

# Business



Winter 2012

## MATTERS IN CAMBRIA COUNTY PENNSYLVANIA

Governor Tom Corbett speaks at the Environmental Tank & Container ribbon cutting ceremony.



### Environmental Tank & Container

In operation just over nine months, Environmental Tank & Container (ETC) seems to have found its niche in the developing Marcellus Shale industry—and it’s just getting started. Housed in 160,000 square feet of shared space with subcontractor United Industrial, ETC manufactures a line of portable storage tanks and roll-off containers designed to meet the tightening environmental regulations associated with the drilling of Marcellus Shale natural gas wells.

Pennsylvania Governor Tom Corbett was among the dignitaries and guests of ETC’s parent company, Johnstown Welding and Fabrication Industries (JWFI), for a celebratory ribbon cutting and tour of the facility December 22, 2011.

“What I like seeing is that somebody who wasn’t involved in the industry said, ‘You know what? There’s something to be done here. I can make a buck. I can help somebody. I can give people jobs. That’s the American way,’” said Corbett, who JWFI CEO Bill Polacek credited with advancing the Marcellus Shale industry in Pennsylvania.

In late 2010, unsure of the role manufacturing might play in the growing natural gas sector, Polacek diverted Director of Business Development Matt Hughes from typical JWFI business to investigate. The timing couldn’t have been better.

Anadarko, one of the largest independent oil and natural gas exploration and production companies in the world, was drilling on state forest and game land in Pennsylvania when the company announced it was converting all of its Marcellus operations to so-called closed-loop systems. The change eliminated the practice of burying the cuttings or waste from the drilling process in pits and required the collection of debris and storage of back fluids in steel containers that are transported to approved landfills. With Anadarko leading the way, other major gas companies followed suit in adopting the more eco-friendly practices.

ETC responded by designing a line of frac tanks, mud tanks, above ground impoundments, flow back and vacuum tanks that were more compact and easier to move over the road. The company is currently producing about 40 tanks a month. "The work we're doing at ETC is actually stepping out from what JWFI normally does," said Joe Boyle, ETC's general manager. "We're not building something for OEMs (Original Equipment Manufacturers). This is our own product line. We're doing work for ourselves."

Prior to ETC's entry into the market, the bulk of storage and transport containers came from Texas or Oklahoma. Polacek said customers have been astonished at the difference in quality. "What they continue to tell us is they have never seen workmanship like this. My response to them is that's because there has never been any built in Pennsylvania."

Through its relationship with United Industrial, ETC went from 3 workers in April 2011 to 80 at year's end—everything from engineers and welders to project managers and sales people. The company's goal for 2012 is to ramp up production to a rate of 100 tanks per month. "Our expectation is to hire another 70 (workers) next year. That is what Marcellus Shale is doing for us," Polacek said, eliciting a round of applause from supporters.

But ETC is not the only company that stands to gain from its relationships within the Marcellus Shale industry. There is valuable spinoff business to be had. More than 40 percent of the materials that go into ETC's tanks are purchased locally, according to Boyle. What's more, ETC is a member of JARI's Marcellus Shale Consortium. Hughes will be the featured speaker at the group's February meeting where he'll share what he has learned with other companies interested in breaking into the shale gas industry.

"There is no silver bullet. I give Bill a lot of credit. He invested the time and resources for me to identify opportunities for our company. He stayed the course, was focused, and took a risk," Hughes said.

Polacek summed up his enthusiasm for the Marcellus Shale industry and ETC's role in this way. "A year from now, we will be creating products we haven't even thought of yet."

For more information about ETC, visit [www.etctank.com](http://www.etctank.com), or call 814.659.9300.

## Microloan Program

Businesses will find a new tool in the financing toolbox at Johnstown Industrial Development Corporation (JIDC). JARI has been approved by the Small Business Administration to become a microlender and will provide the services through JIDC, JARI's sister organization. The approval culminates a more than year-long application process and means \$325,000 is available for companies in Cambria and Somerset Counties that may be sitting on smaller expansion or improvement projects because they are unable to secure financing.

