

# 2015

## WORKING TOGETHER

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Lifting our local economy  
through collaboration  
and partnerships

ANNUAL REPORT

**JARI**   
Growing Your Region



# Collaboration is key to everything JARI does.

Working with our partners and stakeholders makes our companies and our region's economy stronger. When we work together, we go far.



# You Are an Important Part of Our Success

Dear JARI stakeholders,

JARI is committed to growing your region through collaboration! Working together with partners across this region, companies are growing and communities are becoming stronger. As a JARI stakeholder, this is what drives you to become involved with our organization. Whether you make financial investments in JARI, serve on a board or committee, partner in service delivery, work as a public official in our region, or are an engaged community leader, you are an important stakeholder in JARI.

During 2015, JARI played a prominent role in the ongoing 219 S. highway expansion, the launch of Vision 2025, efforts to assist our defense sector, the Investing in Manufacturing Communities Partnership designation for the Morgantown-Pittsburgh-Johnstown corridor, and the continued development of JARI as a financing hub for small businesses.

Our capable staff of nine was joined by consultants Wally Burlack and Ryan Kieta, who are spearheading our emerging community development team that is working to bring the Vision 2025 framework to life.

While over 400 companies were served by JARI throughout the year resulting in job creation and retention, both students and adults were provided with career awareness activities, and displaced individuals were provided with training and job search skills.

Please take a few moments to read our 2015 Annual Report and contact me if you have any questions or want more information about JARI services/programs.



*Gautier's investment in a mill capable of forming titanium and other heavy metals has opened the company to new business markets. Photo courtesy of Gautier Steel Ltd.*

The JARI staff is grateful for the support we receive from each one of you. I especially want to thank JARI Chairman, Bill Polacek; JIDC Chairman, Jeff Cramer; DBC and Showcase Chairman, Ed Sheehan; and the workforce consortia chairs, Michele Bonerigo, Carole Kakabar, Shawn Kaufman, Linda Fox, Lindsey Hilbrecht, David Johnson, Sally McClintock, and Paul Seitz for their leadership.

Sincerely,

Linda Thomson  
President/CEO

# New programs and collaboration help Johnstown's defense contractors diversify...

The Department of Defense's Office of Economic Adjustment (OEA) assists communities affected by the decrease in defense-related contracts by developing strategies designed to sustain and improve the capacity of relevant companies. In Johnstown, that has meant an effort to diversify into new markets.

The resulting study identified several potential opportunities, including metals manufacturing, entrepreneurship, information technology, and improving the connection between area businesses and the Pittsburgh marketplace. JARI is taking these recommendations and looking for opportunities to move forward with this initiative in 2016.

“ *JARI was able to facilitate key conversations with a broad set of local business and community leaders.* ”

“This is a fluid process. We will continue building on these strategies every year as we move forward, hoping to carry on the provision of services to improve diversification, both at the company and overall community level,” said Linda Thomson.

To better understand and address the challenge, in 2015 Cambria County Commissioners authorized and funded a county-wide assessment of the defense industry and regional industry clusters. Concurrent Technologies Corp. (CTC) responded to an RFP from the county for that assessment, and CTC asked JARI to partner on the effort because of JARI's knowledge and understanding of the defense business sector locally.

“JARI was the ideal partner for our research because of the organization's strong connections with local businesses supporting the defense sector,” said Michael Jensen, International Project Manager at CTC. “They were able to facilitate key conversations with a broad set of local business and community leaders.”

In addition, some DOD OEA funds, via the Cambria County Commissioners, were invested into the Creator Square, an urban revitalization project at Central Park, and the Conrad Building project, which is expected to house the Cambria-Rowe Business College after rehabilitation.

Additional OEA work continues through 2016, including one-on-one consultation services with DOD businesses to develop diversification strategies, as well as to identify other government opportunities within the state, federal, and university markets.

