



Knox County
2009-2010 Defined Services/Contractual Funding Application

REQUEST INTRODUCTION

NAME OF AGENCY/APPLICANT: Innovation Valley, Inc.
EIN (FEDERAL TAX I.D.) NUMBER: 26-2087582
ADDRESS: 17 Market Square, Suite 201 Knoxville, TN 37902
AGENCY CHAIRMAN/BOARD PRESIDENT: Thom Mason, Chair, Innovation Valley Inc.
EXECUTIVE DIRECTOR: Rhonda Rice
PROJECT TITLE: Economic Development
PROJECT CONTACT: Doug Lawyer
PHONE: 865.637.4550
E-MAIL: dlawyer@knoxvillechamber.com
FAX: 865.523.2071
FUNDING REQUEST: \$400,000.00
AGENCY PROGRAM EFFICIENCY PERCENTAGE:
(Section 3, II - Budget Item 5 divided by Budget Item 4)

The following must be included in your completed application request (check when complete):

- Section 1: Scope of Services
- Section 2: Performance Measures Chart
- Section 3: Budget
- Section 4: Attachments/Certification

I hereby certify that, to the best of my knowledge, the information submitted with this application is accurate.

Thomas Mason

Agency Chairman/Board President Signature: _____

Executive Director Signature: *Rhonda Rice* _____

Project Contact Signature: *Doug Lawyer* _____



SECTION 1: SCOPE OF SERVICES

The Scope of Services is a comprehensive narrative that describes the program/project being proposed for funding. It should include a brief history of the agency/organization, address why the program/project should be funded by Knox County, and provide the key activities of the program/project and who benefits from the program/project and in what capacity. Please discuss any changes from last year's scope of service if applicable.

ATTACH ADDITIONAL PAGES IF NECESSARY

The Innovation Valley Inc economic development initiative officially launched July 1, 2008. This is the follow- up comprehensive five year economic development work plan to previous highly successful five year initiative, Jobs Now.

The Knoxville Chamber/Innovation Valley Inc will implement an economic development work plan with specific strategies for 6 key program areas:

- Education and Workforce Development
- Entrepreneurship and Technology
- Global Marketing
- Business Retention and Expansion
- Public Policy
- Resources for Living

Education and Workforce Development. The crux of this program is to ensure that this region does not lose its most competitive advantage – a highly educated and skilled workforce. Maintaining and further developing a highly educated and skilled workforce begins at the K-12 level, continues through higher education and is ongoing as students and others enter the workforce.

Technology and Entrepreneurship – This region hosts one of the greatest concentrations of per capita high-technology expertise in the world. It is home to Oak Ridge National Laboratory, Y-12 National Security Complex, The University of Tennessee, Technology 2020, and other world-class technology assets. In order for the region to truly become the Innovation Valley, it must continue its focus on technology growth and develop additional programs that support entrepreneurship.

The **Global Marketing** component of the Blueprint is focused on developing activities to promote Knox County both to internal and external audiences by employing several strategies including public relations, direct marketing and internal/external communications.

Business Retention and Expansion - Retention and expansion efforts provide significant benefits with compared to strategies based on attracting new business development. It is typically less costly and time-intensive to retain an existing business than it is to recruit a new one. In addition, the success of existing businesses helps demonstrate the overall economic viability of Knox County.

Public Policy - The fact that several counties in the region are designated as non-attainment areas could have an effect on attracting certain industry. Also, for Knox County to be most successful in targeting technology-related companies, policy changes requiring legislative action related to incentive programs will need to take place at the state and possibly the local level.

Resources for Living – Knox County and the surrounding area clearly has an abundance of resources for living – some of which can be created and developed (college town atmosphere, low cost of living, strong economy) and some which fortunately happen naturally (temperate climate, abundant natural resources, beautiful terrain).

