THE ENTERPRISE CENTER TEAM

Ken Hays  
*President and CEO*

Nancy Tucker  
*Executive Assistant*

Miguel Partap  
*Finance*

Claire Wickenden  
*Marketing Intern*

CONSULTANTS

Ann Coulter  
*Strategic Planning*

Kelly McCarthy  
*Tech Goes Home*

Andrew Rodgers  
*Technologist in Residence*

BOARD MEMBERS

Ex-Officio Members: Mayor Andy Berke and Mayor Jim Coppinger

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Lupton Company

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BlueCross BlueShield TN

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Sheila Boyington, Co-Founder  
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Ben Brown, Partner  
Alderman Holdings

Zac Brown, Principal  
The Howard School

Nate Hill, Deputy Director  
Chattanooga Public Library

Harold DePriest, President/CEO  
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Sydney Crisp, VP of IT/  
Customer Solutions  
UNUM

Bob Farnsworth, President/CEO  
PlayCore

Sheldon Grizzle, Partner  
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Liz Kennedy, MD/Neonatologist  
Hamilton Medical Center

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Chattanooga Area Chamber of Commerce

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Lamp Post Group

Kristina Montague, Co-Founder  
The Jump Fund

Sarah Morgan, President  
Benwood Foundation

Keri Randolph, VP of Learning  
Public Education Foundation

Daniel Ryan, Web Developer  
Dryan

Rick Smith, Superintendent  
Hamilton County Schools

Kim White, President/CEO  
River City Company

Jim Catanzaro, President  
Fannie Hewlett, Interim President  
Chattanooga State Community College
LETTER FROM
THE PRESIDENT AND CHAIRMAN

It can be a little frightening to commit to preparing an annual report, particularly for an organization that started the year with new staff and board leadership and a new mission. And when you have been charged with figuring out how to achieve an ambitious set of goals hammered out by a dynamic and diverse set of community stakeholders.

But as we took a clear-eyed look at the past year, we realize we reached some significant milestones that we could not have predicted a year ago, even in our most hopeful times. These milestones – spanning all seven of our major goal areas, are briefly described in this report.

None of this would have been possible without the active and dedicated work of our board of directors and the many local and national partners who share the value of our mission. Their commitment to action and problem solving has been remarkable.

It is good to celebrate the milestones achieved by Chattanooga this past year, but with that comes the humbling realization that we are just beginning to understand the city's incredible potential for leadership in the digital future. Doors are opening for us and attention is frequently turning our way in national conversations about digital equity, entrepreneurship, the Internet of things, smart cities, and big data. We have much more to do and with this 2014-2015 report we promise an even more productive and exciting 2015-2016 for the Chattanooga Enterprise Center.

Sincerely,

Ken Hays, President and CEO
David Belitz, Chairman
VISION

Vision – a better city and a better world because of Chattanooga’s unique integration of world class connected technology with a dynamic culture of innovation and entrepreneurship.

Core values - we believe:

• Information technology and innovation are driving the new global economy.
• In working together collaboratively.
• Equity and inclusion must be hallmarks of our work.
• Chattanooga’s unique character and spirit are key advantages for a leap into the new economy.

Mission

To establish Chattanooga as a hub of innovation, improving people’s lives by leveraging the city’s digital technology to create, demonstrate, test, and apply solutions for the 21st century.
BACKGROUND

In 2013, newly elected Chattanooga Mayor Andy Berke tasked a group of 25 Chattanoogans with determining how to build on the success already realized through volunteer-based, loosely-organized efforts to maximize the “gig” opportunity. The group, one of six task forces named in the Mayor’s Chattanooga Forward initiative, issued its report in early 2014. A few months later, Mayor Berke, Hamilton County Mayor Jim Coppinger, and Congressman Chuck Fleischmann responded to report recommendations by repurposing an existing non-profit organization, The Enterprise Center, to focus solely on guiding community efforts related to the innovation economy.

In May, 2014 the new board of directors named Ken Hays President of The Enterprise Center and implementation of task force recommendations began.

This Annual Report covers Enterprise Center’s work in its first full fiscal year (July 2014-June 2015) since new board and staff leadership were named.

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The new leadership team is excited to get to work moving Chattanooga’s entrepreneur and tech economy to the next level. I have every confidence that this organization, with strong support from both the City and County Mayors....will achieve big things for Chattanooga. **David Belitz, Board Chairman**

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2014 STRATEGIC GOAL AREAS

The Chattanooga Forward Gig, Entrepreneurship and Technology Task Force Report determined seven major strategic goals to implement in the near term. Some goals were process oriented and some were outcome oriented. The first goal was to create a public private partnership entity to focus on achieving the rest of the goals. This entity, The Enterprise Center, was in place by the start of the fiscal year.

