



Annual Report 2016

Appalachian Partnership for Economic Growth

Leesburg Industrial Park in Highland County is SiteOhio's first certified site.



John Molinaro
APEG President and CEO

Molinaro: Year in Review

John Molinaro, president and CEO of the Appalachian Partnership for Economic Growth, reviews the highlights of 2016 in the 32 Ohio Appalachian-designated counties the organization serves.

Q: APEG is complicated. Remind us about your programs.

A: APEG was founded in 2012 to fill a gap in the newly created JobsOhio network. We are their economic development/job creation partner in 25 counties. Through our SBA Innovation Cluster Initiative we are providing support to wood product manufacturing companies in all 32 of Ohio's Appalachian-designated counties.

Last year Ohio Manufacturing Extension Partnership reorganized its territories and we are now directly serving or partnering with other MEP affiliates to provide manufacturing solutions in 26 Appalachian-designated counties.

Our staff grew to 19 full-time members last year.

Q: Characterize APEG's business development endeavors in 2016.

A: Like most regions, especially rural ones, about 80 percent of job growth comes through expansion of existing companies. Last year we launched our first major effort to market the region to new prospects, to improve the other 20 percent of the picture. We engaged two different research firms to help. On the domestic front we talked with and physically visited companies that are good prospects for our region. We've had a very good first year in our focused attraction effort.

Q: What about foreign attraction?

A: I attended the Hannover Messe (Fair) in Germany last year, the first time APEG has had individual representation there. It's the largest industrial trade show in the world and I came away with more than 30 potential leads.

Mike Jacoby (APEG vice president for business development) did an Asian petrochemical mission with JobsOhio. They called on firms that are prospects to use our natural gas liquids and build on the region's heavy industry sites. That mission also identified leads we continue to pursue.

Last year the majority of companies expressing interest in coming to the region were foreign owned.

APEG - Foreign Investment 19 Countries, 43 Companies

	United Kingdom 8 companies
	Germany 6 companies
	Canada 3 companies
	Australia 3 companies
	Austria 3 companies

Q: What's new with APEG's industrial sites?

A: We added Prime Sites to APEG's site availability program. It parallels our River Sites effort with GIS mapping and engineering details. And Ohio started a site certification program last year and an APEG site was the first one certified. We have additional sites close to completing certification. That would make them very marketable.

And it's not just sites; we need to know about available buildings, too. We have to have inventory on the shelf to attract major projects.

We work closely with our county economic development partners to have available all the information essential for companies to fully consider our sites and buildings. Our local partners are absolutely critical to meet our economic development goals.

For Sale or Lease
284 Sites
12 Ohio River Sites
18 Prime Sites
319 Buildings

Q: Why are APEG's county partners so critical to success?

A: Our county partners understand the companies they have 'on the ground.' They're the essential link to expansion projects because they know where that local company is and where it wants to go. Plus, they're the best equipped to understand the local infrastructure and sites that would attract new companies.

APEG is in a supporting role when it comes to knowledge about local sites and companies. We are doing a lot of work to strengthen our local partners because the region is very under-resourced in economic development.

Q: Tell me about the wood products manufacturing industry.

A: The wood sector is a \$24 billion contributor to Ohio's annual gross domestic product but we are only capturing a fraction of the potential product value. We export more than half of our harvested logs and half of the cut lumber from the remaining logs with no further processing. Those are the lowest-value forms of activity. So we're very focused on trying to identify supply chain opportunities to use our wood here or add value prior to exporting it.

Jackson's newly formed Speyside Bourbon Cooperage is a good example. They take Appalachian White Oak – the best oak in the world – and make bourbon barrels, a high value, high demand product.

Speyside is manufacturing a product that generates a much higher return than simply shipping a log or cut lumber out of the region.

Q: Is there potential for expanding Ohio's wood products industry?

A: Our forests grow twice as fast as they're being cut. We have plenty of room to expand forestry and logging operations without damaging our environment and still maintain a very sustainable forest.

APEG is inventorying regional wood and forest assets that might attract new companies. And we're identifying existing companies with specific U.S. expansion plans and marketing APEG counties to them.

Q: Want to comment on shale?

