



Shrunken Rust Belt city shows grit

Under the shadows of a steel mill's rusting carcass, a new Johnstown is slowly taking shape.

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JOHNSTOWN, Pa. — Under the shadows of a steel mill's rusting carcass, a new Johnstown is slowly taking shape.

Quaint cafes and even an upscale bridal shop have appeared in long empty storefronts. Downtown lofts are being snapped up. Biotech companies and high-tech firms have set up shop.

Decades after heavy industry died, taking much of Johnstown with it, this Rust Belt community appears to be regaining its footing. An aggressive city planner, a creative redevelopment authority and tourism officials are trying to turn Johnstown into a postindustrial tourist center with a vibrant downtown.

Since 2004, real estate tax revenues have been flat at about \$3.4 million, an indication the city is holding its own after years of declining revenues during the peak of deindustrialization, city manager Curtis Davis said.

"I don't know if Johnstown's found its way, but it's on a path," said Dan Santoro, a sociology professor at the University of Pittsburgh at Johnstown.

Santoro looks at the city's massive hospital complex, the growing tourist industry and what many refer to as the pork-barrel economy — an array of defense-related industries lured in by powerful U.S. Rep. John Murtha — and he sees the backbone of a new diverse market. Santoro points to Murtha as part of a regional leadership that is helping the economy by dealing with the reality of a smaller Johnstown — down to 22,000 people from a high of 63,000 just 55 years ago.

"The place won't disappear," said William Kory, Santoro's colleague and a demographer at the University of Pittsburgh at Johnstown. "There will be a dot on the map for Johnstown. It may be a smaller dot."

In the 1950s, steel companies and mining employed thousands of people. Johnstown produced 2 million tons of steel annually and an additional 23 million tons of coal. Downtown was packed with department stores and restaurants.

But by the mid-1980s, when manufacturing collapsed, Johnstown and other small industry-dependent communities in the Rust Belt were destroyed and forgotten. Lacking the resources, political might and manpower of the bigger cities, these towns fought to attract new businesses while the unemployed left in a mass exodus.

The struggle to reinvent has had mixed results. Cities like Lansing, Mich. and Bethlehem, Pa., where outmigration is slowing and new businesses are opening, have done better than communities like McKeesport, Pa., Flint, Mich. and Aliquippa, Pa., where drugs and crime have added to their economic woes.

Some towns razed their mills, filling the sites with unfulfilled dreams. Others, like Johnstown, couldn't afford to demolish their mills, and planners are seeking new taxpaying businesses to fill the eyesores.

Poverty and unemployment still plague these towns. In 2000, the last year U.S. Census figures are available for Johnstown, it had a poverty rate of nearly 19 percent, more than double the state's.

"What is often missed in the study of American industrialization is that there was a vast heartland that was created ... that involved smaller towns and cities," said Walter Licht, a history professor at the University of Pennsylvania. "They really were responsible for the great growth of American industry and we have forgotten them and these are the communities that are tremendously suffering today."

To recover, Johnstown is using the few incentives it has available to woo businesses to the financially strapped flood zone.

Richard Idem Somiari exemplifies the new type of businessman Johnstown can attract.

He looks at the slow-paced town he lives in today and longs for his Nigerian hometown Port Harcourt, where oil refineries spew smoke alongside peddlers hawking wares from headborne baskets.

But then he recalls the \$1.8 million in low-interest loans, grants and aid he received from Johnstown to bring his promising ITSI Biosciences company to the city's business district. He thinks of the money he is saving running his enterprise from Pennsylvania's Laurel Highlands rather than from London or New York.

"In Chile and Brazil ... life science businesses are located in three-bedroom flats. Some of them you think they are not companies, they don't have signs. They're churning out millions," Somiari said. "That's the kind of role Johnstown can play."

In the seven years Somiari has been in Johnstown, he has watched the slow transformation.

Pre- and post-World War II buildings have been renovated. Scaffolding on others bodes well for the future. A new bank is going up on a main drag. An old downtown department store is home to government offices and one of Johnstown's best restaurants.

But in some neighborhoods, industrial sites share space with homes that have battered porches, broken windows and overgrown weeds. The worst are being demolished, part of a battle on blight.

State and federal grants are helping to clean up Johnstown's brownfields, about 65 percent of them already in use, said Deborah Walters, program manager at the city's redevelopment authority.

The Johnstown Area Heritage Association is helping turn an 1860s-era Cambria Iron Works blacksmith shop, a National Historic Landmark that can't be destroyed, into a working area for artisans. Along with a steel theater, a children's museum, an immigration museum and a flood museum, Johnstown will be a "working man's Williamsburg," envisions Richard Burkert, the association's executive director.

"Johnstown is as good a place as any to tell a story of what was gained, of what was lost and the reality of the industrial story," he said.