

# 2011



## JOHNSTOWN AREA REGIONAL INDUSTRIES ANNUAL REPORT

## A Letter From the President

Dear JARI Stakeholders:

This is my opportunity to thank you, our many clients, partners, volunteers and contributors for your relationship with JARI. Our goal is to make sure that our region has economic opportunities for job growth, and we could not focus on our mission without the public/private partnerships that abound across our Cambria/Somerset landscape. This report is for you.

As you know, 2011 was a tough year economically for much of the United States, and it was no different here. However, we still have reason to celebrate some successes and new initiatives... so let me provide a few examples of recent activities:

1) We began holding bimonthly “roundtables” with the larger city industries for discussion of common issues and concerns. Topics include workforce training

and recruitment; safety; infrastructure; and city services.

2) Program Executive Officer Briefings were added to the Showcase for Commerce event, bringing more value to participants.

3) Cole’s Crossroads in Richland Township was improved to enhance safety in the Johnstown Business Park corridor.

4) A Marcellus Shale initiative was developed which includes hosting a quarterly consortium of companies who are interested in learning more about the supply chain, and building alliances with strategic partners to attract more investment from the shale gas industry.

5) JARI was approved as a 501 (c) 3 organization, allowing us to become a SBA micro

lender, and paving the way for more direct interaction with foundations.

We found ourselves exceptionally busy with providing services to 442 clients over the course of the year. While job creation numbers were down as compared to past years (167), we note that we had more government contracts reported (\$175 million) than in the past as well as more individuals who participated in training programs. One disturbing statistic is that we assisted 395 dislocated workers in 2011, about 150 more people than in the past year. Economic recovery has been slow and our 2011 numbers are consistent with this fact. But JARI is meeting this challenge with additional workforce training involvement in the Marcellus industry and through programs to assist small business start-ups and expansions.

I want to thank our JARI and JIDC Boards of Directors, especially chairmen Elmer Laslo and Jim Greco respectively, for their service to our organization. I also want to extend my thanks to Bill Polacek and Glenn Wilson for their leadership of the “It’s About Jobs” Fund Drive, launched successfully on November 14 with \$687,500 raised toward a first phase goal of \$1.5 million. JARI is grateful for community leadership that understands the important role of a strong economic development team.

Please contact me at [lthomson@jari.com](mailto:lthomson@jari.com) or at 814.262.8370 for more information, questions, or to inquire about JARI services.

Best regards,

Linda Thomson  
President/CEO

IN 2011...



**442**  
**CLIENTS**  
in Cambria and  
Somerset Counties  
were served by  
JARI/JIDC

## Route 219 Enhancements Come Closer to Reality

The importance of highway infrastructure cannot be overstated—ask anyone who travels to Pittsburgh on the recently completed Route 22 or those who drive to State College on I-99. This is a critical link for any economic region. Accessibility—to acquire goods, deliver products or simply meet face-to-face—is key to every region’s vibrancy.

For companies in this geographic region of the United States, the north/south highway corridor holds the potential for improving the efficiency of day-to-day business. It also provides the opportunity for those businesses to extend their reach to additional customers. In our region, the enhancement of Route 219 in both northerly and southerly directions would have a significant impact on the business environment.

The Greater Cumberland Committee, an economic development organization headquartered out of Cumberland, MD, formed the North/South Highway Coalition by assembling a team of business and government leaders from Maryland, West Virginia and Pennsylvania around the specific goal of continued development of Routes 219 and 220 through these three states. According to JARI President Linda Thomson, “JARI had been a member of the coalition, but we decided it was time to become more involved.”

Thomson became a member of the coalition’s core work group and joined the effort to identify and pursue the most readily-attainable goals. The currently identified objective is construction of a four-lane Route 219 connecting the Pennsylvania communities of Somerset and Meyersdale.

Several key factors are coming together to help expedite this project. One of those factors is the specific language included in the current federal transportation bill which provides Pennsylvania with enough “toll credits” to obtain federal funding for this project. Toll credits are earned when the state uses revenue from tolled entities for capital transportation projects. These credits can then be used to acquire matching federal dollars for the project. “If the legislation passes as written, Pennsylvania will have the funds to build that portion of the road,” said Thomson.

Through the North/South Highway Coalition, leadership in all three targeted states has organized around this issue. Commissioners in both Cambria and Somerset Counties have made the highway corridor a priority.