"Before if we had a company that needed \$10,000 or \$20,000, for example, it was difficult to connect them with a public source of funds. The legal fees were also cost prohibitive," explained Michele Clapper, Vice President of Economic Development at JARI. "Banks have been telling us for some time that if they had a little bit of help with start-up companies, it would lessen their risk. Being a microlender allows us to participate in deals where banks just can't do it all."

**"With the ever-changing economy, the Microloan Program gives us one more way to help small business."**

MICHELE CLAPPER  
VICE PRESIDENT OF ECONOMIC DEVELOPMENT  
JARI

The Microloan Program is open to any small business and can be used for land and building purchases, leasehold improvements, equipment, working capital and a variety of other purposes. Following a successful application and review, companies can receive a loan of up to \$50,000 or one-third of the total project cost. Depending on project locations, JIDC can also assist businesses with identifying additional sources of revenue for matching funds. The term of the loan will vary based on how the money is to be used. The interest rate is based on a company's credit rating.

"With the ever-changing economy, the Microloan Program gives us one more way to help small business," Clapper said. "The other benefit here is that if a company needs technical assistance along the way—marketing, financing assistance, assistance with financial statements—we can work with them on that as well." Typical application and closing fees apply. Technical assistance is provided to companies at no cost.

To learn more about the new Microloan Program at JARI/JIDC, visit [www.jari.com](http://www.jari.com) or call Michele Clapper at 814.535.8675.

Governor Tom Corbett with Bill Polacek, CEO of ETC and its parent company, JWF, along with distinguished guests at the ribbon-cutting ceremony for the new Johnstown, PA facility.



covering  
**one  
third**  
of project  
costs



As much as  
**\$50,000** for  
your business



*John Riccilli, the new owner of the Corner Coffee Shoppe, and his staff prepare for the lunch crowd.*

## Corner Coffee Shoppe

If you enjoy sitting down to a delicious home-cooked meal, but occasionally prefer that someone else does the cooking, you have undoubtedly visited the Corner Coffee Shoppe in suburban Johnstown. Now under new ownership, the restaurant has been a destination of choice for home-style fare since the 1960s. But not to worry, owners John and Natalie Riccilli assured former owner Ken Reese they had no intention of rushing in and making sweeping changes. That's not to say Reese was opposed to the Riccillis having their own ideas. In fact, John Riccilli said the veteran restaurateur encouraged it.

"The food is going to stay the same. The staff has stayed the same. Ken was adamant that we not come in and change everything," explained Riccilli. "But he actually said the restaurant needed some fresh ideas. So we've begun to look at ways of growing the business without actually changing the business."

The Corner Coffee Shoppe, which occupies 4,000 square feet in the Bel Air Plaza, now offers a pick-up menu for parties and events. Patrons can enjoy fresh brewed iced tea with real-cut lemons and take advantage of free WiFi while sharing a meal. Riccilli described the initial changes as minor and added that he has appealed to staff members for their input as well.

The couple hired a general manager with restaurant experience to oversee day to day operations—one of five new hires since taking over the business in November 2011. The restaurant now employs 38 people and is currently developing a website to promote its newly expanded features.

Riccilli's plans also include remodeling the restaurant. Initially, he believed any physical improvements would have to wait until he was more established in the business. But after talking with JARI about opportunities to secure low-interest financing, he said the project may happen sooner rather than later.

"AmeriServ Financial was wonderful and provided financing to help with the purchase of the business. But it is very difficult to secure financial help for renovations when you don't actually own the building, and that was an issue I ran into," Riccilli said. "JARI's help came at a time when it seemed like there were no options. Now we have options opening up to us."

John Riccilli has worked in business management for nearly two decades but is an entrepreneur at heart. The Corner Coffee Shoppe is his second business but his first restaurant. Natalie's background brings a mix of sales and human resources to the venture. Both still work full-time jobs outside of the eatery.