The following are five year performance metrics of the Agency:

<i>Overall (Recruitment and Expansion):</i>	<u>FVE-YEAR TARGETS</u>
Total Number of All Jobs Created (Direct & Indirect)	30,000
Total New and Expansion Project Capital Investment	\$3.125 B
Average Annual Wage	\$43,740

SECTION 2

KNOX COUNTY COMMUNITY GRANT REQUEST - DEFINITION/PERFORMANCE MEASURES FY 2010

AGENCY NAME:	Knoxville Chamber/Innovation Valley Inc.	FED TAX I.D.	62-0262640	REQUEST CATEGORY:		Tourism/Cultural	Health Services	Youth Services	REQUEST AMOUNT	\$100,000
AGENCY MAILING ADDRESS:	17 Market Square, Suite 201	CITY, STATE, ZIP	Knoxville, Tennessee 37902	Project Contact	Doug Lawyer	Senior/Veteran Services	Social Services			
PROGRAM OR PROJECT NAME	Innovation Valley Inc.	Name:	865.637.4550	Phone and email:	dlawyer@knoxvillechamber.com				Total Project/Program Budget	\$2,127,575
									Grant Request as a % of Total Project/Program Budget	4.70%
									Grant Request as a % of Total Agency Revenue (on last financial report)	4.70%

PROGRAM OR PROJECT MISSION STATEMENT: Drive Regional Economic Prosperity.

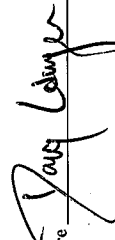
#	RESULT/OUTCOME	OUTCOME INDICATOR	TYPE	GOAL	POPULATION SERVED		% OF GRANT REQUEST REQUIRED	RATIO OF \$ TO POPULATION	COMMENTS
					Number	Description			
1	In one year, there will be 6,000 net new direct and indirect jobs created within the Innovation Valley.	Net new jobs as reported by U.S. Bureau of Labor Statistics	5	6,000	415,363	Those Knox Countians aged 18-65.	100%	24.07	
2	Increased brand awareness of the Knoxville Oak Ridge Innovation Valley	Number of marketing/recruitment trips, trade shows, and conferences attended by IVI staff	5	20	415,363		100%	24.07	
3	Business location prospect activity is increased.	Total number of active projects being worked by IVI staff.	5	25	415,363		100%	24.07	
4	Relationships with site location consultants is maintained and enhanced.	Percent of active projects being worked that were generated by a site selection consultant.	1	25%	415,363		100%	24.07	
5	Continuation of award winning focused existing business retention and expansion program.	Number of existing industry visits conducted.	5	150	415,363		100%	24.07	
6	Outreach of existing industry program to companies never before reached.	Percentage of first time existing industry visits	1	25%	415,363		100%	24.07	
7	Regional technological asset awareness has been raised.	Number of Technology Mining & Matching visits conducted.	5	150	415,363		100%	24.07	
8	Highschool graduation rates are enhanced.	High school graduation rate	1	75%	415,363		100%	24.07	
9	Raise awareness for need to enhance public education standards in Knox County school system.	Number of citizens who have viewed "I in 100" video and participated in facilitated discussion.	5	200,000	415,363		100%	24.07	

Indicator Type

- 1 - Percent
- 2 - Average
- 3 - Median
- 4 - Ratio
- 5 - Total Count

Agency Chairman/Board President Signature: _____

Date: _____

Project Contact Signature: 

Date: 3/19/09



Knox County
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SECTION 3: BUDGET

I. Program/Project Budget

	A	B	C	D
	Current Fiscal Year (Planned)	Next Fiscal Year (Proposed)	Difference (\$ Amount)	Difference (Percentage)
1. Public Support & Revenue				
a. Contributions (IVI private investments)	1,363,065			
b. Special Events				
c. Knox County Grant(s)	\$200,000 firm/\$200,000 contingent	\$400,000	0	0
d. Other Government Grant(s) City of Knoxville	\$400,000			
e. Program Fees				
f. Sales				
g. Other (Roane, Blount, OakRidge)	121,000			
h. Other				
Total Program Revenue	\$2,284,065			
2. Expenses				
a. Salaries & Benefits	5,400			
b. Professional Fees				
c. Supplies				
d. Utilities				
e. Insurance				
f. Travel				
g. Other (program expenses)	\$1,004,052			
h. Other (printing, publications, ads)	\$241,338			
i. Other (all other expenses)	\$1,033,275			
Total Program Expenses	\$2,284,065			

II. Total Agency Budget *Information must be collected from most recent IRS 990 or Financial Report.

3. Total Agency Revenue	\$2,284,065
4. Total Agency Expenses	\$2,284,065
5. Total Agency Program Service Expenses	\$2,284,065

III. Salary Information

List complete salary information of the Chief Executive Officer and the next highest paid employee as Per Knox County Ordinance (Ord. No. O-92-5-102, § 1, 7-27-9).

