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After celebrating the greatest economic growth since the inception of the Knoxville-Oak Ridge Innovation Valley partnership, the region continued to excel during the 2016-17 fiscal year by placing emphasis on carbon fiber, composites and workforce development.

**CARBON FIBER AND COMPOSITES**

Enthusiasm for the region’s carbon fiber and composites capabilities rose in 2016-17 with companies like LeMond Composites, Magnum Venus Products and HTS, Inc. choosing to locate or expand their local operations. The research and development opportunities offered by Innovation Valley’s premier technology centers and world-class research institutions continue to attract companies from this important industry cluster.

**WORKFORCE DEVELOPMENT**

Employers across the nation are experiencing skilled and experienced labor force shortages. This year, the Innovation Valley team began an aggressive strategy to close that gap in our region and cultivate a strong pipeline of emerging professionals.

*Talent Pipeline Management* - The Knoxville Chamber launched Talent Pipeline Management (TPM), an employer-led, demand-driven process that identifies the competencies necessary for jobs, now and in the future. The program uses information gained through employer collaboratives to guide area educational institutions in the development of a high-functioning talent supply chain.

*Educators in the Workplace* - Educators in the Workplace, which links business leaders with educators, continues to thrive in its ninth year. In Oct. 2016, the Roane Alliance facilitated company visits for every high school teacher in Roane County. In June of 2017, the Knoxville Chamber led efforts for 84 teachers from 43 Knox County Schools to tour area businesses. The Blount Partnership was awarded almost $1 million as part of the Tennessee Labor Education Alignment Program (LEAP) grant. The grant enables Tennessee students to participate in technical training programs developed by area employers and encourages alignment between local workforce and education partners.

**Career & Technical Education Externships** – The Knoxville Chamber placed 20 Knox County Schools CTE teachers into two-day summer job shadow experiences with their core curriculum industries.

The impact of these activities and other Innovation Valley initiatives is felt across the region. From July 1, 2016 to June 20, 2017, 1,568 new jobs were created, and $241.68 million in capital investments were secured due to efforts led by the regional economic development team.

As we move into a new year, I would like to express our appreciation in advance for your continued support of Innovation Valley initiatives and the economic growth of our region.

Sincerely,

Rhonda Rice Clayton

Knoxville-Oak Ridge Innovation Valley
ONE-TIME IMPACT FROM EXPANDED & NEW INDUSTRY INVESTMENTS

$431.6 MILLION

NEW JOBS: 3,659

TOTAL WAGES: $174 MILLION

REGIONAL WAGE INCREASE: +1.9%

TOTAL ECONOMIC IMPACT:

ANNOUNCED NEW JOBS: 1,568

ANNOUNCED CAPITAL INVESTMENT: $241.68 MILLION

*Total economic impact was calculated by Younger Associates, a market research firm specializing in economic development, and includes suppliers, service providers and others.
ECONOMIC IMPACT ANALYSIS:
TOTAL ANNUAL WAGES

The creation of 3,659 jobs during the 2016-17 fiscal year added a total of $174 million to Innovation Valley's economy. These added wages generated increased consumer spending, defined in this report as major retail and service categories. The below chart shows how this increase impacted the region's overall economy.

<table>
<thead>
<tr>
<th>Consumer Spending By Category</th>
<th>Total Annual Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food/Groceries</td>
<td>$17,333,819</td>
</tr>
<tr>
<td>Housing/Shelter</td>
<td>$24,240,263</td>
</tr>
<tr>
<td>Utilities</td>
<td>$10,021,114</td>
</tr>
<tr>
<td>Housekeeping Supplies/Services</td>
<td>$5,145,978</td>
</tr>
<tr>
<td>Household Furnishings/Equipment</td>
<td>$4,198,034</td>
</tr>
<tr>
<td>Apparel</td>
<td>$4,333,455</td>
</tr>
<tr>
<td>Transportation</td>
<td>$23,969,422</td>
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<tr>
<td>Healthcare</td>
<td>$11,104,478</td>
</tr>
<tr>
<td>Personal Care Products/Services</td>
<td>$1,625,046</td>
</tr>
<tr>
<td>Personal Insurance &amp; Pensions</td>
<td>$15,708,773</td>
</tr>
<tr>
<td>Entertainment</td>
<td>$7,041,864</td>
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<tr>
<td>Education</td>
<td>$2,572,989</td>
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<tr>
<td>Tobacco &amp; Alcohol</td>
<td>$1,895,886</td>
</tr>
<tr>
<td>Charity/Cash Contributions</td>
<td>$4,468,875</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$1,760,466</td>
</tr>
<tr>
<td>Assumed Savings</td>
<td>$38,641,828</td>
</tr>
</tbody>
</table>

