



MOMENTUM MATTERS

A YEAR OF
ECONOMIC PROGRESS

2017 ANNUAL
REPORT

JARI 
Growing Your Region

JARI DRIVES RESULTS, CREATING MOMENTUM.

2017 AT A GLANCE

373 CLIENTS ASSISTED **381** JOBS CREATED

4,566
JOBS RETAINED

47 TRAINING SESSIONS WITH **819** ATTENDEES

\$125M
REPORTED GOVERNMENT
CONTRACTS AWARDED

31 OUTREACH EVENTS WITH **1,730** ATTENDEES

\$4,593,119
FINANCING AND TAX CREDITS

DEAR FRIENDS

What a transition year we have had! The economy has improved, jobs are becoming more abundant in our region, and results of JARI strategic initiatives are making a difference. JARI drives results and creates momentum: this is our charge. Whether equipping entrepreneurs with capital and resources to forge ahead with their innovations or assisting existing manufacturers with new investments in technology or talent attraction, our team works tirelessly to better economic opportunities for all.

The 2017 Annual Report: Momentum Matters — A Year of Economic Progress is full of stories about those we serve, the communities we support, and the progress we are making, together with our partners, collaborators, and contributors. This is a journey we are making with each other.

As we are on the cusp of the dedication of a new highway between Somerset and Meyersdale, coming closer to the realization of a four-lane Route 219 to I-68 in Maryland, driving results and creating momentum seems to be an excellent way to characterize our forward progress as a region.

As this report is going to print, we just helped to organize and operate the Cambria County Job Fair where more than 80 companies from across all sectors came together to entice job seekers with over 900 jobs. This has been a recurring theme throughout the past year: attracting talent with the skill sets

needed to keep our companies competitive. This continues to be a key strategy at JARI. Our workforce training and recruitment efforts have been intertwined in our economic development programming for almost 19 years.

You may also take note of our new entrepreneurial outreach efforts, our important work with Vision2025 to revitalize and grow our hub community, the City of Johnstown, and the growth of our small business financing programs that are helping to transform our Southern Alleghenies region. In addition, we are working with our defense companies to ramp up for new contracts and work coming through the pipeline. 2018 has already brought expansions of several companies in this sector.

Many thanks to our JARI, JIDC and JARI Growth Fund boards of directors, our industry partnership members and our Defense Business Council. We are most grateful for the service of these individuals, who give of their time and talent for the betterment of our region. On behalf of all of them, along with our staff, I would like to thank our corporate, government, foundation and small business contributors who put their faith in our organization to get the job done.



Linda Thomson
JARI President/CEO

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



FINANCING

Stone Bridge Brewing Company

GROWING FINANCING OPTIONS TO MEET BUSINESS NEEDS

JARI continues to expand the ways in which we can help finance start-ups, small businesses, and expanding businesses.

"JARI is a great source for small business funding," said Jeremy Shearer, who owns Press Bistro, a popular downtown restaurant. Shearer and his wife, Jenn, plan to open the Stone Bridge Brewing Company in 2018. "We're doing what we can to grow our business and attract more people to downtown Johnstown. JARI worked to help us see this model through, and put together a funding package that helped us move forward without being over-leveraged."

The JARI Growth Fund, which was founded in 2016 and is working over a six-county Southern Alleghenies region, received its

federal certification and state accreditation as a Community Development Financing Institution (CDFI) this year. This enabled the JARI Growth Fund to establish a \$250,000 state funded Diverse Business Fund for minority-owned businesses across our region that can be used for building projects, real estate purchases, equipment or working capital.

"Activity in the microloan program has drastically increased," said Michele Clapper, Vice President of Economic Development for JARI. "People are getting more accustomed to the program, and referrals are way up. We're able to offer interest rates that are market rate, which is really attractive."

In fact, JARI's microloan program has now deployed more than \$1 million to businesses in Bedford, Blair, Somerset, and



Manor Meadows Farm

Through the generous participation of local partners, JARI has been able to provide more than

\$550,000

in in-kind educational support to our microloan clients.

Cambria Counties — including the first-ever loans in Bedford and Somerset Counties. In addition, JARI has requested another \$500,000 from the Small Business Administration.