**\$176.5 MILLION  
REPORTED CONTRACTS  
AWARDED**



**TWENTY-TWO  
INDUSTRY OUTREACH  
EVENTS**

# ...while building on the industry's core business

While the past several years have seen a reduction in DOD contracts nationwide, locally the defense industry is a still key part of the economy. JARI's Procurement Technical Assistance Center (PTAC) continues its efforts to assist area companies in obtaining federal, state, and local contracts.

"We work with our clients to determine what effect the changes in the defense industry has had on them and where do we go from here," said PTAC Program Manager Lenora Leasure.

"We are looking at options that include commercializing products or international opportunities, which are areas that many of these companies are already working towards."

Collaboration, not only with JARI, but also with other businesses, is vital to helping businesses transition into international and commercial sectors.

"JARI is getting people connected — getting them talking so that our region as a whole can be successful and we don't have businesses operating in a vacuum," said Lenora Leasure, PTAC Program Manager.

JARI even collaborates with other PTACs and economic development organizations in the region on organized training and networking events to maximize their impact.

For example, as part of OEA programs, JARI collaborated with the Southern Alleghenies Planning & Development Commission (SAP&DC) on general curriculum, strategies, and goals — some of which was tailored to the participating companies.

Another collaborative training effort focused on helping businesses learn how to get contracts from Brookville Equipment Corp., especially for those with a disadvantaged business status. JARI and three other regional PTACs designed a webinar to help interested businesses understand how to qualify. Because it was a webinar, businesses from a large geographic area could easily participate.

JARI co-hosted a PennDOT training event with SAP&DC and SEDA-Council of Governments (SEDA-COG), a public development organization that serves 11 central Pennsylvania counties. It focused on how to help companies get certified and clear other hurdles associated with doing business with PennDOT.



*Expansion efforts take place at Martin-Baker America's Johnstown facility. Photo courtesy of Martin-Baker.*

Meanwhile, JARI stays up-to-date on DOD needs in part through its Defense Business Council, a group of regional defense industry business leaders that serves as an advisory board to the PTAC program.

Showcase for Commerce 2015, co-sponsored by JARI and the Greater Johnstown Cambria County Chamber of Commerce, featured changes to the scheduling and set-up that created more opportunities for connections to be forged among the attendees.

"We're seeing Showcase for Commerce growing—with increased presence of industry buyers, more participation in the Government Procurement Expo, more exhibitors, and a lot of excitement," Leasure said.



# Vision 2025 launches with JARI's support

Vision 2025, a major grassroots initiative with potential to transform Johnstown's future, got underway in 2015 with JARI's help and support.

"Vision 2025 is a community-conceived, community-driven project that inspires people to action, empowering people in Johnstown to get things done using existing resources," explained Wally Burlack, program officer.

"JARI provides the organizational structure for Vision 2025 to work, because they're engaged with every single sector of the community."

Framework for the initiative was developed at Carnegie Mellon's Remaking Cities Institute. The Carnegie Mellon team methodically evaluated Johnstown's assets and deficits, interviewing some 250 community leaders. Areas examined included health, education, environment, government and

lifestyle. In spring 2015, the decision was made to get professionals to implement the resulting plan.

"A major goal of Vision 2025 is to make our community into a more attractive place to live, work and locate business, and thus create more jobs," said Bill Polacek of JWF Industries, who is also chairman of JARI's board. "We knew JARI would be a great central point of leadership for the initiative, because they know how to collaborate and how to go after federal, state and local funds."

"JARI has traditionally been an economic development organization working primarily with businesses," JARI President Linda Thomson said.

*Vision 2025's Ryan Kieta and Wally Burlack are joined by City of Johnstown Economic Development Director Renee Daly to interview applicants for the program's internship opportunities.*





Vision 2025's program officers are working on a handful of large projects, such as Johnstown's riverwalls.

“With 2025, we took on a community development role, which in some ways is a new dimension for us. We’re helping bring clarity to implementing a diverse group of strategies and initiatives, involving hundreds of people, in a way that will ultimately benefit the entire community.”