Position Title	Amount
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Director of Technology	\$125,000

SECTION 4: ATTACHMENTS

PROVIDE THE ATTACHMENT NUMBER IN THE UPPER RIGHT CORNER ON THE FIRST PAGE OF EACH ATTACHMENT IN BOLD LETTERING. SEPARATE EACH ATTACHMENT WITH A NUMBERED TAB.

1. Charter Acknowledgement from the Secretary of State showing organization is registered as active. ^
2. 501 (c)(3) Certificate (or fiscal agent's certificate if applicable)
3. Most recent IRS 990 or independent audit. #
4. Complete list of current Board Members.
5. Certification that the agency has complied with applicable local, state and federal requirements*
6. Completed Conflict of Interest Form* (if applicable)

Notes:

^ Current receipt from last Secretary of State annual report filing, printout from Secretary of State's website showing organization as active, or copy of last annual report filed with Secretary of State stamped by Secretary of State's office are acceptable.

If the organization is not required to file a 990 and does not have an audit, submit a letter stating the reasons why and include a copy of the organization's financial statement for the most recent completed fiscal year.

* Copies available at the County's web site, www.knoxcounty.org/communitydevelopment

FILED

CHARTER OF
INNOVATION VALLEY, INC.

RECEIVED
STATE OF TENNESSEE

2008 FEB -7 AM 11:58

SHERRY WITT
SECRETARY OF STATE

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The undersigned persons, lawful citizens of the United States of America having the capacity to contract and acting as the incorporators of a nonprofit corporation under the Tennessee Nonprofit Corporation Act, adopt the following charter provisions:

1. NAME. The name of the corporation is Innovation Valley, Inc.

2. DURATION. The duration of the corporation is perpetual.

3. REGISTERED OFFICE AND AGENT. The street address and zip code of the corporation's initial registered office is 17 Market Square #201, Knoxville, TN 37902-1405, which office is located in Knox County, Tennessee. The name of the initial registered agent of the corporation at that office is Michael Edwards.

4. INCORPORATOR. The name, address and zip code of the incorporators are Kevin T. Clayton, P. O. Box 9790, Maryville, TN 37802, James A. Haslam III, 5508 Lonas Drive, Knoxville, TN 37909 and Thomas E. Mason, P. O. Box 2008, Oak Ridge, TN 37831.

SHERRY WITT
REGISTER OF DEE
KNOX COUNTY

5. PRINCIPAL OFFICE. The street address and zip code of the initial principal office of the corporation is 17 Market Square #201, Knoxville, TN 37902-1405.

6. TYPE. The corporation is a public benefit corporation. The corporation is not for profit.

7. MEMBERS. The corporation will not have members.

8. PURPOSE. The corporation is organized exclusively for charitable educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under sections 501(c)(3) and 501(c)(6) of the Internal Revenue Code, or corresponding section of any future federal tax code. The purposes will include without limitation support of public education, workforce development and job training and support of scientific and technological advancements in the central East Tennessee area, including without limitation Anderson, Blount, Knox, Loudon, Roane and Monroe Counties, primarily by providing funds and support to organizations such as the Blount County Chamber of Commerce, the Knoxville Area Chamber Partnership, the Oak Ridge Economic Partnership, the Roane Alliance, Tellico Reservoir Development Agency and Loudon County Economic Development Agency.

9. DIRECTORS. The incorporators shall determine the number of initial directors and shall appoint the initial directors of the corporation. Thereafter, the number of directors shall be determined by the Board of Directors, and directors shall be elected by the Board of Directors. Any one or more of the directors of the corporation may be

removed by the Board of Directors at any time with or without cause.

10. **POWERS.** The corporation shall have all of the powers now or hereafter granted by or incorporated into the Tennessee Nonprofit Corporation Act, including without limitation all powers set forth in Tennessee Code Annotation Section 48-53-102, as it now exists or as it may be amended from time to time.