"Owning a restaurant has always interested me. I have a little bit of experience in restaurants. I've done everything from dishwashing to bussing and waiting on tables to hosting so I've been in both the front and back of the house," Riccilli said. "When the Corner Coffee Shoppe became available, I didn't hesitate. It's not just a restaurant; it's a piece of Johnstown history."

For more information about the Corner Coffee Shoppe, call 814.266.6050.

## Laurel Auto Group

The Laurel Auto Group started with one dealership and 15 employees in 1984. Nearly three decades later, the one-time Chrysler/Plymouth dealer operates under seven rooftops, has franchise relationships with Chrysler, Toyota, BMW, Hyundai, Ford, and Nissan and employs 200 full- and part-time workers in Cambria, Somerset and Westmoreland Counties.

The Johnstown-based, family-owned company has evolved in waves. The first came in the early to mid 90s when owner Mike Smith added a second location in Latrobe, a Toyota franchise in Johnstown, and a Ford dealership in Windber. By 2000, the company had picked up Dodge and Hyundai.

"Each deal was different," explained Smith, president of Laurel Auto Group. "My goal was to keep diversifying." The strategy was designed to help the company better navigate the peaks and valleys that occur naturally in an industry driven by vacillating consumer preference. It was a calculated move that paid off when in 2009 the automobile industry was turned on its ear.

"The results of the GM/Chrysler bankruptcy had far-reaching effects across the country. One of the markets impacted was Johnstown's," said Matt Smith, Mike's son and vice president of the company. What was a crisis for a number of local dealers provided Laurel Auto Group a springboard for further growth.

When longtime Chevrolet, Pontiac and Cadillac dealerships closed, the Smiths executed a plan that would revive one idle building, renovate another, lead to construction of a new facility and ultimately grow its portfolio with the addition of the Nissan franchise. The company's Nissan operation opened in May 2011 and is slated to undergo a nearly \$1 million renovation project in spring of 2012.

"It's a lot more work because if you were just Chrysler, you would only have to know one process. But this is quite different. We have to be a master of many different things. It's like learning six different languages because every franchise has its own way of doing things. But it's worth it," Mike Smith added.

Having a dozen brands of automobiles to choose from isn't Laurel Auto Group's only competitive edge. Early on in the business, the Smiths made a conscious decision to create an employee-driven company—a formula that has worked well. Employee turnover is uncharacteristically low, and surveys show customer satisfaction is high.

"Our employees are very much a part of the process, and my theory was if we had happy employees, they would make customers happy. And if we had happy employees and happy customers, then we would be profitable," said Mike Smith.

Laurel Auto Group is also very involved in the communities it serves. In addition to its contribution to the economic development of the region and its support of JARI's efforts, the company has taken on leadership roles for organizations

such as the United Way and Chamber of Commerce. One hundred percent of Laurel employees have contributed to the United Way campaign each year for the past seven years. The company regularly sponsors sports teams and donates money to Junior Achievement and nonprofits and human service agencies that help children and victims of abuse. The Ann Harris Smith Foundation for Gynecological Cancer Awareness, named for Mike Smith's late wife who lost a battle with ovarian cancer in 2002, has raised more than a million dollars in 11 years.

The company's commitment to help others outside of the showroom is really an outgrowth of the principles it asks employees to apply inside the workplace. After hiring 20 new associates in 2011, Matt Smith thought it was time to put into black and white for new and existing staff exactly what is expected of them. The standards guide, which came with a membership coin that all staff members are encouraged to keep in their pockets, lists 11 guiding principles that are aligned with the belief that good business is a marathon, not a sprint.

"It has really carried forward a message that we have believed in so strongly for so many years and hopefully will carry right through the next generations," Matt Smith explained.

To learn more about Laurel Auto Group, visit [www.laurelautogroup.com](http://www.laurelautogroup.com), or call 814.262.6100.