Though JARI has not been involved in transportation projects to a large degree in the past, the JARI board felt strongly that taking an active role in this particular project was very important to the organization’s overall goals of furthering economic growth in the region. “As any piece of this north/south highway is constructed, there is likely to be impetus for another section to be built,” said Thomson. This is a development that would serve to further enrich the regional business environment.



## “It’s About Jobs”

As the United States continues to recover from the economic recession, we have all grown accustomed to hearing the steady drumbeat of jobs-jobs-jobs. It seems that nearly every economic discussion is centered on employment numbers. And with good reason—job creation is an indicator of a healthy economy.

Job creation goes beyond the effects employment has on individuals. It is the direct

result of business growth. That is why businesses in Cambria and Somerset Counties stand firmly behind JARI and its mission to grow and support the area business community. Through the direct use of workforce development, business financing, government procurement and economic development services, area companies have had a devoted partner in JARI. The result has been the development and sustinment of a multitude

of businesses and jobs that support the families we call our neighbors.

While these efforts are made possible, in part, through state and federal grants and programs, a major portion of JARI’s funding comes from the financial support of our region’s businesses and citizens. As budgets continue to tighten, our organization has to look more towards the community it serves to support key services.

“JARI provides extremely vital programs and resources to companies throughout the region,” explained Linda Thomson, President of JARI. “Without the support of the private sector, we would not be able to provide these services.”

In the fall of 2011, JARI kicked off the “It’s About Jobs” Fund Drive, a fundraising initiative with a first-phase goal of raising \$1.5 million. These efforts have been led under the direction of Bill Polacek (CEO of JWF Industries) and Glenn Wilson (CEO of AmeriServ Financial). A “Birthday Bash” to initially get word of the fund drive out to the community used Mr. Polacek’s 50th birthday as a creative means to raise money for JARI and Lift Johnstown (a community organization dedicated to the improvement of the Johnstown region).

Since that night, “It’s About Jobs” has raised significant contributions, reaching well over two-thirds of the financial goal and fund drive leadership is optimistic about meeting the goal in full, sometime in 2012. “The community has really come together to ensure these services continue to be available to the region,” said Thomson. That’s because the services JARI provides directly impact our local business community. By attracting new businesses, offering training and recruitment services for existing companies, helping small businesses grow and adding strength and support to the regional defense and government contracting industries, JARI’s actions result in more jobs—better jobs—right here in our own region.



## Program Attracts Foreign Investment to Johnstown, PA

### THE EB-5 PROGRAM IS HELPING OUR ECONOMY

#### EB-5 Benefits include:

- **Guaranteed Job Creation**
- **Stimulate Local Economy**
- **Targets Areas with High Unemployment**
- **Significant Monetary Investment in Region**
- **Ability to Develop / Create Products for Long-Term Production**

Healthcare and technology are two industries that thrive in this area. They combine to employ thousands in the Cambria/Somerset region and have a history of motivating talented professionals to relocate to the area. Now, thanks in part to a federal immigration incentive, a company that bridges these two business sectors has been drawn to expand in Johnstown. And the result could be hundreds of new jobs.

For Jack Zhang, CEO and President of CaerVision Corporation, a deciding factor in selecting Johnstown for the business location is the Immigrant Investor Program. This program, also known as the EB-5 program, provides incentive for foreign investment in targeted employment areas. Under the EB-5 program, individuals can acquire residency visas by creating a set

number of jobs in a qualified geographic region.

Headquartered in Frederick, Maryland, CaerVision Corporation opened its Johnstown office in 2010, from which it delivers customized health education programming to physicians' offices across North America. The company creates digital media and original content to capitalize on patients' downtime in waiting rooms and treatment facilities.

CaerVision's staff has relied on JARI to provide several key services, including recruitment, training and funds for training. "Without JARI, we would not be here. JARI helped us to understand and know Johnstown," said Zhang. "We have the confidence that we have a local partner who will support us."

"By this time next year, there could be over 100 jobs at

CaerVision," explained Linda Thomson, JARI President. "They are looking for specific skill sets—computer skills, analytical skills—people need to be able to explain to the clients what the product is and how it works."

JARI's Workforce Development staff was able to use creativity in identifying and addressing specific challenges faced during the recruitment phase. For example, some CaerVision employees will be spending a significant amount of time on the telephone as part of their day-to-day duties. JARI was able to address this need by recruiting displaced call center employees.