“The process was a walk in the park,” said Kenny Stanton, who received a \$50,000 microloan for his family-owned business, Manor Meadows Farm. Stanton’s loan will allow him to purchase more cows and thereby increase his cash flow.

In-kind participation by local businesses has been a key to the success of the microloan program, and JARI is grateful for their support.

Meanwhile, JARI continues to facilitate a variety of creative financing opportunities for the future. Vision2025 has created a Re-Energize Capture Team, which has identified a need for programs to increase energy efficiency. With the help of the Community Foundation for the Alleghenies, JARI has hired a consultant to analyze programs that already exist to fund energy efficiency improvements so that they can develop a loan product to cover gaps for local businesses who want to become more energy efficient.

“We can find ways to help, no matter how small or large your project,” Clapper said. “We continue to increase our funding portfolio and if we don’t have a program that suits your needs, we’ll help you find one that does.”



COLLABORATION

FOCUSING ON COMMUNITY DEVELOPMENT WITH VISION2025

In 2017, Vision2025 mobilized more than 1,000 volunteers from the Johnstown region in more than 25 capture teams, and fostered collaboration across the entire community. JARI continues to provide support for the grassroots project with a focus on community as well as economic development.

"We moved from housing the project to helping implement it," Thomson explained. "We're impacting Vision, and Vision is impacting us — so it's a very collaborative environment."

"There are things that are percolated out of our capture teams that just naturally reside within the work of JARI because they have to do with economic development," added Wally Burlack, Vision2025 Development Consultant.

One example of Vision2025 Capture Team ideas that is now being implemented with JARI support is the Re-Energize Johnstown Capture Team's study of green energy financing. Another example is the Community and Resource Job Fairs JARI has held in the community with the support and input of Bridging Cambria County and United Neighborhoods Capture Teams.

"It has been an organic process, gaining a better understanding of the needs of the community through Capture Teams," Burlack

said. "For example, in the area of workforce development, the capture teams give us a better understanding of the needs of an underserved population and allow us to tailor job fairs to meet those needs with considerable success."

Vision2025 is also finding support from Startup Alleghenies, a new three-county initiative designed to support entrepreneurs. JARI hosts the Cambria County entrepreneur coach for the initiative.

"People come to us all the time with entrepreneurial ideas, but not necessarily a business plan," said Ryan Kieta, Vision2025 Development Consultant. "We're able to connect them to Startup Alleghenies and JARI so they can find the business planning expertise and funding they need to take their idea forward."

There are more than
1,000 volunteers
working in over 25 Capture
Teams as part of Vision2025.





Vision2025

Greater cooperation leads to greater funding

The Vision2025 effort is a big reason why Johnstown, along with Erie and Bethlehem, was chosen by the Pennsylvania Department of Community and Economic Development (DCED) to be highlighted in the agency's annual report. "These communities have been able to make the best use of all available resources — with amazing results along the way," the report reads.

Governor Tom Wolf announced more than \$15.6 million in funding for Johnstown from DCED, PennDOT, and the Department of Conservation and Natural Resources. Funding from DCED included façade improvement funding and Industrial Sites Reuse funding to clean up brownfield sites and more.

"We wanted to make Johnstown an example of how the state investing in a community can have a big impact," said Scott Dunkelberger, Executive Deputy Secretary for the Department of Community and Economic Development.

Working toward the improvement of our physical environment

Neighborhood development and streetscape improvements have been a focus of Vision2025, which kicked off and engaged a neighborhood-scale planning effort in Old Conemaugh Borough with the Cambria County Planning Commission. Through the Neighborhood Assistance Program (NAP), private money donated to JARI in exchange for tax credits can now be used for streetscape improvements from sidewalk to curb.

In another initiative, the City of Johnstown is working with a blight consultant on a \$36,000 study funded by DCED and the Community Foundation for the Alleghenies to look at the implementation of strategies to deal with blight and to create a land bank. Best practices from across the state will be considered with the possibility of using some of the cleared properties as green infrastructure.

"Physical environment reflects economic environment," Burlack said. "In other words, creating a beautiful streetscape helps attract companies as well as new residents."

Collaboration is key

Vision2025 has furthered its partnerships by establishing, in conjunction with the U.S. Army Corps of Engineers, an interagency roundtable. This group of federal, state, and local agencies meets twice a year to discuss activities and plans that impact the Johnstown region, enabling projects to be aligned for greater impact and efficiency.