*Mike and Matt Smith at one of their Richland dealerships.*





Pino Tenuta, Branch Manager, stands over a bin of raw materials used to create the many uniforms available through UniFirst.

## UniFirst Corporation

If yours is a business that requires uniforms, chances are your employees may be outfitted by UniFirst Corporation. One of North America's largest workwear and textile services companies, UniFirst puts more than a million people in work apparel every business day through rental, lease, and purchase programs. The company has been a member of the business community in Ebensburg for two decades.

"We cover nine counties—Elk, Indiana, Jefferson, Blair, Centre, Clearfield, Somerset, Bedford, and Cambria Counties," recited Pino Tenuta, Branch Manager of the Ebensburg facility. "Our location is one of the top five largest delivery areas in the company."

Having started out with a staff of 12 in leased space in the Cambria County Industrial Park, the Ebensburg branch grew steadily until it simply ran out of room. UniFirst purchased a larger plot of land in 2008 and built a 27,500-square-foot building—including 20,000 square feet of warehouse space plus a reception area and offices.

"Ebensburg is centrally located in our delivery territory. The park has very good access to highways. Travel is easy, and traffic is normally not heavy," said Tenuta. "Also, Cambria County is the largest business population in our market, and we feel that a good representation in the community can benefit us locally and elsewhere."

Tenuta described the industrial park as an ideal location, adding that it made good business sense to stay there. UniFirst, which has more than doubled its Ebensburg workforce to 26, wanted a piece of property that it could expand into should the company need to add a production facility in the future.

The company worked closely with the Cambria County Industrial Development Corporation (CCIDC) to select a site that could accommodate that growth. CCIDC was also able to help UniFirst with coordination of consultants and assist with permitting and approvals for the \$1 million expansion project.

"We continue to try to gather more business from the various communities we service currently. When the market finally turns, there may be an opportunity to move some of UniFirst's production operations to this area," said Tenuta. "The lot behind us is still for sale. We picked this spot because of that. If needed, we can buy that lot and expand from our current location."

For more information about UniFirst, visit [www.unifirst.com](http://www.unifirst.com). You can also contact the Ebensburg facility at 814.472.4767.

## Marcellus Shale Consortium

Developing the nation's vast natural gas shale reserves is being called a "game changer" for the U.S. economy, according to a December 2011 report by the National Association of Manufacturers, a trade organization based in Washington, D.C. The report goes on to say the shale boom could spark a manufacturing renaissance—creating a million manufacturing jobs by the year 2025.

Meantime, an analysis of the Pennsylvania Marcellus natural gas industry found the Marcellus Shale Formation could become the leading supplier of natural gas in America over the coming decade.

Neither prediction comes as a surprise to JARI, which began looking at shale gas as a major growth industry in Pennsylvania two years ago. Today, JARI's newly formed Marcellus Shale Consortium is better positioning dozens of businesses in Cambria and Somerset Counties to carve out a niche in the still developing industry.

"We know that the Marcellus Shale industry is going to grow and be very vibrant over the course of the next 50 to 100 years," explained Linda Thomson, JARI president. "And we know that the sooner we go out and start seizing opportunities in the industry, the sooner we can benefit from it."

The consortium, which meets quarterly, has 45 members—everything from engineering and research and development firms to metals manufacturers and environmental testing companies. Of those, about one in four has already developed relationships within the industry.

"We have two areas of focus right now—helping companies in our region become part of the supply chain and capturing some of the investment that is going to happen in Pennsylvania," said Thomson. "We want to make sure that Johnstown is at the top of the list for regional headquarters, training facilities and other services that may be needed for this industry as it grows."