A: Sure. The pace of shale drilling took a step back in 2016 but the producing wells are pumping record amounts of natural gas and natural gas liquids. Pipelines are getting built so more of the gas and liquids can be put to productive use. APEG has the cheapest natural gas in the Western Hemisphere and we have international interest in building an ethane cracker on one of our Ohio River sites. Shale is a game changer for our region and the nation. We need to be patient.

Q: What about the new workforce program at JobsOhio?

A: 2016 was a formative year for JobsOhio's new Talent Acquisition Program. JobsOhio, APEG and the other JobsOhio network partners all added staff to inventory and organize resources to help companies meet their talent needs. We are now positioned to offer workforce support to help attract high value development projects and guarantee the company will have a qualified workforce when they open their doors.

Q: How'd the year shape up for helping manufacturers improve processes and increase capacity?

A: This is the work of the Manufacturing Extension Partnership (MEP). It's how we deliver organizational solutions around productivity, technology and workforce problems to manufacturing businesses of all sizes. In 2016 Ohio MEP restructured the statewide effort to more effectively provide services to smaller manufacturing entities, which is a good thing as our region has many small companies.

With JobsOhio, MEP and the SBA wood program within the same organization, APEG is a unique collaboration in the state and offers expanded outreach to small manufacturers. Whenever a staff member is visiting a company and identifies a need or opportunity, it can become an internal referral.

This is the kind of synergy you need to serve rural communities.

2017 Goals

Appalachian Region Strategic Priorities

1. Identify, improve and promote regional inventory of river and inland sites and buildings domestically and internationally.
2. Recruit new and support existing companies through proactive, sustained engagement.
3. Pursue manufacturing attraction opportunities by leveraging the natural gas and natural gas liquids surplus available from the Utica shale play.
4. Develop businesses engaged in wood product manufacturing to stimulate industry export and market growth.
5. Increase MEP services to the region's manufacturers to retain and grow more jobs and payroll.

Q: UpSkill Your Workforce funding has ended. Did you accomplish your goals?

A: That was a very successful effort that exceeded our expectations. As part of a Make It In America Challenge grant, the UpSkill Your Workforce funds trained 993 incumbent workers in metal fabrication, wood and chemical companies. Our training model said we would improve the contributions of a current employee by building their skills to increase productivity. That opened the door for employees to be promoted and create an entry level job for a new worker.

UpSkill supported training and better employment for more people than the other ten Make It In America Challenge grant recipients combined. While the other groups focused on pre-employment training, UpSkill demonstrated the cost-effectiveness of retraining existing workers.

UpSkill Your Workforce
46 Companies
993 Incumbent Workers
\$641,400 Investment

Q: What else did the Make It In America Challenge grant allow APEG to do?

A: The funds created the sophisticated GIS mapping feature which helps sell APEG's River and Prime Industrial Sites. They also launched us into the wood products manufacturing industry and helped uncover opportunities to grow that sector. This was a precedent-establishing effort which has significantly shaped our future priorities.

Contact: jmolinaro@apeg.com



Appalachian Partnership
for Economic Growth

www.APEG.com

APEG and JobsOhio

The Appalachian Partnership for Economic Growth is the newest and largest of six regional JobsOhio network partners,

the state's private, non-profit economic development corporation. Together our efforts focus on driving job creation and new capital investments through business attraction, retention and expansion.

2016 New Jobs & Capital Investments

First Quarter 2016 Company	Jobs Created	Jobs Retained	Capital Investments
The Imperial Electric Company Meigs County/Middleport Renovation of building allowed for expansion of this production facility which specializes in custom manufacturing of motor systems for the elevator/escalator industry. Support from JobsOhio Revitalization Grant.	18	27	\$ 1,961,730
Rifle Machine Works Ross County/Chillicothe The third major expansion (100,000-square-foot building) for this primary sequenced components supplier to Kenworth Truck and other major manufacturers. Project supported by local Enterprise Zone Agreement.	10	235	\$ 3,000,000
TOTAL	28	262	\$ 4,961,730