The program officially began October 1 with the hiring of Wally Burlack, the executive director of the Community Growth Fund of Pittsburgh, and Ryan Kieta, a landscape architect and land planner. They immediately began a much-publicized series of public meetings to get community input and recruit volunteers. These volunteers have been organized into three broad “circle groups”: life-sustaining landscapes; vibrant and open local economy; and strong sense of community, with about 15 specialized “capture teams” per group.

“A major goal of Vision 2025 is to make our community into a more attractive place to live, work and locate business, and thus create more jobs.”

While the capture teams focus on specific community development projects, Vision 2025 program officers are giving professional guidance on a handful of larger initiatives, like the river walls, sustainability initiatives, and neighborhood planning.

“There’s a lot to do, but there’s so much to work with,” Burlack said. “Johnstown has so many strong assets, including this amazing physical environment with a dense urban core right next to mountains and rivers, and great architectural detail.”



**HUNDREDS OF VOLUNTEERS  
HAVE PARTICIPATED IN VISION 2025 SO FAR,  
AND THAT NUMBER WILL ONLY INCREASE AS THE  
INITIATIVE CONTINUES**

# Building relationships around the world to strengthen our local economy

In 2015, JARI continued to develop international relationships with the goal of growing and expanding business in our region, notably with the Norwegian-American Defense Industry/Homeland Security Council (NADIC) and CenSec (Center of Defense, Space & Security) of Denmark.

“Our relationships with NADIC and CenSec allow us to showcase what our defense sector can do with the rest of the world, and how synergistic we can be,” said Linda Thomson, president of JARI.

Three prominent Norwegian companies that are members of NADIC, Nammo Talley, Kongsberg, and Kitron, already have a good presence in Johnstown. JARI’s affiliation with these companies and NADIC raises JARI’s profile and helps encourage additional international Department of Defense business to locate in Johnstown.

“NADIC offered JARI a membership after meeting with us,” said Linda Thomson, president of JARI. “In fact, JARI is the only economic development organization that is a member. We’ve attended their conferences, and they attended Showcase for Commerce in 2015 and will be back in 2016. We are very pleased to be able to collaborate with NADIC, and to look for ways that companies from Norway can work with companies from America and build on our DoD work.”

A new Scandinavian connection was formed in 2015, thanks to Jesper Nielsen, a native of Denmark who lives in Johnstown. Nielsen introduced

JARI to working with the Danish commercial service and the Danish embassy. He flew to Denmark and gave a JARI presentation to CenSec, an organization that provides services for Danish companies in the technology and defense field, and established a connection that continues to grow.

“I believe each of us has to be willing to do what we can for the betterment of our community,” explained Nielsen, who is the owner and CEO of Croyle-Nielsen Therapeutic Associates, Inc. “So I started exploring ways I could establish business connections between Denmark and Johnstown, and arranged to meet with CenSec. JARI was instrumental in helping me identify the different incentives and opportunities the area has to offer to companies that would be interested in coming here.”

Thanks to these efforts, CenSec representatives plan to spend a full seven days in Johnstown to attend Showcase for Commerce 2016.

Additional international outreach efforts in 2015 included JARI’s attendance at the Global Petroleum show in Canada. Travel funding for this opportunity was provided by Core PA, which shares JARI’s interest in the energy sector.

“In 2016, we’re gearing up for an international journalist tour through our region in June with Core PA to look at energy issues,” Thomson added. “This all began in 2014, we built relationships in 2015, and it continues into 2016. It’s a three-year process.”





# Flexible financing grows local businesses

JARI continues to develop, lead, and manage a variety of flexible financing programs that are critical to growing the region's economy. From microloans to the KIZ program to JARI's new designation as an "Emerging CDFI," (Community Development Financial Institution) to collaborative efforts with other lenders, JARI has created a "financial hub" that offers more opportunities for business financing than ever.

A major development in 2015 was that JARI became an Emerging CDFI with funding from the U.S. Treasury, enabling JARI to work with mixed use facilities, conduct developer deals, and fund housing by lending larger or smaller amounts. Most importantly, this sets the stage for JARI to become a certified CDFI in 2016, JARI Growth Fund Inc., and get access to even more funding.

