

JARI Staff

Linda Thomson,
President/CEO
Bob Shark,
Vice President, Procurement
Program Manager, PTAC
Joette Watson,
Chief Financial Officer
Michele Clapper,
Vice President, Economic Development
Debi Balog,
Director, Workforce Development
Nichole Streepy,
Government Procurement Specialist/PTAC
Holly Fuhrmann,
Staff Accountant
Cindy Saylor,
Executive Assistant
Sherry Click,
Administrative Assistant

JARI Board of Directors

Chair: Rebecca Z. Styles, President/GM
Lockheed Martin Aeroparts

1st Vice Chair: Allan R. Dennison,
(Former) President
AmeriServ Financial

2nd Vice Chair: John R. Boderocco, President
H.F. Lenz Company

Secretary: Christine A. Cox, Director-
Southern Alleghenies Region
Highmark Blue Cross Blue Shield

Assistant Secretary: Dr. Walter J. Azonevich, President
Pennsylvania Highlands
Community College

Treasurer: William F. Moynihan,
Program Manager
Northrop Grumman

Assistant Treasurer: Michael H. Stohon, President
In-Shore Technologies

Thomas P. Kurtz, President/CEO

Windber Research Institute

William C. Polacek, CEO

JWF Industries

Graec F. Markum, Assistant Professor of Marketing

University of Pittsburgh at Johnstown

Dr. Jim M. Spectar, President

University of Pittsburgh at Johnstown

Scott A. Becker, President

Conemaugh Health System

Elmer C. Laslo, President

1st Summit Bank

Kim W. Kunkle, President

Laurel Holdings

Edward J. Sheehan, President/CEO

Concurrent Technologies Corporation

JIDC Board of Directors

Chair: James L. Greco, Ph.D., Chairman
Cambria Somerset Authority

Vice Chair: Deborah L. Herbert, CPA
Herbert CPA & Associates

Secretary: Jonna M. Contacos-Sawyer, President
HR Consultants

Treasurer: Gregory J. Winger, Senior Vice President
First National Bank of Pennsylvania

Assistant Treasurer: Dan L. Hummel, Senior Vice President
AmeriServ Financial

Tyson E. Cook,
Business Development & Asst. Loan Officer
Somerset Trust Company

Michael E. Kane, Executive Director

Community Foundation for the Alleghenies

William J. Locher, Jr., Senior Vice President

Somerset Trust Company

Dennis G. Platt, Area Manager

Penelec-First Energy

Michael A. Barletta, President/CEO

Crown American Associates

Robert F. Berezansky, Vice President

CNB Bank

Mark Parseghian, III,

Manager, Property & Risk Management

Concurrent Technologies Corporation

Defense Business Council

Chair: Edward J. Sheehan, Jr., President/CEO

Concurrent Technologies Corporation

John W. Carroll, Vice President

Lockheed Martin Global Supply Chain Services

Larry M. Coco, Senior Associate

Booz Allen

Daniel R. DeVos, Past Chair

Defense Business Council

Darryl DiDorio, President

Gautier Steel

Robert J. Eyer, Managing Partner

Wessel & Company

Adam S. Henger, Vice President

L.R. Kimball

Joseph V. Homan, Director

MTS Technologies

Kim W. Kunkle, President

Laurel Holdings

William F. Moynihan, Program Manager

Northrop Grumman

Dennis J. Munko, Executive Director, Conemaugh

Home Health & Hospice

Conemaugh Health System

John J. Polacek, Chief Operating Officer

JWF Defense

Michael A. Santoro, General Manager

Martin - Baker America

Carl R. Sax, Executive Vice President

& General Manager

API Technologies

Rebecca Z. Styles, President/General Manager

Lockheed Martin Aeroparts

Roald Thiesen, Vice President

Kongsberg Defense

Annual Report 2009

Dear JARI Stakeholders,

It's during the most challenging times that JARI has its greatest opportunities to serve its mission.

In 2009, the nation was challenged by a global recession that also impacted Cambria and Somerset counties. The results for the year, in my estimation, spoke volumes for the value of JARI to our communities.

For years, JARI has worked diligently with regional leadership to diversify and redefine our economy. Our new economy served us well during the latest recession as the region maintained unemployment rates on pace with the rest of the state and better than the nation. And in the midst of the economic downturn, we were able to assist in creating or retaining nearly 3,500 jobs, helped Gautier Steel obtain \$8.1 million in additional Department of Defense funding for its titanium production project, assisted local companies in securing more than \$80 million in federal contracts and aided Lockheed Martin Aeroparts and Martin - Baker America with expansion options.

To those who did find themselves affected by the recession, JARI was there providing assistance. Working with the Pennsylvania Department of Labor and

Tribute to Congressman John P. Murtha

For decades, Congressman John P. Murtha was synonymous with economic development in the Greater Johnstown region.

JARI emerged on the regional scene in 1974, the same year Mr. Murtha was first elected to Congress. Right from the start of his career as a Congressman, Mr. Murtha worked closely with JARI because he recognized our region's need to diversify from big steel and coal to smaller, more technologically advanced industries.