11. **DIRECTOR AND OFFICER LIABILITY AND INDEMNIFICATION.**

(a) No director shall have personal liability to the corporation or to any third party for monetary damages for breach of his or her fiduciary duty as a director, and any such personal liability is hereby eliminated; provided, however, that the personal liability of a director is not eliminated or limited:

(i) For any breach of the director's duty of loyalty to the corporation;

(ii) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; or

(iii) Under T.C.A. §48-58-304.

(b) The corporation shall hold harmless and indemnify officers and directors, whether or not then in office, and their respective executors, administrators and heirs from and against any and all claims, demands, expenses (including attorneys' fees), judgments, fines, amounts paid in settlement, and any other costs with respect to any demand, threat, suit or proceeding, whether civil or criminal, arising with respect to such person's previous, present or future service as an officer or director of the corporation to the maximum extent permitted by law.

(c) The corporation shall pay for or reimburse all reasonable expenses incurred by an officer or director of the corporation in advance of the final disposition of the proceeding to the maximum extent permitted by law.

12. **LIMITATION ON ACTIVITIES AND BENEFITS.** No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or others private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the corporation shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under

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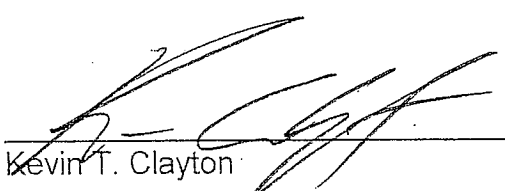
section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

13. **DISTRIBUTION OF ASSETS UPON DISSOLUTION**. Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) or section 501(c)(6) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Chancery Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

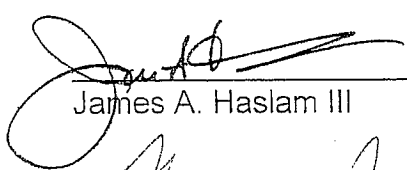
14. **AMENDMENT**. The Board of Directors shall have the power and authority to amend the charter of the corporation at any time and from time to time, including without limitation the power to adopt and approve an amended and restated charter.

15. **EFFECTIVE TIME AND DATE**. The effective time and date of this Charter shall be the time of filing on the date the Charter is filed by the Secretary of State of Tennessee.

This 6th day of February, 2008.



Kevin T. Clayton



James A. Haslam III



Thomas E. Mason

0207-0944

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **OCT 30 2008**

INNOVATION VALLEY INC
17 MARKET SQUARE STE 201
KNOXVILLE, TN 37902-1405

Employer Identification Number:
26-2087582
DLN:
408301005
Contact Person: MARK BRECKNER ID# 95217
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Form 990 Required:
Yes
Effective Date of Exemption:
February 7, 2008
Contribution Deductibility:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(06) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Information for Organizations Exempt Under Sections Other Than 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Information for Organizations Exempt Under Sections Other Than 501(c)(3)

Letter 948 (DO/CG)

March 18, 2009

NOTE: SINCE INNOVATION VALLEY INC HAS NOT BEEN EXISTENCE FOR MORE THAN A YEAR, THERE ARE NOT YET AUDITED FINANCIALS AT THIS TIME. COPIES OF AUDIT CAN BE PROVIDED UPON COMPLETION IF NEEDED FOR THE KNOX COUNTY GRANT REVIEW PROCESS.

Innovation Valley Inc Board of Directors

Dr. Thomas E. Mason

President & CEO, UT-Battelle LLC
P.O. Box 2008
Oak Ridge, TN 37831-6266
865-576-2900

Kevin Clayton

CEO, Clayton Homes, Inc.
P.O. Box 9790
Maryville, TN 37802
865-380-3000

James A. Haslam, III

President, Pilot Travel Centers LLC
P.O. Box 10146
Knoxville, TN 37939-0146
865-588-7487

Randy Boyd

President & CEO, Radio Systems
Corporation
10427 Electric Avenue
Knoxville, TN 37932
865-218-4061

Mark Cate

Vice President, Lawler-Wood LLC
900 S. Gay Street
Suite 1600
Knoxville, TN 37902
865-549-7430

Bruce Hartmann

President & Publisher, Knoxville News
Sentinel
P.O. Box 59038
Knoxville, TN 37950-9038
865-342-6920

Mark Isom

President & CEO
Premiere Building Maintenance Corp.
1416 McCalla Ave
Knoxville, TN 37915
865-522-7731