Second Quarter 2016 Company	Jobs Created	Jobs Retained	Capital Investments
GE Aviation Systems LLC Adams County/Peebles Increased volume of engines for testing and size of new 9X engine required expansion and infrastructure upgrades at the 7,000-acre jet engine test site. Project supported by 629 Roadwork Grant.	16	384	—
Athens Mold and Machine, Inc. Athens County/Athens Revitalization of vacant building facilitated reshoring of operations at this Athens County manufacturer of tire molds and allied equipment for curing rubber tires. JobsOhio Revitalization Grant and 629 Roadwork Grant supported the project.	60	—	\$ 3,005,084
LMI Custom Mixing, LLC. Guernsey County/Cambridge Facility expansion added 40,000 square feet and a new mixing line. APEG's involvement helped convince company to grow operations in Ohio rather than move to a neighboring state.	15	93	\$ 17,500,000
Steel Valley Tank Jefferson County/Brilliant The company purchased a new building and has begun manufacturing tanks to haul material via trucks. APEG involvement helped provide a low-cost building safety audit through APEG-MEP.	20	12	\$ 1,950,000
Bulldog Racks of Toronto, Inc. Jefferson County/Toronto JobsOhio provided a revitalization grant for final cleanup of former Hancock Manufacturing plant. Final cleanup will allow the company to expand its Ohio operation.	15	7	\$ 1,200,000
Appalachian Wood Floors, Inc. Scioto County/Portsmouth This manufacturer of fine hardwood flooring gained much need production capacity with the revitalization of a vacant building. Supported by JobsOhio Revitalization Grant.	20	108	\$ 937,049
TOTAL	146	604	\$ 24,592,133

JobsOhio (Statewide)	2016
Total Number of Projects	284
New Jobs	20,603
Retained Jobs	76,773
Capital Investments by Companies	\$ 4.6 billion

Appalachian Partnership for Economic Growth	2016
Total Number of Projects	23
New Jobs	412
Retained Jobs	2,188
Capital Investments by Companies	\$74.5 million

Third Quarter 2016 Company	Jobs Created	Jobs Retained	Capital Investments
A1 Truck and Trailer Service, LLC Meigs County/Portland Construction of a new service center providing over-the-road truck repairs and specialty after-market upgrades. Supported by 629 Roadwork Grant.	12	—	\$ 2,040,000
Muxie Distributing Co. Belmont County/Bellaire Constructed 68,000-square-foot distribution center. Reconstruction of North Guernsey Industrial Park Road supported by JobsOhio and ODOT 629 grants and an ARC Rapid Response Grant.	15	24	—
Schlabach Wood Design, Inc. Coshocton County/Baltic Reconstruction of Coshocton County Road 10 will allow company to continue to grow and grow workforce. JobsOhio and ODOT 629 funding along with financial assistance from an ARC Rapid Response Grant and county business community were used to help complete necessary roadwork.	15	68	—
ElectroCraft Ohio, Inc. Gallia County/Gallipolis Consolidation of facilities brought new jobs to Ohio and increased production capacity for this manufacturer of small specialty motors. Project supported by JobsOhio Workforce Grant, JobsOhio Revitalization Grant and Ohio JCTC.	30	135	\$ 290,786
W&W Dry Cleaners, Laundry and Linen Services, LLC Highland County/Greenfield Revitalization of a vacant building enabled expansion of operations at this industrial laundry facility. Supported by JobsOhio Revitalization Grant.	14	7	\$ 707,878
Candle-lite Company, LLC Highland County/Leesburg Consolidation of facilities after merger brought all research and development as well as production onto this site. Supported by JobsOhio Economic Development Grant.	2	467	\$ 4,300,000
Provia Stone LLC Holmes County/Sugarcreek Constructed new production facility in JobsOhio and ODOT 629 funding along with ARC Rapid Response Grant helped rebuild two roads leading to the facility.	15	35	\$ 12,000,000
TOTAL	103	736	\$ 19,338,664
Fourth Quarter 2016 Company	Jobs Created	Jobs Retained	Capital Investments
Daniel's Amish Collection, LLC Holmes County/Killbuck JobsOhio Revitalization Grant helped provide a new fire-suppression system to fully protect the original building and a 15,000-square-foot expansion of the manufacturing facility allowing growth plans and workforce expansion to continue.	25	150	\$ 1,000,000
Speyside Bourbon Cooperage, Inc. Jackson County/Jackson Sooner than expected expansion enabled this new manufacturer of fine oak barrels to accelerate their productivity, add a second shift and capture additional market share. Supported by JobsOhio Economic Development Grant.	17	51	\$ 3,200,000
Superior Marine Ways, Inc. Lawrence County/South Point A new facility to provide out-of-water barge repair and painting within a sealed air system will serve growing demand for services at the Ohio River Port of South Point. Supported by a JobsOhio Growth Loan.	15	102	\$ 7,983,000
Consolidated Storage Solutions, Inc Muskingum County/Zanesville Contract logistics firm expanded its cold storage and frozen food distribution center with a 47,000-square-foot addition supported by a JobsOhio Revitalization Grant.	5	30	\$ 7,750,000
TNT Equipment Company Perry County/Somerset Moved production of mast-climbing scaffolding equipment from out of state and upgraded an existing 18,000-square-foot building with JobsOhio renovation and relocation grants.	20	0	\$ 345,000
ALTIVIA Petrochemicals, LLC Scioto County/Haverhill Repairing and restarting the shuttered Haverhill Chemical facility included adding a second phenol line and rail and barge infrastructure improvements. JobsOhio support has been critical to this capital intensive project.	22	81	\$ 4,000,000
Taylor Lumber Worldwide, Inc. Scioto County/McDermott Expansion to add engineered flooring line to further diversify market offering at this manufacturer of rift and quartersawn hardwoods. Supported by regional Opportunity Fund Grant.	31	172	\$ 1,399,947
First Energy Generation, LLC Belmont County/Dilles Bottom Loan and grant assistance provided for more than \$16 million of demolition and remediation of shuttered Burger Power Plant for industrial reuse.	—	—	—
TOTAL	135	586	\$ 25,677,947