Throughout his career, Mr. Murtha worked to help the region prepare itself for the major economic changes that needed to occur. He secured funding for important infrastructure projects that were necessary for new economic development in Cambria and Somerset counties. Significant infrastructure improvements included upgrades to Route 219, the expansion of a four-lane Route 22 from Pittsburgh to Ebensburg, a new highway interchange and water and sewage lines near the John Murtha Johnstown-Cambria County Airport, the Forest Hills sewage treatment facility and the Quemahoning pipeline project.

Mr. Murtha directed funding to help grow the defense industry in our region, but he was also more personally involved. Mr. Murtha took it upon himself to introduce many of the world's top prime defense contractors to our region. Just as importantly, he worked closely with the region's business and economic development leaders to teach us how to work in the defense industry and make those personal introductions into real impacts on our region's economy.

>Continued on Page 2



Industry Rapid Response Team, JARI provided assistance to 885 displaced workers through outreach sessions for supportive services, job strategies workshops and placement assistance.

In 2009, we continued to build for the future. JARI representatives made three trips overseas meeting with foreign organizations with interests in the United States. Additionally, we continued to shore up our assets by making substantial improvements to properties owned by JARI's sister agency, the Johnstown Industrial Development Corporation.

While 2009 did not present JARI with the most ideal circumstances, we served our mission to the community. As a result of JARI's continued efforts, we believe our economy will recover on pace with the nation and will return to growth in the near future.

Sincerely,

Linda R. Thomson
JARI President/CEO

JARI 2009 by the Numbers

Jobs created:	595
Jobs retained:	2,885
New business startups:	22
Contracts awarded:	\$80.5 million
Clients assisted:	562
Financing and tax credits to clients:	\$13.9 million
Training sessions:	43

JIDC Makes Capital Improvements

Capital improvement was one of the priorities of 2009 as JARI invested into its assets to maintain their high level of quality.

Johnstown Industrial Development Corporation (JIDC), a sister agency to JARI, has responsibility for growing and managing all property assets for the organization. During 2009, JIDC authorized and managed almost \$300,000 in improvements to buildings, including significant renovations to the JARI Center for Business Development in Richland Township and a new HVAC system for the JARI Headquarter facility in downtown Johnstown. In both instances, energy savings and efficiencies will be realized with the improvements.

JARI Aids Displaced Workers

Historically speaking, 2009 will long be remembered as the year of a global recession that impacted every corner of the world.

The Greater Johnstown region was not immune to the impact of the recession. Unemployment rates in Cambria and Somerset counties nearly doubled during 2009 as compared to early 2008 as national and international trends impacted us locally.

This occurrence challenged JARI's workforce development efforts. And JARI responded with a nearly unprecedented level of assistance for displaced workers.

During 2009, JARI serviced 885 displaced workers in concert with the Pennsylvania Rapid Response Coordination Services program. That was a marked increase from 2008 when only 300 displaced workers required assistance. The results of the services provided were 21 new machinists trained, 218 displaced persons entering job training programs and the establishment of a high-school level machining training program. Additionally, JARI was able to procure \$200,000 for workforce initiatives.

"It was a retraining and reemployment year for us," said Debra Balog, JARI's director of workforce development. "It was a tough year, but a lot of good things happened, too. For instance, we were able to secure additional grant funding for training programs for machinists, electricians and medical professionals."

JARI now controls more than 117,000 square feet of office and warehouse space. All the facilities were fully leased at the end of 2009 with the exception of the 817 Franklin Street building in Kernville where approximately 15,000 square feet of space is available. Michele Clapper, Vice President of Economic Development, noted that all current tenants have indicated they intend to remain in their leased spaces for the foreseeable future, meaning that job retention and revenues generated from these assets will remain steady.

In addition to existing office space, JARI also ended the year with 674 acres of land that will create future park expansion

opportunities. Developed land for business use is currently available in the Johnstown Industrial Park, the Johnstown Business Park and the Johnstown Business Park Expansion (Phase II). In addition, almost 500 acres are available at the Quemahoning Industrial Park. Clapper said that exciting announcements will be coming in 2010 in regard to the Johnstown Business Park.

JIDC is beginning to plan for Phase III of the Johnstown Business Park along with its other activities related to providing business financing options for regional businesses wishing to expand.

Tribute to Murtha

cont. from page 1

Mr. Murtha worked with local leadership to ensure the emerging regional economy included advances in health care. He recognized the impact of technology, research and preventative care to Cambria and Somerset Counties' principle industry of employment. His efforts landed Cambria and Somerset counties the Joyce Murtha Breast Care Center, Windber Research Institute, the John P. Murtha Neuroscience and Pain Institute and the John P. Murtha Regional Cancer Center among others. Additionally, Mr. Murtha helped local health care organizations to enter into relationships with renowned health care facilities such as Walter Reed Army Hospital and the National Naval Medical Center in Bethesda, MD.

