



THE PINNACLE CONDOMINIUMS CHATTANOOGA, TENN.

By Joe Bousquin ■ *Contributing Editor, Broadband Communities*

At the Pinnacle in Chattanooga, Tenn., a complete physical, technological and marketing rehab by Atlanta-based Wilkinson Real Estate Advisors, along with a lightning-fast 1 Gbps network from municipal provider Chattanooga EPB, transformed the property into one of the city's hippest new addresses. Danna Bailey of EPB coordinated the responses to the questions below.

Pulling off a complete makeover of a 30-something-year-old building with a past life as a senior residence requires making changes that are more than skin deep. Atlanta-based Wilkinson Real Estate Advisors (WREA) did that with the Pinnacle, an ultra-chic, 15-story condominium in North Chattanooga's Hill City, just across the Tennessee River from downtown.

Formerly known as the Whitehall Apartments and the Grandview, the property targeted senior renters before 2005. That year, WREA, led by 2012 National Apartment Association Chairman Jerry Wilkinson, bought the property and instilled a decidedly more youthful vision. Since the 1980s, WREA has bought and developed what are called "value-add" properties — buildings with large problems that additional investment can fix.

The Pinnacle fit in perfectly with WREA's approach. Its location is envi-

able: Just minutes away from the eclectic North Shore neighborhood and with easy access to AT&T Park, home of the minor-league Lookouts baseball team, the property has skyline, river and mountain views. The famous Great Smoky Mountains National Park, a hiker's paradise, is a short day trip away.

To shed the property's sleepy image and attract a younger clientele, WREA created a stylish and plush lobby, an Art Deco-inspired theater and a sparkling fitness center as common-area amenities and installed granite, stainless steel, hardwood and frieze finishes in living units. However, to truly update the property, WREA needed to go deeper — into the walls themselves.

In partnership with Chattanooga's municipal electric utility, EPB, WREA upgraded the property's technology infrastructure and brought a 100-percent fiber-to-the-unit solution to the Pinnacle. EPB started offering 1 Gbps Internet packages over its fiber optic network in 2010 to provide the fastest residential speeds in the United States, and WREA believed this amenity would appeal to condo buyers.

The result is a superlative technology amenity and a fully updated property. Pinnacle residents can choose EPB's 30 Mbps base offering, treat themselves to a 50 Mbps or 100 Mbps midline product, or dial all the way up to the 1 Gbps

About the Author

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package. Internet-only prices range from \$57.99 a month for the 30 Mbps offering to \$349.99 for the full-blown gigabit service. Residents can also subscribe to IPTV and VoIP offerings.

The triple play is only part of EPB's overall fiber vision. As a municipal utility that offers electricity services to Chattanooga and surrounding communities, EPB is using its FTTH network as the backbone for its smart grid, which provides increased power reliability, greater operational efficiency and new power management tools throughout the Chattanooga metropolitan area.

Because of the benefits the smart grid can provide, WREA even took the unusual step of using an early buyout clause in the property's agreements with incumbent service providers to bring EPB in. With the new network in place, Pinnacle residents will have plenty of speed – and be technologically “young” – for years to come.

VITAL STATISTICS

Property Description: The Pinnacle is more home than meets the eye and is Chattanooga's top choice for real value and convenience. Spacious floor plans, roomy balconies, club-style amenities and a prized location close to downtown and the hip North Shore neighborhood provide owners with a chance to have it all – a peaceful sanctuary and a connection to city life.

This property had exclusive agreements for video and Internet with two different carriers. WREA paid early termination fees to end those arrangements so EPB Fiber Optics services could be brought to the building.

Greenfield or retrofit? Retrofit

Number of units: 137

Style: High-rise

Percent of units occupied: 70%

Time to deploy? 6 weeks

Date services started being delivered: May 19, 2011

TECHNOLOGY

Answers were provided by EPB's Wes Hughes, supervisor of field services; Bill Clark, installation and service supervisor of field services; Mike Daverson, project coordinator of scheduling/project management; and Jason Sauls, supervisor of system modeling and records.



How does fiber get to the property? We followed the preexisting electrical network pathway into the building.

How is fiber distributed inside the building? Core network fiber was brought into the first-floor telecommunications closet, where it was terminated into a local convergence point (LCP). From the LCP cabinet, fiber was extended to common chases in each of the two wings of the building, where we installed common splice points.

Fiber was then deployed through the chases in each wing to multiple network access points located on the fifth

PROPERTY OF THE MONTH HIGHLIGHTS THE PINNACLE CONDOMINIUMS

- 1970s-era rental building in Chattanooga was given a complete makeover and converted to condominiums.
- Developer terminated exclusive marketing agreements to give buyers the additional option of EPB Fiber Optics services.
- EPB ran fiber to four network access points inside the building and extends the fiber to individual apartments on demand.
- Vendors include Alcatel-Lucent, TE Connectivity and Cisco.