ALTIVIA Revitalizes Chemical Plant

When Haverhill Chemical abruptly suspended operations in June 2015, about 100 workers lost their jobs and an aging facility was shuttered. Although the company announced it was seeking a solution to resume operations, Haverhill, a small, unincorporated community on the Ohio River, was holding its breath.

They didn't have to wait too long. By November 2015 ALTIVIA Petrochemicals had acquired the facility and was once again producing and shipping product. Not only was the plant open but major upgrades and expansion were in the plans. Today, nearly 100 employees are again working at the Scioto County plant which has seen in excess of \$10 million of improvements including the restart of a second phenol production line.

Support for ALTIVIA was a team effort with help from JobsOhio and the Appalachian Partnership for Economic Growth (APEG) as well as county and local funding.

"The plant's over 50 years old and it needed a lot of capital improvements," said Mike Jacoby, APEG vice president for business development. "But as the third-largest producer of merchant phenol and acetone in the Americas, everyone recognized the strong outlook for the business and the value of having these products made in Ohio."

Facilitated through APEG, JobsOhio responded to ALTIVIA's commitment not only to reopen the plant and save 51 jobs, but to add 30 additional jobs. They provided the company an Economic Development Grant for startup.

JobsOhio granted a second round of support in 2016 and ALTIVIA pledged to create an additional 22 jobs bringing

annual payroll to an estimated \$8.5 million. Workforce and Revitalization Grants helped reopen a second phenol line (critical for cost-effective production) and improve the barge and rail infrastructure on the 120-acre facility. JobsOhio's total investment in the project is \$2.5 million.

In addition, a \$330,000 JobsOhio Roadwork Grant was combined with funds committed by the Scioto County Commissioners to improve the road into the plant. "We'll bring it up to the standard for truck traffic, a minimum of 12-foot-wide lanes," said Jason Kester, executive director of the Southern Ohio Port Authority.

The Scioto County Engineer, Ohio Department of Transportation and the Ohio

Valley Regional Development Commission also assisted with the road improvement project. The port authority helped secure a grant from the Southern Ohio Agricultural and Community Development Foundation to offset capital costs for the project.

The chemicals produced at the facility are commodity products, intermediates utilized in the production of phenolic resins, epoxies, polycarbonates, paints and coatings, pharmaceuticals, acrylics and heat-resistant polymers.

Houston-based ALTIVIA purchased the renamed ALTIVIA Petrochemical Complex after Haverhill Chemical filed for chapter 11 bankruptcy protection.



With support from JobsOhio, APEG and county and local funding, ALTIVIA Petrochemical reopened the shuttered Haverhill Chemical plant. Improvements to rail and barge infrastructure have been made and a second phenol line opened.