Progress toward accomplishing remaining goals during the 2014-2015 fiscal year are discussed below. With the first three goals, Innovation District, Digital Equity, and Application Development, The Enterprise Center set out to play lead roles.

INNOVATION DISTRICT

The year began with efforts to better understand innovation districts. In conversations with Bruce Katz at the Brookings Institution and other national thought leaders, we began to appreciate the combination of social and economic forces that determine where and how these drivers of the knowledge based economy emerge and how they are changing the face of cities. Innovation districts in Boston, Seattle, St. Louis, Miami, and Philadelphia are among those most often mentioned.

We took stock of where Chattanooga's assets aligned with those of other innovation districts, particularly the economy shaping, place-making and social networking features of our compact urban environment. In addition to Chattanooga's vibrant and revitalized downtown, its exceptional public spaces, cultural offerings, and downtown university, two factors are important when analyzing the prospects of an innovation district – the city's publicly owned and widely deployed smart grid and fiber telecommunications network, and a rapidly growing entrepreneurial economy attracting young innovators, venture capital, and national attention to its start-up and tech scene.

By January we were confident of naming and describing Chattanooga's Innovation District and its primary innovation economy generators. This was announced by Mayor Berke and Mayor Coppinger at a media event on January 13. At the same time, The Enterprise Center issued a Request for Proposals seeking a development partner for the creation of the city's first Innovation Center in the TVA owned 90,000 square foot office building on the corner of Market and 11th streets. A team of local developers, DEW Edney, LLC was selected to enter into negotiations and after a period of due diligence the Enterprise Center and Dew Edney closed on the building May 6.

The Chattanooga Innovation Center will serve as a connecting point, support base, and catalyst for the local entrepreneurial ecosystem.
INNOVATION DISTRICT CONTINUED

The Innovation Center is meant to be a pump-primer for efforts already underway to take Chattanooga to unprecedented levels of innovation, entrepreneurship, and digital equity, and a vibrant emblem of Chattanooga’s next bold steps into the 21st century. A new public entry and actively programmed space will open on the Market Street side, with the rest of the first floor becoming the new home of CO.LAB. There will be floors of co-working space for small and new ventures, and community serving areas programmed for collisions of people and ideas, for problem solving and for socializing, and roof-top gathering space.

DIGITAL EQUITY

As evidence mounted of the rapidly increasing digital divide in the U.S. and its role in contributing to the income divide, the Task Force determined that an important goal was to reduce that digital divide and increase digital equity across the board. A scan of such efforts around the U.S. brought Tech Goes Home in Boston to the attention of The Enterprise Center. Deb Socia who created that successful program made two visits to Chattanooga and a local working group came together quickly to conduct a Tech Goes Home (TGH) pilot in Chattanooga funded by The Enterprise Center.

Tech Goes Home Chattanooga addresses three core issues related to the digital divide:

- **Education**: by providing a 15-hour curriculum allowing participants to realize the applications of the Internet in their daily lives.
- **Hardware**: upon completing the class, participants can purchase a laptop for $50.
- **Low-cost connectivity**: participants are able to enroll in one of a few options for low-cost Internet access.

Pilot sites were selected in part because of their proximity to economically disadvantaged areas of the community and included a church, schools and neighborhood center. Over seventy people graduated at a special ceremony at City Hall in May. A companion summer program will take place and by fall 2015 additional funding will be in place to expand the program in more locations, serving more households around the county.
“I do feel like we were missing out on things by not having access in our home. I want to continue my education, but I can't do it at the library because I have three kids. Now, I think I'll be able to continue my education and go back to work, and Ceriayanna will be more ready for kindergarten. I'll be able to do what I need to do to hopefully get us in a better situation.”
- Jessica & Ceriayanna Green

In April, Mayor Berke announced that EPB will offer 100 Mbps Internet at a discounted rate to free and reduced lunch households, assisting in providing access to Tech Goes Home participants.

**APPLICATION DEVELOPMENT AND TESTING**

Work on the goal to establish Chattanooga as a highly advantageous place to develop and test high bandwidth applications for 21st century urban solutions focused on several approaches in this first year:

- Continued development of relationships formed over prior years with national colleagues such as NSF, US Ignite, the Annenberg Innovation Lab, and the Mozilla Foundation, and exploration of their interest in and resources available for creation of a Chattanooga test-bed for gigabit fiber applications and research.

- Assist in installing a community serving GENI rack and to demonstrate its research and applications development potential.

- Learn about and connect to the national network of federally sponsored resources for research associated with gigabit fiber and smart grids.

These approaches and the efforts of others, particularly EPB and UTC, have begun to create scenarios that can increase Chattanooga's prospects as a pipeline taking gigabit enabled products and services from research to development to market.

