

Town of Lookout Mountain, Tennessee – Press Release Regarding Chattanooga Area Regional Transportation Authority (CARTA) and the Incline Railway

The Town of Lookout Mountain, Tennessee, was disappointed by CARTA's misrepresentations in its recent media blitz regarding the Incline Railway and the Town's proposed ordinance. CARTA disparaging the Town and continuing to avoid collaboration with the Town are both perplexing because its officials have repeatedly recognized that compensating the Town on a per Incline passenger basis is both fair and necessary.

To set the record straight, here are the facts:

- The Town does not seek to shut down the Incline.
- The Town seeks for CARTA to follow through on its acknowledgement that the 2,000 resident Town should receive revenue from CARTA to offset the burden that the 200,000+ annual Incline tourists put on the Town's services and infrastructure.
- The tax-exempt CARTA does not pay property taxes to the Town on its upper station and other property in Town limits despite charging \$22/adult and \$10/child for Incline tickets.
- In 2024, CARTA committed to pay the Town 50 cents per Incline passenger in a handshake deal between Town officials and CARTA officials, but CARTA reneged.
- The Incline's 200,000+ annual passengers are mostly out-of-region tourists and CARTA generates more than \$4,000,000 in annual revenue, from which it profits multiple millions of dollars annually.
- The Town provides emergency, fire, law enforcement, and other services to the Incline's 200,000+ annual passengers while in the Town's limits.
- 200,000+ annual Incline passengers also cause additional wear and tear on the Town's infrastructure and generate additional trash and litter that must be disposed.
- The Town has proposed a \$1/Incline passenger fee to be paid by CARTA and has encouraged CARTA to increase its prices modestly from \$22 to \$23 per adult (a 4.5% increase) and \$10 to \$11 per child (a 10% increase) so that CARTA's profit is not impaired and the fee is passed through to tourists.
- If CARTA elects not to modestly raise its Incline prices, CARTA absorbing \$1/passenger fee from a multimillion-dollar profit will not require the Incline Railway to shut down as it will still profit millions of dollars a year.

- CARTA has recently disclosed that it has as many as 1,600 Incline passengers per day, which is 80% of the Town's citizens and underscores the burden on the Town's services and infrastructure.
- The Town has proposed a fee system and regulations on the Incline's operations in the draft ordinance as it is empowered to do under the law and its Charter.
- Before the drafting of the recent ordinance, the Town contacted CARTA on February 19, 2025, with a request to meet to reengage after CARTA reneged on the 2024 agreement. CARTA was initially resistant, but after multiple invitations by the Town to collaborate and after exchanging information, a meeting was set for January 23, 2026, to discuss an appropriate fee and regulatory system. After this meeting had been scheduled for months, CARTA, through its attorney, abruptly canceled the meeting three days before it was to occur.
- Given CARTA's refusal to collaborate, the Town moved forward with drafting an Incline-related ordinance and the first reading occurred in April 2026.
- CARTA recently estimated that \$300,000 of litigation funds should be reserved to pay Miller & Martin, PLLC, to contest the ordinance should it be passed. For context, the proposed \$1/passenger fee, using 2024 ridership numbers, would only be \$212,000 when compared to \$300,000 of litigation funds, and that per passenger fee should be passed through rather than absorbed by CARTA. Choosing \$300,000 of litigation rather than collaboration for mutual benefit would be wasteful of Chattanooga's taxpayer resources.
- The Town remains committed to engaging with CARTA to reach a mutually beneficial resolution so that the Town and CARTA can both emerge stronger and better positioned to serve the Town's citizens and CARTA's Incline customers. The Town hopes CARTA shares this commitment and desire.