2016 APEG Board of Directors

Chairman

Mark James, VP Economic and Business Development
American Electric Power

Secretary

Matt Elli, Executive VP - Corporate Administration
Axion Recycled Plastics

Treasurer

Stanley Sagun, NGD Finance, Accounting & Commercial Operations, NiSource

Members

Greg Adams, retired founder Resource Systems and venture investor

Mike Archer, CEO
Pioneer Group

Cara Brook, President
Foundation for Appalachian Ohio (ex officio)

Adam Conway, President
Superior Hardwoods of Ohio, Inc.

Greg Floerke, Executive Vice President and Chief Commercial Officer, MarkWest Energy Partners

Jay Goodman, Principal
Harvey Goodman Realtor

MarJean Kennedy, Director Business Dev., Marketing and Community Relations; Holzer Health System

Gordon Litt, Partner
BakerHostetler

Carolyn Mendel, Plant Manager
General Mills, Wellston

Kristi Tanner, Managing Director
JobsOhio

Domestic and International Companies Sought

Selling the APEG Region to Growing Industries

Attracting a new manufacturing facility is a fiercely competitive contest played in a global arena. Specialty teams of expansion planning experts can be critical to winning.

In 2016 the Appalachian Partnership ramped up its attraction efforts using two strategies – taking the APEG message to the global marketplace and engaging industry lead generation specialists.

"The goal is identifying domestic and international companies who are looking to expand operations then marketing eastern and southern Ohio's industrial sites, workforce and supply chain to them," said Mike Jacoby, APEG VP for business development.

Industrial trade shows offer opportunities to start a conversation with an expansion-oriented business. More directly, links are made by lead generation firms hired to introduce their clients, like APEG, to companies who are known to be exploring expansion. And many companies have in-house expansion teams who do extensive online research examining and narrowing site searches before anyone is even aware of their interest.

"There are thousands of groups just in the U.S. competing for these projects," said Jacoby. "Like JobsOhio and APEG, every state and many regions and counties have well-funded, staffed efforts to attract new business."

Consultant Matches

For help finding manufacturers in the expansion mode, in 2016 APEG contracted with a consulting group whose expertise is identifying and making contact with domestic companies whose industries are growing and who are considering expansion or relocation. After consultant vetting, a phone conversation with APEG staff is conducted and, if warranted, APEG follows up with preliminary proposals including site and building information. To date, this effort has resulted in one company making a site tour; another company's site tour is pending. APEG visited selected east coast companies last year and continues conversations with several of those companies.

Globally, an international consulting group made targeted contacts on APEG's behalf in Europe and APEG joined JobsOhio on a trade mission to China last fall. Jacoby visited several chemical companies in the Shandong Province who are interested in establishing a U.S. manufacturing presence.

"The Utica Shale is generating a lot of interest among manufacturers around the world," said Jacoby. "We're pretty attractive with the cheapest energy in the Western Hemisphere, abundant natural gas liquids for petrochemical feedstocks, water from the Ohio River and competitively

priced sites and labor." The majority of companies in APEG's site selection pipeline in 2016 are foreign owned.

The decision-making process is often a lengthy one. Companies are looking at investing millions and millions of dollars to build or repurpose a manufacturing facility. Market changes can derail or delay a project very quickly, just as they can spark interest in a new project.

APEG on the Road

Last year APEG engaged in a record number of outreach events including several focused on attracting domestic and foreign direct investment. Many events were attended in partnership with JobsOhio.

2016 APEG Outreach Calendar

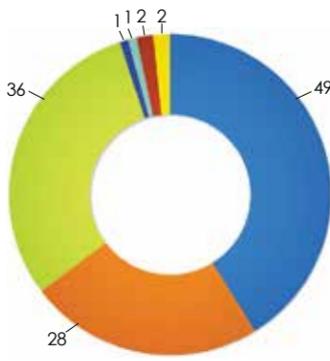
February	Multi-city Canadian Trade Mission.*
March	Dallas American Fuel & Petrochemicals Manufacturers.*
May	Hannover Messe, Germany World's largest industrial trade show.*
June	Washington, D.C. SelectUSA, the U.S. Dept. of Commerce's annual international attraction event.*
June	Pittsburgh PetChem Update, co-sponsored by APEG, JobsOhio and the Eastern Ohio Development Alliance. Focused on downstream manufacturing from shale hydrocarbons.*
August	Houston Targeted company appointments with petrochemical companies.*
November	New Jersey Targeted appointments with metals and food manufacturers.
November	Shandong Province China Trade mission visiting chemical companies interested in U.S. expansion.*

*Events in partnership with JobsOhio.



