

Southern Alleghenies

Diversification fuels business growth in a transitioning region

Although the Southern Alleghenies is a relatively rural region, it benefits from a proximity to the major business and government hubs of Pittsburgh, Harrisburg and Washington, D.C. There are two interstate highways intersecting the region: Interstate 70/76 (the Pennsylvania Turnpike) running east-west in the south and I-99 running north-south through the center. The region's geography includes a mix of low, rugged mountain ranges, rolling countryside and river valleys.

The area's history is linked to coal, steel, railroads and agriculture, but the region has been gradually transforming from one reliant on heavy manufacturing and mining to one more diversified in agriculture, health care, tourism, warehousing distribution, retail, defense and professional and technical services, as well as a variety of industrial companies — some with high technologies. And manufacturers have been realizing growth.

Local four-year colleges and universities have developed linkages with the business community, and they are a vital part of the regional economy. The tourism sector is growing, with a variety of investments in lodging and attractions.

Business Demographics

The Southern Alleghenies economy is much more diverse than it was a decade ago. Health care and social assistance, retail trade, manufacturing, accommodation and food services and public administration account for roughly 60 percent of the region's economy. Businesses are generally small; 73 percent have less than 10 employees while 98 percent have less than 100 employees. Manufacturers account for 5 percent of the businesses but 19 percent of the payroll dollars.

There are more than 220,000 adults in the workforce. Many have been trained at one of the 12 colleges and universities that can be found in the region.

The economic team has more than 1,300 acres of land in this region; the land is ready to develop for business needs, and more than 5 million square feet is available for business use. Companies have located and expanded in the region due to its quality labor force, low cost of doing business, historic location of companies in the area and the quality of the highway system, particularly the Pennsylvania Turnpike.

Success Story: JWF Industries

In 1987, Bill Polacek purchased his father's business — Johnny's Welding — from his mother, changed the name to Johnstown Welding & Fabrication and began a manufacturing operation with two employees.

Twenty-six years later, JWF Industries — a major Pennsylvania-based manufacturer — employs more than 350 people. The 30-by-30-foot facility has been expanded to encompass 1 million square feet of manufacturing and fabrication space. Well-known for expertise in fabricating, machining, coating, assembly and project management, JWF provides these services to original equipment manufacturers and defense and shale industry customers.

Recognizing the potential opportunities associated with the Marcellus Shale gas industry, Polacek formed Environmental Tank & Container, producing specialty products for the oil and gas industry, including frack tanks, flowback/gas buster tanks, mud tanks, API tanks and impoundment systems. These products help ensure the cleanliness and preservation of water and land while at the same time enabling the shale gas companies to comply with regulations.

Success Story: DeVilbiss Healthcare LLC

DeVilbiss Healthcare LLC, a medical device manufacturer, recently moved its China-based manufacturing back to its global headquarters in Somerset County. A world leader in the design and manufacture of respiratory medical products, DeVilbiss products are distributed in more than 200 countries around the world.

Based on quality concerns, cost increases, strengthening of the Chinese yuan and higher-than-anticipated working-capital investment, DeVilbiss determined the optimal solution was to relocate the production of the China-based products back to Somerset.

"In an effort to enhance and accelerate the continuous improvement program for our production processes, the decision was made to move all production lines back to the United States," said Ed Murphy, president and CEO of DeVilbiss Healthcare.

DeVilbiss has more than 200 employees at its



Somerset facility. Bringing China-based product lines back to Somerset created a total of more than 25 direct-assembly, engineering and quality positions and several indirect vendor jobs.

Success Story: Lampire Biological Laboratories

Lampire Biological Laboratories, a leading supplier of products to the biopharmaceutical and diagnostic industry, came to Bedford County in 1989. Since then, biotechnology has become an important growth industry in the region, and Lampire has developed a 400-acre "pharm" facility and an 18,000-square-foot bioprocessing lab.

Greg Krug, founder and CEO of Lampire, is a strong advocate of the region. "We compete on a world basis. The support we receive from Bedford County is phenomenal," he said. "Our business will change lives. We don't get to make mistakes with our products. The workforce in Bedford County is excellent."

To further develop that workforce, Krug has worked closely with the Bedford County Technical Center to develop an innovative agriscience and biotechnology program. The curriculum enables students to enjoy both theory and hands-on training, positioning graduates to secure careers in the biotech, biomedical and agricultural science industries. Many have been hired by Lampire after completing the program.



4

COUNTIES:

- Bedford
- Blair
- Cambria
- Fulton
- Huntingdon
- Somerset



CONTACT:

Deb Prosser, Director, Business Development
 Southern Alleghenies Planning and Development
 Commission (SAP&DC)
 814-949-6522
 prosser@sapdc.org
 www.sapdc.org



Top Industries

- Health Care & Social Assistance
- Retail Trade
- Manufacturing
- Accommodation & Food Services
- Other Services (except Public Administration)



Major Regional Employers

- Bonney Forge Co.
- Concurrent Technologies Corp.
- JLG Industries
- New Enterprise Stone & Lime Co.
- Norfolk Southern Railroad



Incentive Programs & Resources

- Enterprise Zones (EZ)
- Keystone Innovation Zones (KIZ)
- Keystone Opportunity Zones (KOZ)
- Local Economic Revitalization Tax Abatement (LERTA)
- Procurement Technical Assistance Centers (PTACs)
- Regional Export Network (REN)



Building/Site Availability

- ABCDCorp.org/sites-and-buildings
- BCDA.org/sites-buildings
- JARI.com/index.php?page=property-locator
- FultonIDA.com
- HCBI.com/properties-database
- PASiteSearch.com
- SCEDC.net/commercial_sites.html