



BUILDING ECONOMIC MOMENTUM

*Creating a strong
foundation for growth.*

2016 ANNUAL
REPORT

JARI 
Growing Your Region



OUR MISSION

JARI will be the collaborative force that enhances all aspects of our region to grow a diverse economy and build vibrant communities.

JARI is building economic momentum with your help

Welcome to the 2016 JARI Annual Report! As a key stakeholder in the JARI organization, we want you to have the best information regarding our most recent progress. In our report this year, we will describe how, working together, we built significant economic momentum over the course of the past year.

Metrics were up across most categories, verifying the “on the ground” view from our team, particularly during the last half of 2016.

Duke LifePoint, LifePoint Health Business Services, Gautier Steel, BCL Manufacturing, GapVax, and many other regional businesses served as catalysts by making key investments in the region, either by enhancing or growing their facilities or by purchasing new equipment or technology. Governor Wolf and the PA Department of Community and Economic Development delivered great news on several occasions, making state investment announcements at both LifePoint and Gautier.

The even better news is that as I write this message in the spring of 2017, construction crews are busy working throughout the region, purchase orders and contracts are growing, and employers are actively looking for talent. We know that hundreds of jobs are now posted by the 75 employers expected to attend the upcoming Job Fair, while at least 1,000 jobs are currently unfilled in our two-county area.

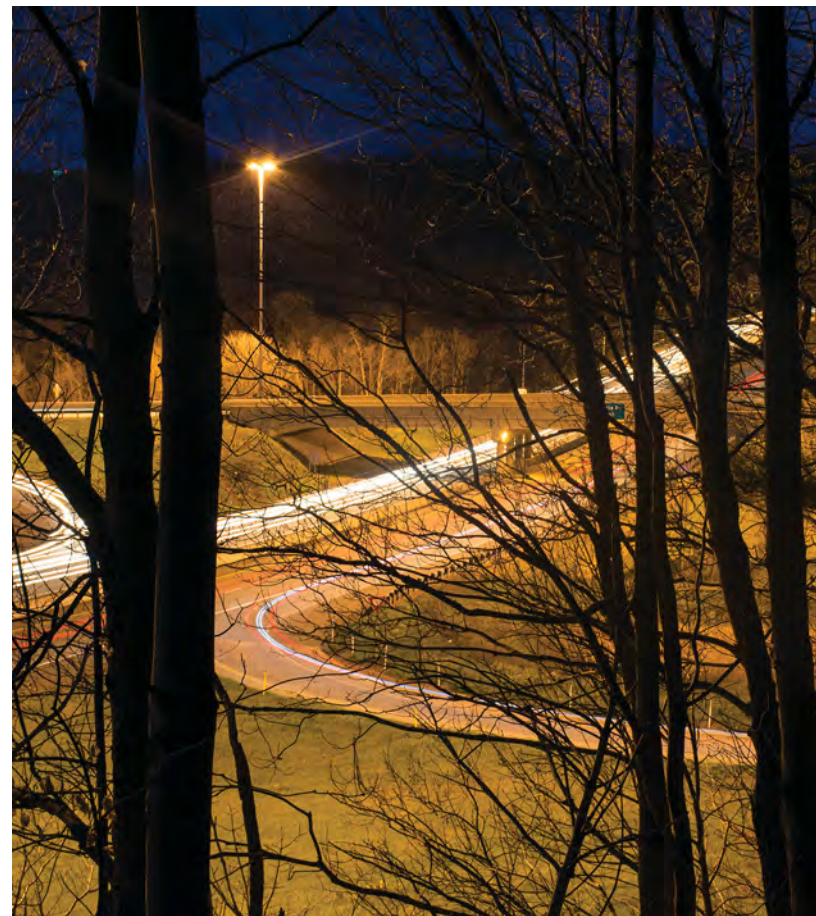
JARI is working diligently to match, train, and recruit talent to bridge this gap. In addition, we are striving to recruit companies to our region that align with our most robust sectors while helping to expand and retain our current businesses. Our work as procurement specialists continues as we assist small companies to grow markets with the public sector. And, we are fulfilling our strategic initiatives to enhance our financing and technical assistance hub for start-ups as well as our commitment to the Vision2025 framework.