Mr. Murtha had the vision and leadership necessary to revolutionize our economy. The business landscape of Cambria and Somerset counties has been forever changed. We will miss our friend and champion. As a result of his efforts, we entered into a new decade on the cusp of very exciting times for our region.

Demand Week, a career awareness event that connects school students to representatives from business and industry. The group served 2,100 students from 14 Cambria County School Districts. In addition, the week included two industry tours for school administrators.

Opportunities Abound Overseas

The Greater Johnstown region has become home to several foreign companies during the past two decades, and during 2009 JARI staff travelled to two continents seeking ways it can to attract more foreign investment to Cambria and Somerset counties.

Linda Thomson made the long journey to China as a guest of CaerVision, a Frederick, MD, company that is expanding into the City of Johnstown. CaerVision develops video programming for doctor's offices, placing medical screens in waiting rooms and other venues.

Jack Zhang, CaerVision's CEO, primarily made the trip to meet with representatives from Hiseuse, China's largest manufacturer of electronics and appliances. Hiseuse was celebrating its 40th anniversary and had brought suppliers and customers from all over the world for meetings and information about new technologies, products and market strategy.

Thomson and Zhang also spent a good portion of their time meeting with potential investors for CaerVision's Johnstown operations. The Johnstown site is in a U.S. Immigration EB 5 eligible zone meaning that Chinese investors that provide a minimum of \$500,000 to the company located



Jack Zhang, CEO of CaerVision, and Linda Thomson present a proclamation from Governor Rendell to the Chairman of Hiseuse, Zhou Houjian, congratulating Hiseuse on its 40th anniversary and its work with CaerVision.

in this area may receive U.S. visas in return for their investment.

CaerVision's entry into the Johnstown area is the first known time the U.S. Immigration EB 5 eligible zone program has been used to attract business to the region. CaerVision expects to create 30 jobs in Johnstown over the next three years, but there is opportunity for more growth if investment efforts prove fruitful.

Meanwhile, Vice President of Procurement, Bob Shark made trips to separate defense and aerospace industry shows in France and England. Shark's trips were possible

because JARI and the Indiana University of Pennsylvania (IUP) were awarded a Regional Investment Marketing (RIM) grant from the state's Department of Community and Economic Development (DCED) to send representation to two defense shows.

In June, JARI and IUP representatives joined DCED at the Paris Air Show along with almost 2,000 companies and 140,000 attendees from the aerospace sector. In September, JARI, IUP, and DCED attended the Defense Systems and Equipment International show in London with over 1,300 companies and 25,000 visitors.

The local team met with over 80 foreign defense contractors during the two events and presented opportunities for establishing U.S. operations via subcontracting and joint ventures with local companies, as well as opening independent facilities in the region. Discussions are continuing, with the pinnacle coming during the 2010 Showcase for Commerce. The DCED awarded JARI a second RIM grant to develop and implement a focused itinerary for European companies interested in attending the local defense show. Approximately five to 10 foreign defense contractors are anticipated to attend.

Gautier Steel Moves Forward with Titanium Project

Gautier Steel took a significant step in 2009 toward becoming one of the U.S. Army's major suppliers of armor-grade titanium when it was awarded \$8.1 million in separate contracts by the Department of Defense in order to outfit itself with the proper equipment to produce titanium plate.

According to Darryl Diorio, president and CEO of Gautier Steel, the award, as well as Gautier's established work in producing titanium product for the Army, was the result of needs meeting capabilities and capacity. The Army requires its own dedicated supply of armor-grade titanium for outfitting its ground vehicles and Gautier had the capacity and the willingness to add the capability.

How the two entities found each other, Diorio said, was completely the result of JARI's hard work and determination.

"Linda knew me and knew our company had the ability to do this," Diorio said, referring to Linda Thomson, president and CEO of JARI. "She knew we could make the product and would have the dedication to it. She and the folks at JARI assisted in the procurement of funding for this project with Congressman Murtha. JARI knew the opportunity and knew the process. Really, JARI did it all."

Gautier began producing titanium products for the Army five years ago. That project was launched by over \$3 million in federal funding secured with the assistance of JARI through Congressman Murtha. The latest funding is for expanding Gautier's titanium producing capabilities and capacity. Overall, Gautier itself will have additionally invested millions of its own dollars into creating its titanium production capabilities.

The result of the Gautier titanium project

is a winner for everyone involved. Gautier has been able to add revenue and diversify its product offering. The Army wins because Gautier provides a dedicated supply of armor-grade titanium to the Army at a fraction of the cost paid for the aerospace-grade of titanium. And the greater Johnstown community wins because jobs have been created and the region has been further solidified as a "go-to" hub for the Department of Defense.

"This was one of those opportunities that was just a great fit for one of our region's businesses," Thomson said. "And it's an example of how we know we can depend on our local companies to deliver when an opportunity presents itself. It's examples like Gautier that we're able to showcase that grants businesses in our region a huge level of credibility with the Department of Defense."