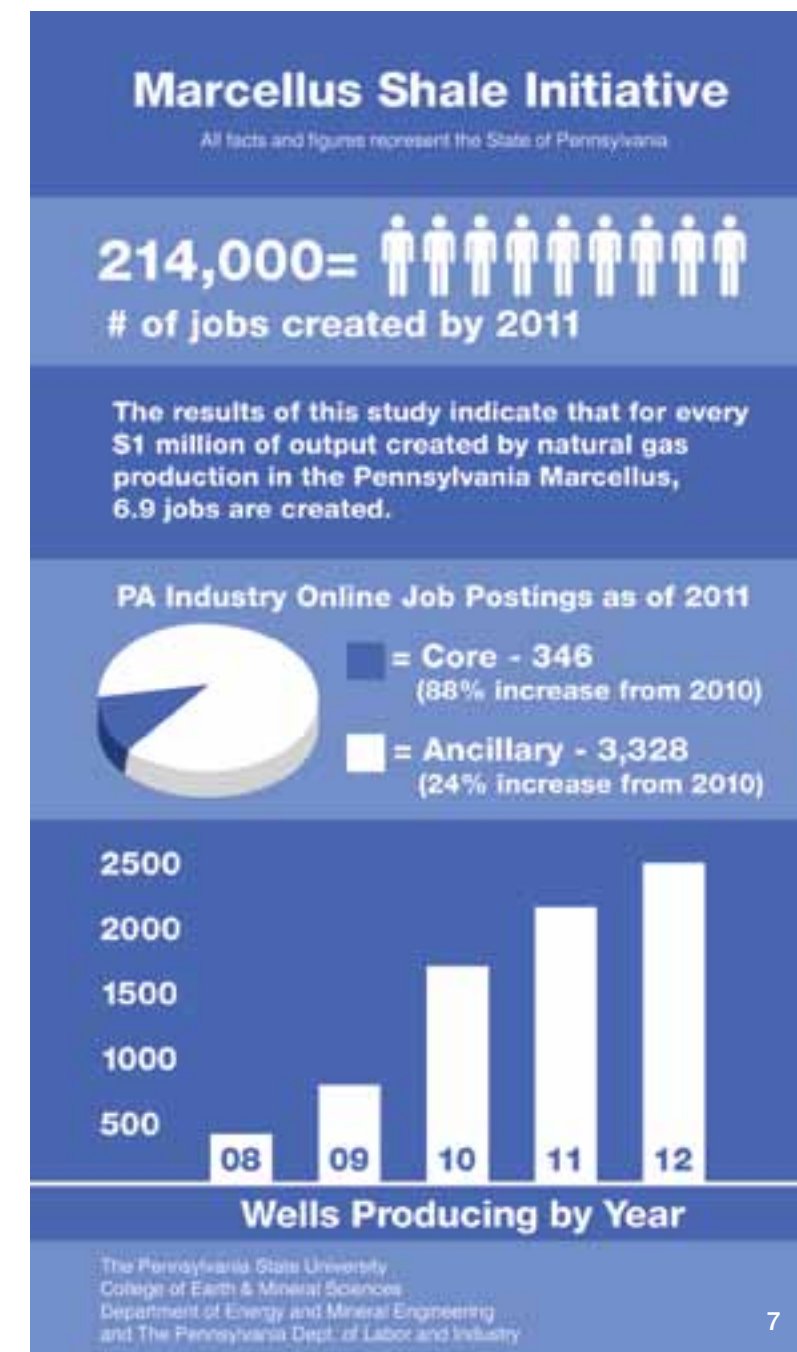
Although the current number of shale gas wells in Cambria and Somerset Counties is fewer than in other parts of the state, the region sits squarely on the fairway of the Utica Shale Formation, a deeper, more expansive layer of shale. Thomson said it is only a matter of time before drilling activity here escalates. When pipelines are in place and companies are seeking to utilize shale gas resources, JARI wants the Johnstown region to be a natural choice for investment. But Thomson stressed that waiting for business to come to you is not an option.

"What JARI has learned over the past two years is that this industry is a very large but close knit community, and unless you build connections and relationships, it is difficult to get involved," she said.