Many thanks to our dedicated staff, directors, board officers and consortia members who work tirelessly on our behalf.

Let’s grow together.

Sincerely,

Linda Thomson
President/CEO



WELCOME

JARI Growth Fund launches in 2016

After years of planning and preparation, the JARI Growth Fund was launched in 2016, with plans for significant expansion in the near future.

“For the first time, JARI has in-house funds to be used on community and economic development,” said Michele Clapper, JARI Vice President for Economic Development.

The Growth Fund enables JARI to provide funding to start-up and existing companies. In 2016, JARI established a board of directors and loan review committee, launched a website and electronic application, and obtained loan review software.

The fund, which meets CDFI (Community Development Financial Institution) guidelines set by the federal government, currently has “emerging CDFI” status — a CDFI is a private financial institution that delivers responsible, affordable lending in communities with lower incomes, with the goal of sparking job growth and retention in hard-to-serve markets.

“The fund provides low and moderate income residents the ability to learn skills and obtain capital, affording these individuals the opportunity to succeed where they otherwise might not and in turn allows for the diversifying of the local economy,” said Steven K. Howsare, president of the Growth Fund board.

The fund received seed money from the Cambria County Alliance for Business and Industry and inherited that loan portfolio. In 2016, several additional loans were approved and two have closed, including one to DK Environmental & Construction Services.

Debbie Koontz of DK Environmental & Construction Services Inc. holds a lead testing tool used in inspections and abatement projects.



Growth Fund Board of Directors

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Frank J. Janakovic, Executive Director, Alternative Community Resource Program

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Rose M. Lucey-Noll, Executive Director, CamTran

“Since starting in 2007, JARI has been an invaluable asset to my company. Their loans have enabled me to purchase equipment and hire employees necessary to grow my business,” said Debbie Koontz of DK Environmental & Construction Services Inc. “Also, JARI’s knowledgeable staff has been a go-to source when I’ve needed information or help maintaining necessary licensing and compliance. It is safe to say that my company would not have enjoyed the level of success it has without JARI.”

Currently, two loan products are available from the Growth Fund and range from \$2,500 to \$25,000. They include small business loans to Cambria County businesses, which are typically offered to sole proprietorships and LLCs. Commercial façade improvement loans for businesses that want to make improvements to business exteriors are available in commercially zoned areas of Bedford, Blair, Cambria, Fulton, Huntingdon, and Somerset Counties.

Significant expansion for the fund is expected in 2017. “We expect federal CDFI certification in 2017, and we’ve applied for \$700,000 from the Federal Treasury that we’ll be able to loan to a six-county area,” Clapper said.

Building the area’s defense industry through collaboration

Government contracting has traditionally been an important part of the region’s economy. JARI’s Procurement Technical Assistance Center (PTAC) continues its efforts to help local businesses obtain federal, state and local contracts — on their own and in collaboration with other companies.

“A lot of connections are being made,” said PTAC Program Manager Lenora Leasure. “Businesses here are so willing to work together and collaborate.”

Compass Systems Inc. is one of many small businesses that has worked closely with JARI to network. Roughly three years ago, Compass Systems was supporting the war fighter with a variety of unmanned systems services and support equipment. When the deployments came to an end, Compass was not prepared or diversified enough as a business to quickly recover and grow, and unfortunately experienced significant layoffs. JARI was able to assist Compass at the right time and help make key connections with local companies through JARI’s Defense Business Council (DBC).

“JARI has been instrumental in helping small businesses like ours to network with local industry. The networking has enabled true opportunities for long-term partnership and growth. We are very thankful for the connections JARI has helped form between Compass Systems and other local businesses,” said Compass Systems Director David Bjornberg.

The DBC is just one way local businesses get to know more about each other. JARI holds Government Business Development Forums twice a year as a networking opportunity and collaborates with other area PTACs on networking and educational events.