"The opportunity to grow the funding for these communities is huge, which will tremendously benefit this region for years to come," said Joette Watson, Chief Financial Officer for JARI.

JARI is optimistic that these programs will benefit the entire six-county service territory of the southern Allegheny region.

Because of the JDIC's status as a certified entity of PIDA (PA Industrial Development Authority), JARI is able to help more businesses, from start-ups to established companies. JARI can act as the applicant or the administrator of certain programs, financing land, building, equipment, inventory, working capital, and more. JARI can extend financial services to businesses that are ineligible to receive help from industry-specific regional and state level programs.

"We have worked with people through every step of the loan process, from initial funding for startup to understanding growth, as well as continued help with marketing and financial counseling," said Michele Clapper, Vice President for Economic Development.

In 2015, nine loans totaling \$239,500 were approved through JARI's Microloan Program, of which two were made to start-ups. Currently, there are 21 active loans. Technical assistance, including one-on-one counseling, business plan assistance, financial planning, and classroom sessions on various topics, is available to current borrowers, potential borrowers, and those who have already received and closed loans.



*A tower bringing broadband connectivity to an underserved area of Cambria County. Photo courtesy of In The Stix Broadband.*

"The microloan program is more than handing someone a check. The technical assistance and training we provide enables people to have a better chance at succeeding in their business," Watson explained.

"JARI has helped us in two very important ways," said Nick Weakland of In The Stix Broadband. "As a company located in a Keystone State Innovation Zone (KIZ), the staff at JARI helped us to successfully apply for a pivotal KIZ tax credit, which we received. JARI also assisted In the Stix Broadband with its application for a Broadband Outreach and Aggregation Fund grant through the Pennsylvania Department of Community and Economic Development. Without JARI and the resources the staff provided, these things would not have been possible."

JARI also collaborates with others to provide the best possible service to potential borrowers.

"Because JARI does not have all of the loan programs in-house, we find ways to collaborate with other entities, packaging and partnering, to deliver a comprehensive loan package," said Michele Clapper. "JARI will often serve as the point entity on these collaborative deals, making it a more convenient for the borrower."

Finally, the Keystone Innovation Zone (KIZ) is an incentive program that provides tax credits to certain types of for-profit companies within a specific geographic zone. In 2015, the geographic location of the KIZ changed somewhat, benefiting seven local businesses with a total \$504,563 in tax credits.

JARI officials point out that the various programs not only complement each other, but also connect to other initiatives in the community.

"The CDFI and microloan programs will complement Vision 2025 by providing financing to business start-ups, mixed use facilities, and various community development initiatives," Clapper concluded.

# Tax credit program helps JARI offer life-changing training to area residents

Through a partnership between JARI and area businesses, 15 Johnstown residents now have the skills and certifications they need to get family-sustaining jobs as electricians or construction workers. The program, which was new in 2015, is made possible by the Neighborhood Assistance Tax Credit Program (NAP Tax), where businesses with state tax liability can donate to the JARI's workforce program and receive 75% in tax credits.



*Program participant Roberto Lowry (left) is congratulated at graduation, which took place at the Greater Johnstown Career and Technology Center. Photo by Todd Berkey, courtesy of The Tribune-Democrat.*

"Through the NAP Tax program, businesses can choose to keep their tax money here, helping the local community," said Debi Balog, Workforce Development Director. "You're not going to change the community without

changing individuals, and this program does just that - it's life-changing for those who complete it."

Each year, the type of training offered is determined based on workforce needs, and focuses on chosen neighborhoods within the City of Johnstown. In 2015, electrician and construction training was made available to applicants from Hornerstown—17 completed the program, 15 graduated with their certifications, and 9 are now in full-time jobs as electricians or construction workers.

Workforce readiness training was part of the program, as well as an important "giveback" to the community - the complete refurbishment of seven commercial electric lights at Sandyvale Memorial Gardens, which will be ready to install when the planned stage is completed.

The program also enabled four high school students to get paid internships in related careers.