APEG staff joined JobsOhio at SelectUSA, the U.S. Department of Commerce annual event promoting foreign direct investment in the United States. The 2,500 participants represented 70 markets.

APEG-MEP Supports Manufacturing



A total of 119 Manufacturing Extension Partnership projects served a wide variety of APEG companies.

- Advanced Manufacturing
- Aerospace and Aviation
- Automotive
- Shale Energy and Petrochemicals
- Logistics and Distribution
- Food Sciences and Agriculture
- Other

Make It In America Completed

The \$2.1 million Make It In America Challenge grant announced in November 2013 was a first not just for the Appalachian Partnership for Economic Growth (APEG), but for Appalachian Ohio. No organization had ever applied for a federal grant with such a broad reach.

“For a year-old organization like APEG was it was pretty ambitious to put it together,” said John Molinaro, APEG president and CEO. “What made it work was that several regional partners brought the idea to us and were great collaborators.”

The proposal combined three separate projects with three different federal funding sources into a single request. The grant was one of only 11 made nationwide that year.

Make It In America supported:

- Incumbent worker training for the chemical and polymers, metal fabrication and wood manufacturing industries.
- Creation of a searchable GIS map of the region’s sites and building for sale or lease including engineering information and maps of physical attributes of each site.
- Development of an online searchable database containing information about the companies making up APEG’s wood products supply chain.

“Make It In America was a success all around. What we learned about the wood industry led to the SBA wood initiative and has created continued support for all sectors of that industry. UpSkill Your Workforce served 46 companies and trained almost 1,000 incumbent workers and the GIS mapping created by Buckeye Hills is the most sophisticated online site marketing tool in the state.”

John Molinaro
APEG President and CEO

UpSkill Your Workforce

The UpSkill program invested more than \$641,000 to develop new skills in 993 incumbent workers in the Appalachian Partnership region from 2013-2016. Training topics were chosen by the company to give a boost to a critical area. Companies developed new skills in workers they knew and who were committed to their jobs. The average cost per individual was \$470.

“Companies clearly knew what they needed and what would increase their productivity,” said Von Williams, who ran the UpSkill program. “Many of the topics were similar across industries like supervision training or industrial maintenance.”

About 25 percent of the trainees earned certified industry credentials: ISO 9001; National Hardwood Lumber Association Lumber Grading; Allen Bradley PLC; 5S Workforce Organization; D14 Welding, etc. Training was provided by qualified individuals, career centers, community colleges and universities.

“By building the skills of current workers the goal for employers was to increase productivity and promote higher skilled employees to open entry-level positions for new employees,” said Williams.

In 2016 UpSkill served 22 companies and trained 573 workers. A sampling of 2016 training topics included, laser alignment; ISO-9001 Internal Audit; programmable logic control; industrial firefighter; Zeiss Calypso; Basic FANU Robotics; Microsoft Project; high pressure boiler operator; and lumber grading.

2016 UpSkill Training

Company/County	# Trained
Chemicals and Polymers Sector	
Solvay/Washington	127
Quanex/Guernsey	30
Vinyl Kraft/Scioto	99
Encore/Guernsey	15
Corvac/Highland	8
International Converter/Noble	24
Lauren Manufacturing/Tuscarawas	25
Meteor Sealing Systems/Tuscarawas	76
Kraton Polymers/Washington	5
Boltaron/Tuscarawas	9
418	
Metals Sector	
GKN Sinter Metals/Gallia	19
Detroit Diesel/Guernsey	6
US Bridge/Guernsey	8
Gradall Industries/Tuscarawas	90
PAS Technologies/Highland	1
124	
Wood Sector	
Taylor Lumber/Scioto	6
Yoder Lumber/Holmes	5
Ohio International Lumber/Pike	4
Aadvantage Tent/Ross	5
Woods Lumber/Brown	1
Taylor Lumber/Scioto	6
Bridgewood Farms/Highland	1
Appalachian Wood Floors/Scioto	1
29	



Manufacturers and training partners attended the December APEG staff meeting to recognize and thank John Molinaro and APEG for the commitment to the manufacturing workforce through the UpSkill program.