Helping businesses learn the necessary steps to successfully win a government contract is a big part of JARI’s mission, too. A major initiative in 2016 was an e-chat and webinar program co-sponsored by the Small Business Administration in Pittsburgh, the North Central Pennsylvania Regional Planning and Development Commission, and JARI PTAC. A topic related to government contracting was introduced and discussed during a 15-minute e-chat session, followed by a one-hour webinar with much more information.

“We’ve helped hundreds of small business owners learn about contracting — many of our chats and webinars have had 100 registrants,” said Regina Abel, SBA Pittsburgh Deputy District Director. “More importantly, individuals are realizing the valuable assistance provided by JARI, North Central and SBA.”



Linda Thomson, JARI President, and Klaus Bolving, President of the Danish defense industry organization CenSec, celebrate the signing of a formal collaboration agreement at the 2016 Showcase for Commerce. Looking on, from left to right: Bill Polacek, JARI Board President; Jim Penna; Jesper Nielsen; Ed Sheehan of CTC; Sen. Bob Casey; Rep. Keith Rothfus.

In addition, JARI staff attended a Defense Contract Management Agency town hall in Pittsburgh. Contractors participated in an informative presentation, networking session, and panel discussion designed to help them better understand the government contract administration process.

The 26th annual Showcase for Commerce was held in late May, co-sponsored by JARI and the Greater Johnstown Cambria County Chamber of Commerce. Highlights included a government procurement expo, government contracting series workshop, and the announcement of \$75.5 million in contracts. For the first time in several years, the event featured a supplier briefing — a representative from Lockheed Martin presented how to do business with Lockheed.

JARI collaborates to attract, retain, and expand local businesses



LifePoint Health Business Services is now located in Johnstown, which means a gain of up to 300 jobs.

JARI takes a three-pronged approach to growing our local economy and improving the business climate – attraction, retention, and expansion.

“JARI has always been about helping to attract, retain and grow small businesses,” said Linda Thomson, President/CEO of JARI. “But now we have more tools than ever to help and want to get the word out about all we can offer.”

Attraction

JARI collaborates with a wide variety of organizations and entities to attract businesses to our region.

A major success story in 2016 was facilitated by the Conemaugh Health System and former CEO Scott Becker, who had the vision of bringing LifePoint Health Business Services to the Conemaugh Medical Park.

JARI helped pitch LifePoint on the idea and cooperated with the statewide Governor’s Action Team, a part of the PA Department of Community & Economic Development, to get the incentive package in place. As a result, the back-office billing for the LifePoint system — about a dozen hospitals across the country — is now located in Johnstown.

“Well over 100 people have been hired thus far, with the expectation of up to 200,” said Debi Balog, Director of Workforce Development for JARI. “We’re assisting with job training to place qualified people into those new jobs.”

JARI has built a significant relationship with the state international office and Governor’s Action Team to attract business here.

“In January 2016, the Wolf Administration partnered with JARI to announce 185 new and retained jobs in Johnstown as well as \$15.6 million in state funding to promote job growth and help bolster the Johnstown economy,” said Secretary of Community and Economic Development Dennis Davin. “JARI is an invaluable partner, and we look forward to future opportunities to advance industry and economic opportunities in the Johnstown area.”

In addition, JARI is building relationships with international organizations such as the Center for Defense, Space and Security of Denmark, also known as CenSec. At the 2016 Showcase for Commerce, JARI and CenSec entered into a formal collaboration agreement.



JARI facilitated major grant funding for Gautier Steel, enabling the mill to transform from a traditional steel mill into a mill capable of producing titanium and other exotic metals.

“Working together, we are sure to find ways that companies from both Denmark and the region may work together to grow markets and add to our economies,” said Klaus Bolving, President of CenSec.

Finally, JARI has retained Fourth Economy, a consulting firm, to help in targeting our efforts to attract new businesses to the region.

Retention

JARI has many tools to help retain businesses, including a wide range of financing options and opportunities. Loans are made to businesses in all sectors, and JARI has more financing tools than ever to help. In fact, JARI is the certified economic development entity for Cambria County for all the Commonwealth programs, as well as the liaison with loan programs offered through the Southern Alleghenies Planning & Development Commission and the City of Johnstown.