Since the launch event, EPB has relied on word-of-mouth marketing at the Pinnacle.

and 11th floors of both wings. When a resident orders service, EPB splices fiber into the network access point, pulls it to the appropriate floor and runs it through common air conditioning chases to a closet within the unit. This is where we splice the fiber into the ONT.

What is the FTTH technology? GPON

What type of gear is being used? TE Connectivity local convergence points, Alcatel-Lucent ONTs and Cisco set-top boxes.

How did you deal with wiring and plug access within the units? From a customer's closet, we use RG-6 quad shielded coaxial and Cat-5 wire to provide video, Internet and phone services. The path for this wiring runs through the ceiling to the crown molding of the designated wall.

Once inside the crown molding, the wire is run to the position that the customer requests. We penetrate the wall at this point and pull the wire down to the new jack location.

Have you provided wireless signals within units? No

How much square footage did you have to dedicate to the network inside the building? The first-floor communications closet is shared with other utilities, and the square footage used for our network was nominal.

SERVICES

Does the building have triple-play services? Yes

Can residents subscribe to IPTV? Yes

Do residents have a choice of service providers? Yes – DIRECTV for video, AT&T DSL for broadband or EPB Fiber Optics

How did the owner set up the multiple choice capabilities? EPB installs its

own wiring and jacks for customers as they order services.

Who provides support? If residents have an issue or technical challenge, whom do they call? EPB

BUSINESS

Answers were provided by Neal Potter, business account executive of sales for EPB Fiber Optics.

Who owns the network? Does the property owner have "skin in the game"? Who

paid for what? EPB owns the network. The property has no skin in the game.

Was there a door fee? No

Are services automatically included in the condo fees? If not, what is the typical take rate? No – for this property we have 39 percent of the market and growing!

Who handles billing and collection? EPB

How are the services marketed, and by whom? We had a very successful sales event at launch. Since then, the success in our take rate has been based on customers' referring us to their neighbors.

ON-SITE EXPERIENCE/ LESSONS LEARNED

Answers were provided by Danna Bailey, vice president of corporate communications, EPB.

What has the return been on this implementation, in dollars or otherwise? By taking the time to design a network and a process to install at the Pinnacle, we have enjoyed several real returns on investment.

Installations take less time than our average because of the excellent prework done.

Trouble calls are nonexistent. This is a direct result of the superior quality and design of the network.

What was the biggest challenge? The biggest challenge was bringing fiber optics into the building and extending it throughout multiple floors in such a way that there was no impact on the beautiful renovations already made.

What was the biggest success? We are most proud of working with the property management on-site personnel, condominium owners association and individual owners on every step of the installation process.

By keeping all parties aware and informed of the fiber design, installation process and any hurdles we encountered along the way, we were able to provide a solution that our future customers were a part of.



Local convergence point cabinet and fiber distribution panels



Optical network terminal with inside battery box

What would you say to owners who want to deploy a similar network? What issues should they consider before they get started? It is so important to choose a provider that is willing to work with

property owners on a complete solution. Once the provider is chosen, owners should become an active part of the design process and be sure to stay up-to-date on how the installations are going and how they are impacting the tenants.

If applicable, how did the vendor interact with residents during installation? Were there any guidelines or requests from the owner over limiting residents' pain points during installation? As mentioned earlier, we made sure everyone was given constant updates on installation. Fiber was run from the various network access points to customer units only once the customers chose EPB. Because installations are customized to individual units, it is imperative that we communicate, interact and work with all homeowners on their installations.

What is the property manager's perspective on this installation? Has it been a success? What has been the response



Fiber multiport, ONT with inside battery box and distribution panel

from residents? The ability to provide the homeowners with a choice by overcoming the property's inherited exclusive agreements was the largest success for the property. ❖

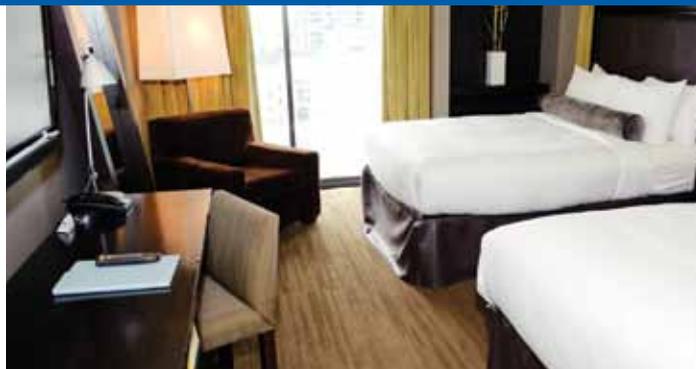
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