Front row (l to r): Kelly O'Bryant, export assistance specialist, OSU Extension-Pike; Sherri Becker, training coordinator, Solvay Polymers; Katie Schafer Good, workforce solutions coordinator, Zane State College; John Moore, industrial training coordinator, Washington County Career Center; and Todd Haney, director of operations, Quanex.

Back row (l to r): Aaron Salisbury, trainer/Olympia coordinator, GKN Sinter Metals; Derrick Lemley, industrial/customized training coordinator, Washington County Career Center; John Molinaro, president and CEO, APEG; Jeff Hanson, human resource manager, Quanex; and William Beisel, director of business and community services, Kent State Tuscarawas.

Wood Products Services Take Root

As services to the wood products manufacturing industry took root during the first year of operations for the SBA Regional Innovation Cluster initiative, the magnitude of Ohio’s wood industries also became clear.

Updated economic data about the impact of the wood products industry revealed it grew to a \$24 billion annual contributor to Ohio’s gross domestic product in 2014. The \$5 billion portion of the industry in the Appalachian region is comprised primarily of small businesses.

Ohio University, Voinovich School of Leadership and Public Affairs, APEG’s research partner for the SBA initiative, conducted the data gathering and analysis.

Forest to Furniture

Logging, sawmills, flooring, millwork, veneer, architectural woodwork and furniture are all produced in Ohio’s 32 Appalachian-designated counties. The primarily Amish furniture makers in eastern Ohio represent the largest hardwood furniture manufacturing sector in the nation.

“Our goal is to help the small businesses see opportunities for collaboration within our supply chain that will boost their bottom

lines,” said Jesse Roush, senior project associate for the wood initiative. “We can also help individual companies take their next step in growth and productivity.”

Supply chain opportunities will be accessed through a searchable online database of Ohio wood products companies that is currently under development. The finished database is also intended as an outreach tool for global marketing.

A third goal of the SBA initiative is to support and grow Ohio’s wood product market domestically and through export opportunities.

“We are fully staffed to provide a broad range of needs-based solutions tailored to the wood industry,” said Roush. “Our services include manufacturing and technical assistance and export expertise. Through the online database of Ohio’s wood products industry, we can support the entire supply chain on a variety of levels.”

Outreach

Getting out the message about Ohio’s wood products to new customers means telling the wood manufacturing story in new ways.

Although industry sectors like forestry or furniture manufacturing have member-



APEG’s first wood products trade show was the 2015 Traders Market of the North American Wholesale Lumber Association. Attending were: (l to r) Frank Roberts, wood manufacturing specialist; Jesse Roush, senior project associate; and industry partner Erin Cox, sales representative, Taylor Lumber.

driven associations and industry groups, there has never been a unified effort to promote the state’s wood industries. Through the SBA initiative and the Ohio Manufacturing Extension Partnership, APEG has a mandate to serve all of Ohio’s wood products manufacturers.

The first outreach event was the 2015 Traders Market of the North American Wholesale Lumber Association (NAWLA).

“Our team left with good connections to hardwood markets outside of Ohio, as well as

logistics and export companies with an interest in Ohio hardwoods,” said Roush. “Our interactions with Ohio businesses confirmed that the wood products database we are developing will be welcomed.”

The two-member APEG team was joined by industry partner Erin Cox, sales representative for McDermott-based (Scioto County) Taylor Lumber. The conference attracted 1,600 attendees with representation from 250 companies.



Ohio Manufacturing Extension Partnership



Funded through a contract with the U.S. Small Business Administration. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA.

Learn more about the Appalachian Partnership for Economic Growth:

Charlotte Hatfield, Editor Fred Kight, Contributing Writer Lora Offenberger, Kaslo Design

To join the mailing list contact: chattfield@apeg.com

35 Public Square | PO Box 456 | Nelsonville, Ohio 45764 | 740.753.5359 | www.APEG.com