“If we don’t have those funds in-house to help with financing, we are the liaison with a large range of local and state programs,” said Michele Clapper, Vice President of Economic Development. “So we can help businesses with everything from a microloan of a few thousand dollars to administering loans of over a million dollars.”

In 2016, JARI helped businesses with more than \$6 million in financing, including servicing 31 microloans in Blair, Cambria, and Somerset Counties.

Expansion

JARI works tirelessly to help area businesses expand their operations and grow into new markets. For example, in 2016 JARI assisted Gautier Steel with major grant funding from a variety of grant programs designed to create and retain jobs. The funding transformed Gautier from a traditional steel mill to a mill capable of producing titanium and other exotic metals.

“Through JARI and the leadership of Linda Thomson, we were able to take a decommissioned part of a mill and have it shipped from Alabama to Johnstown and basically create a new mill,” said Jacqueline Kulback, CFO/Controller of Gautier Steel. “The new mill is able to roll some of the hardest metals known to mankind – but it wouldn’t be in existence without JARI’s assistance.”

“JARI is an invaluable partner, and we look forward to future opportunities to advance industry and economic opportunities in the Johnstown area.”

DENNIS DAVIN
SECRETARY OF COMMUNITY AND ECONOMIC DEVELOPMENT

Vision2025 engages the community – and takes a look at Johnstown’s riverwalls

This year Vision2025, a community and economic development program first launched in 2015, actively engaged more than 800 volunteers – and kicked off a major project involving Johnstown’s riverwalls.

Vision2025, which is housed in JARI’s offices, has identified three major areas of focus: a strong sense of community, life-sustaining landscapes, and vibrant and open local economy. Some 22 “capture teams” of volunteers are working on a variety of programs under each area.

Funding has been identified to help the capture teams further their projects, too. Vision2025 partnered with the Discover Downtown Johnstown Partnership and the Community Foundation for the Alleghenies to institute a \$25,000 Capture Awards Program, which provides awards of \$500 or \$1,000 to capture teams that successfully apply through the Community Foundation.



More than 200 residents participated in design charrettes on Johnstown’s rivers, exploring how the rivers might be better utilized.

“We were pretty successful in starting this project from nowhere. Two years ago, nobody was talking about the rivers.

RYAN KIETA
VISION2025 DEVELOPMENT CONSULTANT

Capture team projects are too numerous to list in detail, but include such diverse initiatives as the planting of 80 tulip bulbs and several trail clean-ups by the Greenspace Capture Team, and the creation of an Ethnic Village event by the Ethnic Celebrations Capture Team.

Meanwhile, the professional leadership of Vision has been working on five overarching areas: blight and land banking, multimodal and transportation planning, neighborhood development, urban sustainability, and water and river issues. In addition, five interns helped Vision’s program officers with a variety of initiatives.

But the signature project of 2016 was to begin evaluation of Johnstown’s riverwall system and how the rivers and the walls might be modified for recreation and development. Goals include enhanced life safety and flood management; economic development through the creation of attractive riverfront property; improving the rivers’ ecosystem; and creation of community-oriented parks and recreation spaces.

In March, the Army Corps of Engineers, Pittsburgh District (USACE) began a hydrologics and hydraulic study in Johnstown, which marks the first time an in-depth study has been done since the riverwalls were installed in 1939. This floodplain study is going on now, and will wrap up in fall 2018. It will evaluate how effective the system is now, and how things might have changed over time.

“The overarching goal of the study is how to prevent flooding in Johnstown — how well the current system is working, what modifications and beautifications might be possible, and what else might be needed for even better protection,” said Ryan Kieta, Vision2025 Development Consultant.



The Harvard team included Marc Norman, Ann-Marie Lubenau, Charles McKinney, Thaddeus Pawlowski, LaShawn Hoffman, Julie Campoli, and Damon Rich.

The \$250,000 study is made possible under Section 206 of the Flood Control Act of 1960, which authorizes the Army Corps to aid Johnstown with technical assistance. Additionally, the Water Resources Development Act of 2016 — which was passed by the US House and US Senate in the fall, holds promise for significant future federal investment in our community.