One recent indication of this assertion is described below.
Through UTC’s GENI Rack that became operational in early 2015, the city is connected to a national 10 gigabit limited access fiber network that provides unique research capabilities. Of 60 GENI racks in the U.S. all but Chattanooga are at tier one research universities. Chattanooga’s GENI rack can also be accessed by the Chattanooga Public Library, the STEM School and CO.LAB. The first demonstrated application of the power of GENI in Chattanooga was an NSF funded project connecting researchers at the University of Southern California with STEM school students for marine biology coursework.

NSF has funded another GENI application that links Chattanooga to the University of Texas-Dallas. GASP, or Geolocated Allergen Sensing Platform will deploy airborne particle sensors in the city to provide real-time streamed data on hourly particulate levels to generate Chattanooga-focused particulate maps and web based tools to provide real-time pollen and particle alerts for health related end users.
PARTNERSHIPS

The partnership goal is more process oriented and serves to enable progress on all other goals, it reflects Chattanooga’s need to operate in national and global arenas to seek opportunities at the core of technology, gig bandwidth, and entrepreneurship.

During the past year, The Enterprise Center has continued to build relationships with existing partners in the public and private sectors such as US Ignite, the National Science Foundation, the Annenberg Innovation Lab, the Mozilla Foundation, the White House Office of Science Technology Partners, the Brookings Institution, Alcatel Lucent and others.

We have sought to ramp up our potential to attract, solidify, and keep new partnerships in all sectors. One promising new partner is Schneider Electric, a large multinational corporation that is particularly interested in Chattanooga’s Innovation District and the potential for smart cities demonstrations and applications. The point of pursuing partnerships is to turn their potential into tangible programs, investment, demonstrations, services, and other assets that multiply the value of our digital assets and improve overall quality of life for Chattanoogans.

Some exciting tangible benefits resulted this year from engaging partners around the U.S. One of these was demonstrated at the recent NSF and US Ignite SmartFuture Summit in Washington, DC. This project used the newly installed GENI Rack at UTC to connect STEM School biology students to the University of Southern California through use of a newly invented combination 4K camera and microscope. This project allowed high school students to interact directly with marine biology researchers at USC and with the inventor of the camera/microscope, and to manipulate the microscope themselves and view the images on a large 4K screen, greatly enhancing their own individual research. The GENI connection is normally reserved for researchers at tier one research universities. Partners outside of Chattanooga included the USC, US Ignite, the NSF, and the Mozilla Foundation. We are now looking at ways to make this kind of resource available for students throughout the area.
ENTREPRENEURSHIP

The Enterprise Center entrepreneurship goal is to play a strong supporting role in the development and maintenance of the local entrepreneurship ecosystem. A primary reason for establishing an Innovation District downtown was to bring a place-based component to this entrepreneurship ecosystem, thus linking these two 2015 Enterprise Center goals. The district chosen (in consultation with local entrepreneurs) was selected in large part for its current ecosystem assets, and for its potential in growing those assets and attracting more.

The creation of the Innovation District was announced in January, 2015, along with a Request for Proposals to select development partners to establish the City’s first Innovation Center in the Edney Building on Market and 11th Streets. CO.LAB, scheduled for a September, 2015 move to the Innovation District, will be the anchor tenant in the Edney Building. Several other floors will be designed and programmed to serve the local entrepreneurial ecosystem, and The Enterprise Center will move to one floor in October. Innovative community serving space will be located on a new front entry on Market Street, on The Enterprise Center floor and on a roof-top deck.

In its entrepreneur support role, The Enterprise Center will actively assist in planning and conducting Start-up Week in October, 2015, and in the simultaneous Angel Summit for a national gathering of Start-up Angels, a premier angel investing organization.

COMMUNICATIONS + MARKETING

Like partnerships, communications and marketing are process oriented and by their nature, ongoing. Working on complex, competitive, and fast moving initiatives makes effective and rapid fire communications essential. All TEC communications and marketing efforts had to re-tool with the new mission and board of directors in 2014. But TEC was able to draw on the marketing talents of local partners such as EPB, the City of Chattanooga, the Chattanooga Area Chamber of Commerce and CO.LAB in developing clear messages about TEC and its work and goals.

Some of the communications milestones reached this year include:

- New TEC and Innovation District websites
- Infrastructure in place for regular email blasts and newsletters
- Communications internship established
- National and local media coverage of TEC accomplishments
# FINANCIALS

## EXPENSES

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<td><strong>TOTAL</strong></td>
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## REVENUE

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<tr>
<td><strong>TOTAL REVENUE</strong></td>
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The unaudited financial information above is preliminary and subject to adjustments. This data is based on eleven months of activity ending on May 31, 2015. Normal recurring entries were added to analyze our financials on an annual basis. The company’s independent auditor has not reviewed these statements.
Establishing Chattanooga as a hub of innovation, improving people’s lives by leveraging the city’s digital technology to create, demonstrate, test, and apply solutions for the 21st century.