Total Annual Wage: $174,062,290
Programs

Propel

Designed for woman-, veteran-, and minority-owned small businesses, the Propel program provides one-on-one assistance to help participants build a sustainable business. Last year, Propel completed 185 counseling sessions, and 10 companies graduated from its mentor/protégé program. Additionally, the Propel mentor/protégé program expanded to include 15 rural Chamber of Commerce communities.

IVYP

Innovation Valley Young Professionals aims to develop and strengthen top talent while also attracting and retaining young professionals across the region. Last year, more than 660 young professionals attended YP events including the Endeavor Young Professionals Summit.

CAP

A public/private regional initiative, CAP aims to recruit additional low fare air service to McGhee Tyson Airport. Funds raised assist in recruitment efforts and development of a long term communication strategy to garner support from the business community.
Diversity Champions promotes the inclusion of all people and businesses within the greater Knoxville area. In 2017, the group launched CEO Summits. The five-session program allowed leaders from 35 regional firms to discuss best practices and identify opportunities to foster workplace diversity.

Educators in the Workplace allows regional educators to meet with business people in the workplace setting. In its ninth year, the program expanded to include career and technical educator externships and individual programs hosted throughout Roane, Blount, Knox and Anderson counties.

KEC is a mentor-driven business accelerator that serves as the front door for entrepreneurs in the Innovation Valley region. It provides a collaborative environment for entrepreneurship, networking and inspiration to take place. Since being founded in 2013, KEC has helped 692 new entrepreneurs and hosted 400 start-up focused events.

The Manufacturer’s Roundtable offers manufacturers from across the region the opportunity to learn from each other through its monthly meetings which encourage open dialogue and sharing of industry best-practices. The group continues to grow into its fourth year with 317 individuals and 178 firms represented.
BY THE NUMBERS

3
NEW COMPANY RECRUITS

19
EXISTING INDUSTRY EXPANSIONS

2,359
RESEARCH REQUESTS COMPLETED

255
BUSINESS RETENTION & EXPANSION VISITS

57
PROSPECT SITE VISITS

34
SITE SELECTOR OUT-BOUND TRIPS
THANK YOU TO OUR INNOVATION VALLEY INVESTORS

The economic vitality of the region is not possible without endorsement from the region’s public and private organizations. We thank the Innovation Valley investors whose continued participation, support and investment are accelerating our economic development growth.

ADT Security Services
Anderson County Economic Development Agency
Bank of America
Barge, Waggoner, Sumner, & Canon, Inc.
BB&T
Bertelkamp Automation, Inc.
Blount Partnership
Central Business Improvement District
Cherokee Distributing Company, Inc.
City of Oak Ridge
Coldwell Banker Wallace & Wallace
Denark Construction, Inc.
DeRoyal Industries, Inc.
East Tennessee Children’s Hospital
First Utility District of Knox County
Home Federal Bank of Tennessee
Johnson & Galyon, Inc.
Loudon Economic Development Agency
Messer Construction Company
ORNL Federal Credit Union
Pinnacle Financial Partners
Premiere Building Maintenance Corporation
Radio Systems Corporation
Realty Executives-Relocation Division
Regions Bank
Roane Alliance
Scripps Networks Interactive
Stowers Machinery Corporation
Tellico Reservoir Development Agency
Town of Farragut
#6

BEST CITIES IN AMERICA FOR JOB GROWTH

INC500
#7 BEST STATES TO DO BUSINESS IN

CHIEF EXECUTIVE MAGAZINE
Knoxville-Oak Ridge Innovation Valley is East Tennessee’s regional economic development partnership. Seven partner agencies work collaboratively to drive the economic development momentum of the region.