The project got a creative boost from outside experts working with local volunteers. From September 9th-11th, seven world-renowned architects, planners and developers from the Loeb Fellowship of the Harvard University Graduate School of Design led a design charrette in Johnstown on the river system including the walls. More than 200 residents participated in dynamic sessions about how the rivers might be better utilized for recreation, economic development, art and culture, and environmental restoration.

“Harvard was excited by the fact that they were sending talent of that caliber to a city that would not have access otherwise,” Kieta said. “We heard some incredibly creative ideas from the public, and the designers were able to focus that creativity into practical, forward-thinking design concepts.”

The Army Corps of Engineers has created a timeline until 2023, identifying programs Johnstown should pursue in addition to the initial hydraulic and hydrology study. These include studies about watershed and stormwater management, as well as an ecosystem restoration study and implementation.

“We were pretty successful in starting this project from nowhere,” Kieta said. “Two years ago, nobody was talking about the rivers. This is just the beginning of interest and advocacy for the rivers’ revitalization. We believe this will lead to all sorts of improvements in economic development and environmental restoration.”

“We believe this will lead to all sorts of improvements in economic development and environmental restoration.

RYAN KIETA
VISION2025 DEVELOPMENT CONSULTANT

JARI helps connect employers with talent

In 2016, two JARI programs helped two very different groups — highly-trained people who had lost their jobs, and unemployed people in need of training to upgrade their skills — find their way into the workforce.

In 2016
1st Summit Bank, CAMCO,
Electromet Corporation,
Environmental Tank & Container,
North American Höganäs,
Northwest Bank, and
Somerset Trust Company
donated a total of
\$152,000 to make
the NAP Tax program possible.

“At Northwest, we’re proud to support JARI because we firmly believe in everything they’re doing to arm our local workforce with skills our industries demand.



KEVIN M. VOLK
VICE PRESIDENT OF COMMERCIAL LENDING FOR NORTHWEST BANK

Open Discussion Forums

This year JARI began a new program in cooperation with the Southern Alleghenies Planning & Development Commission to complete an assessment of the defense industry and diversification plans in a six-county region. Cambria County was impacted the most from the downturn in the defense industry, so JARI decided to meet with defense companies to look at other markets — and provide intensive services for displaced workers.

The open discussion forums provided resources and assistance to 22 defense workers who had lost their jobs. These individuals had been in the workforce for a long time, serving in highly specialized occupations with high salaries — but they too faced significant challenges in finding a new career.

JARI held 35 forums over a six-month timeframe for the workers, with one or two meetings weekly. The meetings covered topics such as unemployment information, healthcare options, educational and retraining opportunities, job search activities, and workshops on financial planning, budgeting, civil services testing and more.

“The forums became more than just a ‘job club’ – they provided much-needed networking and support,” said Debi Balog, Director of Workforce Development. “Our success shows a collaborative effort among our local employers and partners who offered advice and provided resources to help participants transition to re-employment. In fact, the Office of Economic Adjustment invited us to a national conference to present the project as a best practice.”

The program delivered terrific results, too. Two participants chose to retire, while one chose to expand his part-time business to full-time — and 19 are now employed locally in new positions with comparable or slightly lower salaries.

A key part of the program’s success was the cooperation and support from 24 area employers who were eager to help transition the displaced workers and keep them in the area.

“The weekly meetings at JARI were a lifeline,” said Janet, a participant. “They answered so many questions and gave you a support group of people going through the same thing you were. I feel the time I spent at JARI played a large part in me getting a job.”



The program enabled six Johnstown residents with little training or education to earn a Class A CDL and gain employment as truck drivers.

NAP Tax

JARI completed the second year of an exciting program that helps Johnstown residents who required occupation-specific training become qualified for jobs with family-sustaining wages. The program is made possible by the Neighborhood Assistance Tax Credit Program (NAP Tax), where businesses with state tax liability can donate to JARI’s workforce program and receive 75% in tax credits.