JARI was instrumental in getting the ball rolling. In August 2011, JARI teamed up with Congressman Mark Critz and the

Marcellus Shale Coalition to sponsor a supply chain workshop that drew 180 people interested in breaking into the lucrative Marcellus Shale industry. JARI now works with the Coalition to make available valuable educational resources and networking opportunities to local companies. At its 2012 meetings, the Marcellus Shale Consortium plans to spotlight "success stories" so members can learn and understand the steps that others have taken to permeate the industry. The next meeting, which will be held February 21, 2012, will feature the director of business development for Environmental Tank & Container, a brand new affiliate of JWF Industries. The company was created to meet the storage and hauling needs of oil, gas, and other environmental industries.

To learn more about JARI's Marcellus Shale Consortium, visit [www.jari.com](http://www.jari.com) or call 814.535.8675.



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# LAND AVAILABLE

## Cambria County Industrial Parks

This serene, wooded setting is home to 23 tenants.

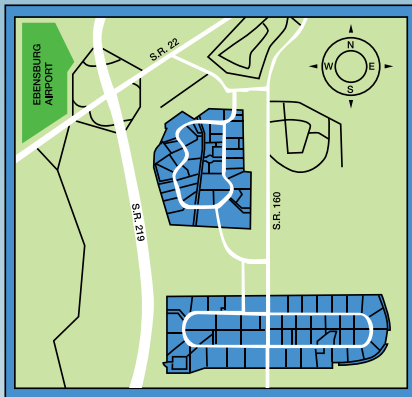
Located near the intersection  
 of Routes 219 and 22 in  
 Ebensburg.

**Utilities:**

Fiber optics, natural gas,  
 electricity, municipal water and  
 sewage on site.

**Advantages:**

- One-half mile from the Ebensburg Airport and 17 miles from the John Murtha Johnstown Cambria County Airport.
- The site is strategically located close to highways, markets, utilities and transportation.



Cambria County  
 Industrial Development Corporation  
 209 South Center St.  
 Ebensburg, PA 15931  
 814.472.7420  
[cambria@twd.net](mailto:cambria@twd.net)  
[www.cambriacountypa.org](http://www.cambriacountypa.org)

## The Johnstown Business Park

Home to over 1,200 employees and 18 businesses!

Located in Richland Township.

Ideally suited for office, light industrial,  
 and warehouse/distribution facilities.

**Utilities:**

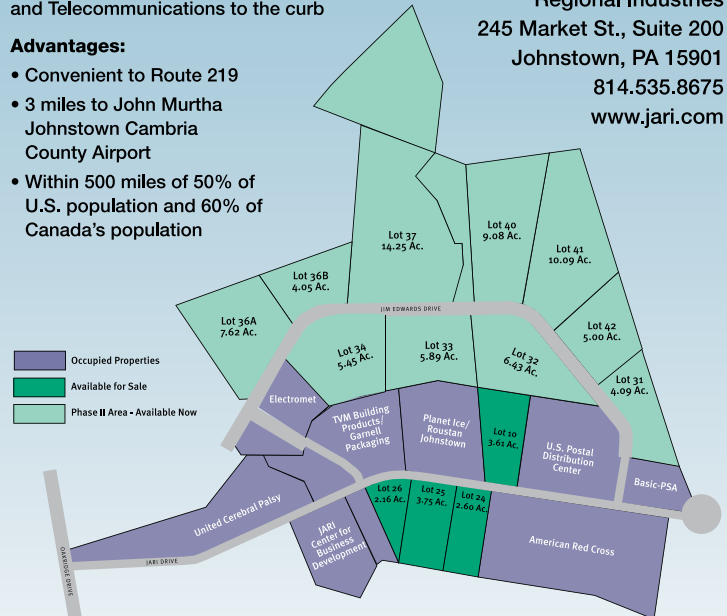
Water, Sewer, Electric, Natural Gas,  
 and Telecommunications to the curb

**Advantages:**

- Convenient to Route 219
- 3 miles to John Murtha Johnstown Cambria County Airport
- Within 500 miles of 50% of U.S. population and 60% of Canada's population



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