JARI staff has accompanied CaerVision to China to meet with potential suppliers and investors. The result of these visits could mean even more foreign investment in our region.

"The relationship between JARI and CaerVision is a really strong one," said Thomson. "We want to encourage foreign investment in this region."

As a direct result of JARI's assistance and the EB-5 program incentives, virtually all of CaerVision's growth has been in the Johnstown office.

## JARI Helps Company Keep Start-Up Processes Covered



“Without JARI, we would not be here today. They played an extremely important role in assisting us through the early stages of our company.”

Starting a new business requires a lot of ingenuity and determination. In addition to having a sound business idea and the drive to make it a reality, there is a litany of logistical challenges that must be faced. Equipment needs to be sourced. A suitable business location needs to be found and customized. Staffing requirements must be analyzed and addressed. For these and a host of other challenges, businesses in our region have a willing partner in JARI, who helps them navigate these initial business needs.

“Without JARI, we would not be here today,” said Krista Rager, President of Para-Coat Technologies. “They played an extremely important role in assisting us through the early stages of our company.”

Her innovative company demonstrates the essence of

the entrepreneurial spirit. In a variety of industries—medical, defense, aerospace, electronics manufacturing and more—the need for an ultra-thin, defect-free protective coating is a necessity. Para-Coat Technologies is satisfying this need through the use of an advanced technology known as parylene conformal coating, which creates a uniform barrier that is applied in a manner that does not stress the item being coated.

Recently they have taken their expertise in an additional direction, targeting the consumer market. The same processes used to protect commercial products can be applied to the mobile phones we carry with us each day. The coating will not only protect the device from dirt and dust, but will actually render the phone waterproof. “Initially, consumers will be able to work

with us directly—shipping us their phones, which we will coat and return to them,” said Rager. “In the future we expect we will be working directly with the mobile phone manufacturers, increasing the value of their products before they even hit the store shelves.”

As a start-up company, Para-Coat Technologies was able to greatly benefit from JARI’s offerings—including financial assistance, site location, government procurement and networking. “JARI’s entire staff was eager to help in any way they could,” said Rager. “Michele Clapper (JARI’s Vice President of Economic Development) helped us obtain initial funding, which was crucial to getting started.”

JARI staff’s intimate knowledge of the entrepreneurial process, gained through years of dedication to the local business community, provides the

unique ability to assemble all of the pieces to help start-up companies like Para-Coat Technologies. In this case, JARI was able to obtain a sizable funding package that involved Johnstown Industrial Development Corporation (JARI's affiliate), Cambria County Alliance for Business and Industry, the City of Johnstown and Southern Alleghenies Planning and Development Commission in partnership with Northwest Savings Bank.

Due to the specialized nature of their services, Para-Coat Technologies was able to benefit from JARI's expertise in the field of government contracting. Working with Bob Shark, JARI's Vice President of Procurement and PTAC Program Manager, Para-Coat Technologies was able to quickly navigate through a complex introduction to the

industry. According to Shark, JARI was able to assist the company in several ways. "We worked with them on the basics of government contracting," he said, "we helped them craft their capabilities statement and provided education and counseling on working as a government contractor."

Representatives of Para-Coat Technologies also took advantage of JARI's popular Business Development Forums, where introductions were made that led to the company's first contact with a major local defense contractor.

In just three years since the company's founding, they have outgrown the 1,000-square-foot space of their Hornerstown facility and, with the help of JARI, have relocated to a 5,000-square-foot facility on Franklin Street in Johnstown.



## Annual Luncheon Infused with Fresh Air

The Johnstown Business Park stands as a positive symbol for the future of our region's business community. Existing tenants are working hard, expanding and bringing jobs into our community. Available lots are ready to welcome new or expanding businesses into the region which will grow our ready and able workforce. It was the perfect location for JARI's 2011 luncheon.

The annual event provides the organization with a chance to interact with the business

community it serves and highlight accomplished goals, current initiatives and future plans. Last year's event took the form of an outdoor picnic.

Dubbed "Picnic in the Park", the gathering was held under a massive white tent erected on Jim Edwards Drive. The tent was positioned to offer guests a view of the park and to showcase the land available for sale through the Johnstown Industrial Development Corporation (JIDC).

Nearly 200 people were on hand to enjoy an outdoor lunch and presentations on topics that included job creation and retention, workforce training, financial deals, and government procurement.

