry and a prospering economy. At the turn of the century, a group of Chattanooga citizens joined with others to form the Dixie Highway Association, with the goal of improving and expanding the nation's roads. By 1915, Chattanooga was linked by highway to both Michigan and Florida. In 1916, The Federal Aid Road Act allocated \$75 million for building roads nationally. By 1924, there were 31,000 miles of paved road in the U.S. and Chattanooga was situated right at a crossroads leading north and south, east and west.

(1930s - WWII)

The Dam in the Midst of the Depression

The Great Depression hit Chattanooga the way it hit the rest of the country: hard. Fortunately (and not for the first time), Chattanooga's geography was its saving grace. At the request of then President Franklin Roosevelt, Congress created the Tennessee Valley Authority (TVA) to control flooding and improve river navigation in 1933. TVA's power-producing, flood-controlling dams created a number of lakes, which are still used for commercial transportation. The dam also made the Tennessee River a more reliable waterway for transporting heavy goods.

(Post WWII - 1960s)

Keeping Up With the Times

In yet another effort to adapt to the changing times, Chattanooga began a project in 1946 to relocate its railroads. The goal was to eliminate the railroad's crossing of several of Chattanooga's major streets, including Broad, Market, Main, 23rd, and Rossville Boulevard.

Public works projects in the 1950s brought major changes to Chattanooga. Another was a new interstate highway system (the first completed in Tennessee). These projects worked together to move Chattanooga's transportation systems forward.

SCHNELLECKE LOGISTICS USA



Albert and Margarete Schnellecke started Schnellecke Logistics in Wolfsburg, Germany, in 1939. In the beginning, their company focused on the movement of local goods. The family company grew, and in the 1960s began a partnership with Volkswagen, which was also based in Wolfsburg.

When Volkswagen announced plans for its new plant in Chattanooga, Schnellecke Group entered into a joint venture with KENCO Group to form Team 3 Logistics to support Volkswagen. In April of 2012, Team 3 was awarded the contract for in-house logistics which pertains to the major material handling and transport of the parts necessary to build the new Passat.

As Team 3 is now a 100% subsidiary of the Schnellecke Group, they have officially changed their name to Schnellecke Logistics USA and are continuing to thrive in Chattanooga's transport-rich economy.

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(1960s - 1980s)

One Era Ends, Another Era Begins

In 1961, the Cravens rail yards were relocated to Wauhatchie Yard to allow for the construction of Interstate 24 around the river at Moccasin Bend. In August of 1970, the last train rolled through Terminal Station. In 1973, Union Station was demolished.

Though the golden age of rail was gone, several major interstates (I-24, I-59, and I-75) now ran through Chattanooga, making it a hub for a wealth of transportation businesses. During this period came a huge expansion of commercial trucking based in and passing through Chattanooga. At the national level, 173 billion tons of commercial freight in 1950 tripled to 555 billion tons in 1980. That number jumped again to 650 by 1985. Situated just a few hours from a huge majority of the Southeast, Chattanooga was again a gateway for the country's favorite method of transportation and an attractive city for industry and businesses requiring transportation services.

(1980s - 2000s)

A New Vision

The recession of the 1970s and 1980s brought a decline in manufacturing markets, which meant severe loss of jobs in industrial cities like Chattanooga. It was time to adapt again, so in the winter of 1985, a new citizens group called Chattanooga Venture hosted six public forums, aimed at developing new goals and a vision for the city's future.

This vision casting began Chattanooga's cultural and economic rebirth. Beginning in 1985, the city and county worked to clean up the blighted 13-mile industrial corridor along the Tennessee River, transforming abandoned manufacturing facilities into usable park space. The 2001 Riverfront Parkway Transportation and Urban Design Plan worked to convert Riverfront Parkway – used for decades for commercial freight traffic – to Chattanooga's downtown and its riverfront. In 2004, Riverfront Parkway was converted to a boulevard, improving access to the river for businesses and residents alike.

Another part of Chattanooga's revisioning process included the development of public industrial park space in order to lure new manufacturers. First developed in 2000, Enterprise South Industrial Park now consists of 3,000 acres, a large portion which belongs to Chattanooga's Volkswagen auto manufacturing plant. Enterprise South is today one of the largest urban industrial parks in the nation. **CS**

SERODINO INC.



Serodino Inc. was established in 1933 by Victor "Pete" Serodino. The company has served the marine and construction industries for more than 60 years, and through the decades has developed numerous sites and docks for businesses on and near the Tennessee River.

"When you see a normal twelve-barge tow of barges arrive in Chattanooga you are looking at 840 tractor trailer loads not on the highway," says Peter Serodino Jr., current president of Serodino Inc. "This raw material does not stay on the riverbank. It is processed by Chattanooga and other regional manufacturers and distributed throughout the Southeast."

Today, Serodino moves approximately 4.1 million tons of material by river every year. That comes to 58,700 truckloads of materials like salt, heavy oil, coal, grains, corn, and steel. Moving all this by river continues Chattanooga's oldest economic tradition, Serodino says. "The transportation alone means many jobs. The processing and fabrication makes many, many more."

COYOTE

Described as "one of the fastest-growing success stories of the last seven years," third-party logistics company Coyote was founded in Chicago in 2006. The company grew from being a roughly \$1.3 million company in 2008 to a \$1.2 billion company in 2013. Then in 2014, Coyote's merger with Chattanooga's Access America Transport made it the largest private third party logistics company in the United States.

Now boasting approximately 1,800 employees and 16 locations, Coyote is keen to keep its vast company agile in adapting to an ever-changing market.



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