"The greater integration of resources as a result of Vision2025 is occurring not only with JARI, but with other agencies such as the City of Johnstown, the Convention & Visitors Bureau, Johnstown Redevelopment Authority, the Cambria Regional Chamber, and Downtown Partnership," Burlack said. "The word 'collaboration' gets thrown around a lot, but in Johnstown we're showing what it truly means."

"Community development is now a core part of who JARI is, and a lot of that has to do with Vision," Thomson concluded. "We're addressing community needs on a wider basis."



ENTREPRENEURIAL

CREATING A CULTURE OF ENTREPRENEURSHIP THROUGH STARTUP ALLEGHENIES

In July 2017, a \$2.4 million, 3-year project — the Startup Alleghenies initiative — kicked off with the goal of supporting and encouraging entrepreneurship in Cambria, Blair, and Somerset Counties.

Each participating county has a coach, with JARI is providing as the lead agency in Cambria County. The Start-Up Alleghenies Initiative, which was launched by the Southern Alleghenies Planning & Development Commission (SAP&DC), is funded by the Appalachian Regional Commission (ARC) in coal-impacted communities.

“A variety of partners are engaged in creating an ecosystem to foster and develop entrepreneurial activity — whether that is getting a prototype developed, or whatever is needed to help that business get its doors open,” said José Luis Otero, who was hired in July as Cambria County’s Entrepreneurial Coach.

Startup Alleghenies helps not only start-up businesses, but also existing businesses that want to expand and go to the next level — such as Punky’s Soft Shells, LLC, which manufactures soft shells that can be used for tacos, wraps and other products, and sells them to restaurants, groceries and food distributors. Scott Miller, owner of Punky’s, is trying to upgrade his automation systems so that production can increase.

“I’m working to grow this family-owned business,” Miller explained. “JARI has helped me on so many aspects — including financing to get new equipment, looking into grants I might qualify for, and helping me connect with CareerLink for labor — really, all aspects of business planning.”

Businesses that participate in Startup Alleghenies come out of the program with a plan and projections, which can help prepare them to obtain business financing through JARI.

In 2017, 44 start-ups were enrolled in Startup Alleghenies in Cambria County alone.

In addition to providing funding for the three coaches, the Startup Initiative funded some special projects, including an incubator project in Johnstown, as well as some funding for Creator Square. In Blair County, Catalyst Space was funded, while the EDC Startup Accelerator has been established at the Somerset County Education Center.



Punky's Soft Shells

WORKFORCE

FILLING THE NEED FOR WORKERS IN A STRENGTHENING ECONOMY

In 2017, workforce trends showed signs of an improving economy. Available job openings averaged 1,000 jobs per month in Cambria and Somerset Counties, and JARI responded by focusing on getting people trained to fill those positions.

In fact, some 46% of Cambria County's population is not connected to the workforce, so JARI is working to reach a disadvantaged population by going into the community to find potential workers who are qualified or can be trained.

"JARI is a great partner with CareerLink," said Jeff Dick, CareerLink Site Administrator. "JARI takes care of getting people trained, and CareerLink helps them with job-readiness skills like resume and interview preparation. In many cases, they're obtaining employment before they even graduate."

In all our outreach efforts, JARI is taking a holistic approach that includes work readiness, technical training, professional development and access to social services. This provides people transitioning to work with much-needed support in areas like child care, transportation, and other services as they begin to advance their careers.

"The social service agencies in our community are a tremendous asset, and they have really stepped up to the plate to help. Integrating social support services with workforce development and employment is working," said Debra Balog, Director of Workforce Development for JARI.

JARI is working with Vision2025 Capture Teams, the United Neighborhoods and Bridging Cambria County, on outreach efforts to find new workers. The United Neighborhoods Community Resource and Job Fair in Kernville and Bridging Cambria County job fair in northern Cambria County allowed JARI to reach new workers and get quite a few people matched to jobs services, training programs and employment on the spot.

Meanwhile, outreach opportunities in schools included school-to-work activities and career services staff industry tours with local school systems.

In addition to community-wide efforts like job fairs, JARI also facilitates smaller programs with a targeted focus. For example, JARI helped create a short-term Healthcare Specialist training program with funding from Highmark Blue Cross Blue Shield.