The type of training offered is based on workforce needs, which in 2016 was determined to be commercial driver training. Seven unemployed residents completed a rigorous 240-hour program to enter this in-demand profession, which has an average starting salary of \$36,000 annually.

“The Class A CDL is the gold standard and opens many opportunities,” said Tricia Rummel, Supervisor of Adult Education from the Greater Johnstown Career & Technology Center. “Graduates from our truck driving programs are highly sought after for jobs in the transportation and construction industries.”

Seven individuals participated in the program, which also included workforce readiness training. Six received their licenses and all seven are now employed. In addition, they completed 78 hours of community service to help “pay it forward.”

“At Northwest, we’re proud to support JARI because we firmly believe in everything they are doing to arm our local workforce with skills our industries demand,” said Kevin M. Volk, Vice President of Commercial Lending for Northwest Bank. “The contribution we made last year was put to good use, giving seven individuals the opportunity to begin a new career and secure a brighter future.”

Highlighting JARI initiatives in 2016

- 328 jobs created
- 4,012 jobs retained
- 11 new start-ups
- \$6,837,199 in financing and tax credits
- 394 clients assisted
- 15 companies received site assistance
- 129 companies received financing assistance
- 27 training sessions with 725 attendees
- 20 outreach events with 2,079 served
- 35 open discussion forums with 22 served, of which 19 are re-employed; 2 retired; and one business grew from part-time to full-time
- 305 dislocated workers assisted
- 4 consortia met regularly to stay abreast of workforce needs
- \$59,000 in workforce training funds secured for private companies
- 7 individuals completed CDL training through the NAP Tax program, and are now employed full-time in the trucking industry
- JARI Growth Fund established
- Worked with SAP&DC to complete 10 initial defense industry assessments and five diversification plans

JARI

2016 Staff

Linda Thomson, President/CEO
Debi Balog, Director, Workforce Development
Holly Bodolosky, Staff Accountant
Michele Clapper, Vice President, Economic Development
Lauren Brewer, Communications/Administrative Support
Lenora Leasure, Program Manager, JARI PTAC

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Sally A. McClintock, Business Development Specialist, Meadowview Nursing Center
B. Paul Seitz, Employer Relations Specialist, Phoenix Rehabilitation and Health Services

Consortia

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Linda L. Fox, Recruitment and Retention Coordinator, Conemaugh Health System
Lindsey Hilbrecht, Manager-Human Resources, North American Höganäs
David R. Johnson, Vice President, North American Höganäs
Carole M. Kakabar, Superintendent, Ferndale Area School District

JIDC

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Joel C. Valentine, CPA, Co-Chief Executive Officer, Wessel & Company
Michael A. Barletta, President & CEO, Crown American Associates
Mark Parseghian, III, Principal Risk Management Lead, Concurrent Technologies Corporation
Gregory J. Winger, Sr. VP, First National Bank of Pennsylvania

Defense Business Council

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David Bjornberg, Director, Engineering Solutions & Manufacturing, Compass Systems
John R. Boderocco, President, H.F. Lenz Company
Timothy P. Brown, Vice President, Enterprise Ventures Corporation
Anthony N. Caper, Site Lead, DRS Technologies
Darryl L. DiOrio, President/CEO, Gautier Steel
Robert J. Eyer, President, Wessel & Company
Jason M. Galiote, Operations Manager, Kitron
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Gilda A. Jackson, President/General Manager, Lockheed Martin AeroParts, Inc.
Håvard Klokkerud, VP/GM, Kongsberg Protech Systems USA
Kim W. Kunkle, President, Laurel Holdings
Gregory S. Platt, Assistant General Manager, Cambria County Assn. for the Blind & Handicapped
John J. Polacek, COO, JWF Industries
Jennifer L. Roseman, Vice President, VetAdvisor
Michael A. Santoro, General Manager, Martin-Baker America
Carl R. Sax
William S. Sipko, President/CEO, BCL Manufacturing
Jeffrey R. Wood, VP, Finance & USG Compliance, Kongsberg Protech Systems USA

JARI 
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