Richland Township officials were very accommodating, working with JARI and giving permission to close JARI Drive to through traffic for the event. JARI shuttled guests from various parking areas to the picnic area via buses.

This unique approach and venue not only gave guests an opportunity to congregate in the springtime air, but also exposed members of the community to the Johnstown Business Park and its many amenities: close proximity to the airport and retail establishments, excellent highway access, all major utilities on site and ready-to-build lots.

IN 2011...



**\$175  
MILLION**

in government  
contracts were  
awarded





## Improvements Make Park More Accessible

Supporting business and economic development throughout Cambria and Somerset Counties is a complicated agenda that requires a multitude of talents and tools. One key factor in growing local industry is the availability of suitable locations for new and growing companies. Locally, the region's business parks provide this resource in many forms, ranging from existing structures to fully infrastructured lots.

"We have invested in the properties and now we are investing in improvements to the surrounding infrastructure," said Michele Clapper, Vice President of Economic Development, referring to the three parks owned and managed by the Johnstown Industrial Development Corporation (JIDC), an affiliate of JARI.

A notable example of these improvements can be seen on the streets bordering the Johnstown Business Park. The northeast corner of the property is defined by the intersection of Oakridge Drive and Mount Airy Drive, known as Cole's Crossroads. In 2011, thanks to a \$521,538 Infrastructure Development Program (IDP) grant, JIDC undertook the sizeable initiative of improving this area of roadway, in partnership with Richland Township.

"We put in new pavement, new curbing and signalization," said Clapper. "We were able to improve safety for township residents and park employees, as well as anyone traveling there."

Additional upgrades included widening the roadway and improving drainage. This investment also created an

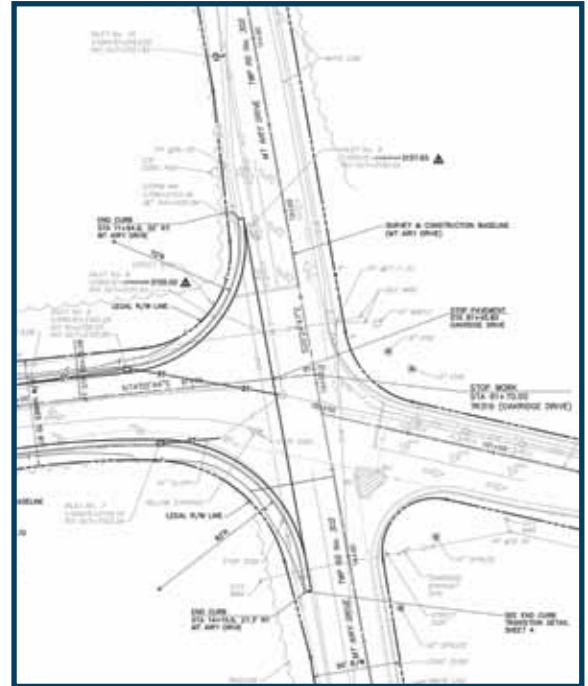
overall increase of value in the park through enhanced safety and convenience for tenants and their guests.

In conjunction with Richland Township officials, JIDC has been committed to making improvements along key portions of roadway bordering the parks. Working with Rian Barker, Richland Township's Public Works Director, JIDC was able to complete the project in compliance with local ordinances. The upgrades will allow for optimal use of the undeveloped land and increased traffic flow through the area.

**IN 2011...**  
**24 COMPANIES**



we were provided with site selection assistance



## 21st Annual Expo Continues to Evolve

Every year the defense business community anticipates Showcase for Commerce—a dynamic gathering of premier companies. This annual trade show hosted by JARI and the Greater Johnstown Cambria County Chamber of Commerce attracts thousands of attendees over a three-day period with the promise of networking opportunities, education and training sessions and exclusive access to government and industry leaders. Congressman Mark Critz devotes his personal attention to the Showcase by attending all Showcase events and visiting each exhibitor.

Delivering one of the major defense industry events in the nation requires ongoing creative thinking. As the event continues to grow and evolve, those charged with its planning

are tasked with uncovering new and exciting ways to develop fresh initiatives for the benefit of participants.

“2011 was a transition year for the Showcase for Commerce,” said Linda Thomson, President of JARI. “By introducing new programs, we were able to maintain a high level of enthusiasm and deliver a successful show.”