Six underemployed or unemployed people completed the training, and all successfully transitioned into jobs at LifePoint and their nursing care centers.



1,454
people participated in
27 career and job-related
outreach sessions.

—

26 training workshops
were hosted with
553
participants.

JARI also does one-on-one counseling with companies, to help them find employees and even access grant funding to train new or incumbent employees. For example, JARI assisted Independent Family Services, Inc. in their efforts to leverage WEDnetPA funding to help train therapists, an ongoing need in our region.

"With this funding, IFS will be better able to absorb the cost of state-mandated training for our staff, thus increasing the potential to retain existing employment, accept new referrals and continue our programs," said Jeff Walker, CEO of IFS, Inc.

As the number of available jobs increased, the job displacements were decreasing significantly. In 2016, 305 were displaced — but that number dropped to just 107 this year. Those who were displaced were able to find employment much faster due to increased demand for workers.

"We're encouraging people to look at career pathways that are accessible through a short-term training program augmented by on-the-job training or apprenticeships," Balog said. "We're trying to ease the critical shortage of workers and train people for jobs available now and in the future."

GOVERNMENT



HELPING BUSINESSES COMPETE FOR GOVERNMENT CONTRACTS

JARI's PTAC continues to lead the way in helping local businesses compete for federal, state and local government contracts for all types of products and services in everything from the defense industry to education.

"We really roll up our sleeves, and help clients at any level they might need — it's all client-based," said Lenora Leasure, Program Manager for PTAC.

Every year the PTAC is reviewed by the Department of Defense, through the Defense Contract Management agency. This year JARI's PTAC received a rating of "outstanding" in every category.

"We're known for defense contracting, but are working hard to let companies know we can help them with a broad variety of contracts on all levels of government, in areas like school districts, homeland security, IRS, and so much more," said José Luis Otero, Procurement Specialist for PTAC.

We continue to help businesses with the standard contracting certifications, such as System for Award Management (SAM), PA COSTARS (which is Pennsylvania's cooperative purchasing program), and GSA Supply Schedule (a federal program).

In addition, a few certification programs have expanded or become more attainable for area businesses. Notably, all of

Some
\$75 million
in contracts was
announced at the 2017
Showcase for Commerce

Somerset County has been designated a HUBZone, or Historically Underutilized Business Zone, rather than just certain census tracts.

"JARI was instrumental in helping us complete our successful application to become certified as a HUBZone Small Business," said James Brown, President/CEO of Augustine Die & Mold, Inc. "The certification gives us a significant edge in competing for new defense and aerospace business, and has already helped re-energize several existing business relationships."

Providing opportunities for our clients to network and learn from each other is an important part of the PTAC's mission. Every event hosted includes networking opportunities. In 2017, these included a Supplier Briefing with Kitron and JWF Defense at Showcase for Commerce, as well as two Government Business Development Forums hosted by BCL Manufacturing and Kitron. All of these businesses are members of the PTAC's Defense Business Council.

"We owe many thanks to JARI for what they have done for us in the past year," said Jason Gallote, Director of Operations for Kitron, Inc. "They provided hours of on-site counseling as Kitron updated / revised its SBA Profile, DUNS, bid match services, and NAICS Codes. In addition, JARI introduced the benefits of networking and participating in the local business community that Kitron had never utilized. Workshops, Defense Business Council, Showcase for Commerce, and Business Development Forums are all part of the PTAC's networking opportunities. A few weeks after one of the Business Development Forum we were in the process of getting requests for quotes from participating companies."

"Contracting, particularly defense contracting, continues to be important to our area, and we are known throughout the country and Europe for delivering quality work," said Linda Thomson, JARI President. "We're seeing an uptick in activity in this sector, and with Showcase for Commerce and our PTAC we continue to prepare our local companies to compete and take full advantage of these increased opportunities."

PAY IT FORWARD

JARI is able to thrive because of the support of the business community. In fact, many of the companies that support us are past clients who are now paying it forward.

We all win when more jobs are added in our region — and no one is doing more to deliver high-paid, skilled jobs than JARI.

If you'd like to help grow our region by supporting us, please visit our website at www.jari.com and click on the "donate" button, or call us at (814) 535-8675.

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Holly Bodolosky, Staff Accountant

Michele Clapper

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