Regina B. Murray

Murray Holdings
4207 Towanda Trail
Knoxville, TN 37919
865-525-2786

Mintha Roach

President/CEO
Knoxville Utilities Board
P.O. Box 59017
Knoxville, TN 37950-9017
865-594-7531

Mike Ross

President, Rarity Communities, Inc.
1010 William Blount Drive
Maryville, TN 37801
865-380-8000

Wes Stowers

Chairman, Stowers Machinery Corporation
P.O. Box 14802
Knoxville, TN 37914
865-546-1050



Knox County Community Grant Certification

The organization which I am a duly sworn representative has complied with all applicable federal, state and/or local laws and requirements including but not limited to:

- **Tennessee Code Annotated, 5-9-109**, which requires that any nonprofit organization that desires financial assistance from the county legislative body or the governing body of the county shall file with the county clerk a copy of an annual report of its business affairs and transaction, prepared and certified by the chief financial officer, which includes, but is not limited to,:
 - a copy of an annual audit for fiscal year 2007 (in lieu of an annual audit, a detailed report of all receipts and expenditures may be filed);
 - a description of the program that serves the residents of the county; and,
 - the proposed use of the county assistance.
- The **Charitable Solicitations Act** requires that charitable organizations who solicit contributions directly or indirectly from, or within, the State of Tennessee register with the division, unless exempt from the registration requirements.
- Current on **all** property taxes for properties owned within Knox County (including Knoxville taxes if applicable) unless exempt through the Tennessee State Board of Equalization.
- **Resolution R-08-5-501**, a Resolution of the Commission of Knox County, Tennessee, requiring all Community Grant recipients to document and report the status of their use of funds received.

The organization further acknowledges that non-compliance could result in *rejection of the funding request*, suspension/revocation of awarded funding and/or repayment of funds received from Knox County.

Rhonda Rice

Printed Name of Organization Representative

Rhonda Rice
Signature

Executive Vice President
Title

3-18-09

Date



Knox County
Conflict of Interest Disclosure Form

Complete the following form to disclose any direct conflict and/or potential conflict with Knox County (including elected officials) and your organization including Board Members and/or employees. **Complete only in the event of a direct and/or indirect conflict of interest.**

- 1. Is any member of your immediate family (including husband/wife, children, parents, grandparents, sister, brother, father/mother/sister/brother-in-law, aunt, uncle, niece or nephew) employed by Knox County or an Elected Official? Yes No

If yes, please identify: _____

- 2. Do you or any immediate family member (as listed above) benefit financially from any business and/or professional relationship with Knox County or any local Elected Official? Yes No

If yes, please identify: _____

- 3. Are there any affiliations (other than those identified above) for which you believe you might have a conflict of interest or the public may construe to be a conflict of interest with Knox County? Yes No

If yes, please identify: _____

- 4. Other comments? _____

I hereby certify that, to the best of my knowledge, the information disclosed is accurate and complete.

Name (print): Mintha Roach Title: President/CEO, KUB
Signature: Mintha Roach Date: 3/18/09



Knox County
Conflict of Interest Disclosure Form

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If yes, please identify: _____

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If yes, please identify: _____

3. Are there any affiliations (other than those identified above) for which you believe you might have a conflict of interest or the public may construe to be a conflict of interest with Knox County? Yes No

If yes, please identify: _____

4. Other comments? _____

I hereby certify that, to the best of my knowledge, the information disclosed is accurate and complete.

Name (print): Michelle Ross Title: _____

Signature: MLR Date: 3/18/09



Knox County
Conflict of Interest Disclosure Form

Complete the following form to disclose any direct conflict and/or potential conflict with Knox County (including elected officials) and your organization including Board Members and/or employees. **Complete only in the event of a direct and/or indirect conflict of interest.**

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If yes, please identify: _____

- 2. Do you or any immediate family member (as listed above) benefit financially from any business and/or professional relationship with Knox County or any local Elected Official? Yes No

If yes, please identify: _____

- 3. Are there any affiliations (other than those identified above) for which you believe you might have a conflict of interest or the public may construe to be a conflict of interest with Knox County? Yes No

If yes, please identify: _____

- 4. Other comments? _____

I hereby certify that, to the best of my knowledge, the information disclosed is accurate and complete.

Name (print): Kevin T. Clayton Title: CEO, Clayton Homes

Signature: Date: March 18, 2009