"It was great that JARI was able to offer the paid internship," said Mike Dadey, Principal of Johnstown High School. "The students were able to learn about the career and industry they've chosen, while also meeting the people who may offer them full-time employment after they completed their internship. In addition, the students gained hands-on experience, making them more attractive to prospective employers. While an internship doesn't guarantee a job offer, you can see that the students increased their chances by demonstrating that they could meet the challenges of a full-time job and were successful in obtaining employment."

Eight businesses contributed \$211,400 to the program's first year. They are: Northwest Savings Bank, 1st Summit Bank, CAMCO, North American Höganäs, Somerset Trust, Electromet Corporation, and Environmental Tank & Container. Several have already committed to donating in 2016.

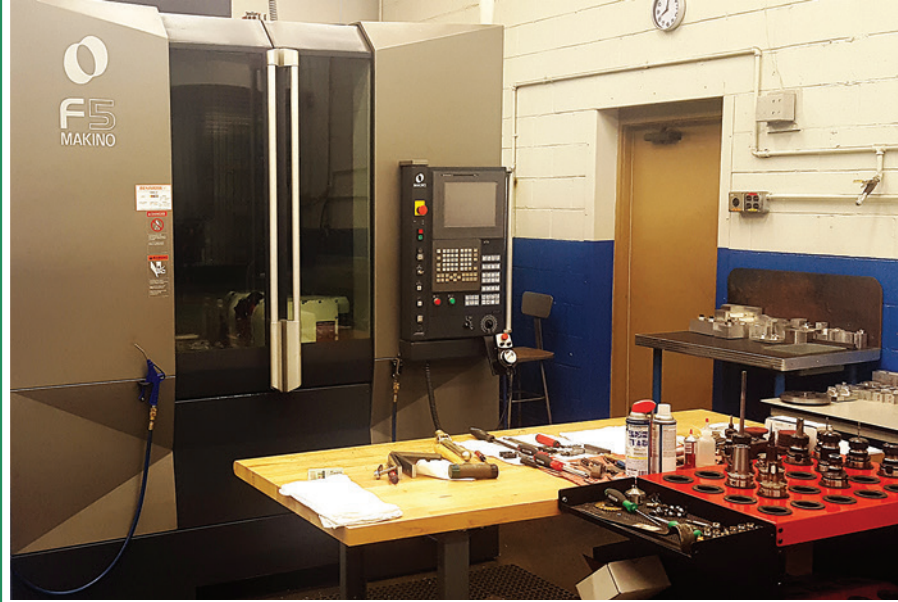
Many other local organizations collaborated on the program by providing services - for example, the Johnstown Free Medical Clinic provided physicals, and the United Way facilitated access to human services. The PA CareerLink of Cambria County assisted the participants with creating resumes and job search activities.

In 2016, the program will train CDL drivers from Moxham and the 8th Ward, and the "giveback" project will be a food drive. Participants will be recruited through an outreach program that includes media, community leaders and organizations, and CareerLink.



# HIGHLIGHTING JARI INITIATIVES IN 2015

- 207 jobs created
- 3,359 jobs retained
- 674 dislocated workers assisted
- 8 new start-ups
- 410 clients assisted
- \$3,024,705 in financing and tax credits
- 35 training sessions with 794 attendees
- 22 outreach events with 2,712 served
- 4 consortia met regularly to stay abreast of workforce needs
- In collaboration with the SAP&DC Jobs 1st Program, assessed 189 companies for training needs, trained 608 individuals, and funded 71 interns
- Machinist training completed for 7 through a Community Foundation for the Alleghenies grant
- Job fairs hosted in Cambria and Somerset Counties, plus Youth Conference and Industry Tours
- Hosted Safety Conference
- Participated in initiative to help ex-offenders with re-entry into job market
- \$35,842 in workforce training funding secured for private companies





# JARI

## 2015 STAFF

**Linda Thomson**, President/CEO  
**Debi Balog**, Director,  
Workforce Development  
**Holly Bodolsky**, Staff Accountant  
**Michele Clapper**, Vice President,  
Economic Development  
**Suzanne Grove**,  
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**Lenora Leasure**, Program Manager,  
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