Included in the transition was a change in Showcase leadership. After 20 years, Showcase for Commerce Chairman Dan DeVos retired. A long-standing member of the Showcase Committee, Ed Sheehan, CEO of Concurrent Technologies Corporation, was tapped to take the helm. Mr. Sheehan had an idea to create a new initiative, the

(PEO) Briefing. Through this program, conference attendees were able to interact with PEOs from the United States Department of Defense. This opportunity for local defense contractors to learn from high-level acquisition personnel not only helped them discover government priorities, problems and requirements, but also created an opening to demonstrate how well area businesses are equipped to meet these needs.

“Hearing directly from PEOs helps local companies better position themselves to get contracts within the defense industry,” said Thomson, “and our Showcase provides the opportunity to interact in a small setting in Johnstown.”

Following the success of the 2011 event, the Showcase

Committee immediately began developing a plan for the 2012 trade show. “We receive a lot of feedback and use it to try new things,” said Thomson. “We have a great team with strong leadership and excellent volunteer support.”

IN 2011...



**\$100  
MILLION**

in contracts were  
awarded during  
Showcase for  
Commerce



## Specialized Programs Replenish Area Workforce

Companies across the country as well as our local manufacturing companies are facing a dilemma of replacing highly skilled retiring workers. As senior members of their workforce approach retirement, companies are finding it difficult to attract workers who possess the skills needed to fill those vacated positions.

“One of the greatest challenges facing the manufacturing sector is the chronic shortage of qualified, skilled labor,” said Shawn Kaufman, Human Resources Director at Riggs Industries and Co-Chair of the Cambria/Somerset Manufacturing Consortium. “Amplifying this situation is the wave of workers set to retire over the next few years. ‘Boomers’ make up a disproportionately large share of workers in traditional ‘blue collar’ occupations.”

“Potential retirees initially stayed on the job longer because of the downturn in the economy,” explained Debi Balog, Workforce Development Director, “however with the economy improving, the number of skilled workers who plan on retiring comprises a significant percentage—as much as 30%—of the manufacturing workforce.”

To help support local companies with their efforts to recruit and train for replacement workers, JARI deployed a strategy to help fill those positions by offering training programs that enable incumbent workers to advance into intermediate and advanced level positions. JARI also created a “pipeline” of entry level workers who are trained to enter into positions made available by workers who moved up the

career ladder. This approach ensures that companies have a continuous flow of workers at various skill levels.

In 2011, JARI utilized funding obtained from the U.S. Department of Labor: Employment and Training Administration to train for the most critical openings: machinists and electricians. In the mix of retirees are experienced and knowledgeable employees holding management and supervisory positions thus leaving companies with the need for leadership training. JARI, with the assistance of Johnstown Wire Technologies worked to bring a Mini-MBA Program, offered by Indiana University of Pennsylvania to Johnstown. The 60-hour program was opened to all members of the consortia. The first class had 15 graduates. Overall in 2011, 481 individuals

from various industries participated in 16 different JARI-led training programs.

In addition to the training programs, JARI facilitated outreach initiatives to help publicize job openings to attract a larger number of qualified workers and to promote in-demand occupations. One of the most successful outreach programs was Careers in Demand Week, held in concert with Goodwill Industries and JARI’s Industry Consortia. This program focused on career awareness activities (industry tours, poster contests and career games) for students in the local school districts. Over 900 students were involved in career activities that provided information to assist them with career choices and career planning.

Kaufman concludes, “Our membership in the Cambria/



Somerset Manufacturers Consortium has been very beneficial. Through JARI, regional manufacturing companies have been able to speak with a single voice enabling us to gain greater attention and consideration from educators and the public in regard to the employment opportunities that exist in our industry. JARI’s facilitation has enabled us to work with similar businesses lending credibility to our claims.”

## JARI

### 2011 Staff

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**Linda Thomson**, President/CEO  
**Debi Balog**, Director  
Workforce Development  
**Michele Clapper**, Vice President  
Economic Development  
**Sherry Click**, Administrative Assistant  
**Holly Fuhrmann**, Staff Accountant

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### 2011 Board of Directors

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### 2011 Members

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Lockheed Martin Aeroparts  
**Troy L. Van Scoyoc**, COO  
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245 Market Street  
Suite 200  
Johnstown, PA 15901  
814.535.8675  
www.jari.com