

On March 18, 2009, Allegheny Conference on Community Development CEO Mike Langley delivered a State of the Pittsburgh Region address to about 200 members of the Conference's Regional Investors Council, which is made up of the top executives representing the region's largest and most-engaged private sector employers.

The State of the Pittsburgh Region

Thank you, Mr. Chairman.

Wow – what a crowd. This actually is our best-attended quarterly Regional Investors program ever. Perhaps that says something about the popularity of our new chairman.

Or ... it may be indicative of the challenges of these uncertain times.

Then again, maybe it was the rumor that we'd be giving away federal stimulus checks at lunch.

Seriously – good afternoon. I'd like to begin by thanking you all for your ongoing support of the Conference mission to stimulate economic growth and improve the quality of life in the Pittsburgh region.

You – our Regional Investors – represent almost a quarter of the private sector employment in southwestern Pennsylvania and \$156 billion of collective revenue.

Together with our community, cultural and foundation partners, you are working to make our region a richer and more dynamic place to live.

More than six years ago, a number of you provided the vision to create a new approach to civic involvement when the Conference, Economy League, Chamber and Pittsburgh Regional Alliance joined forces.

One thing we've always known in Pittsburgh is that success doesn't just happen; leaders make it happen. And your commitment to continuous improvement, engaged leadership and regionalism has delivered impressive results.

This afternoon I'd like to talk with you about the state of our region – where we are today, what we've achieved of late, the challenges we face in the months and years ahead, and the road we need to travel to create a more prosperous Pittsburgh region for future generations.

For a number of years, we've looked across the country at communities that were growing faster or were generating more media buzz, and there were many who asked if we were doing enough to keep up.

Now we see that those booms in places like Charlotte, Denver, Las Vegas and Phoenix weren't sustainable.

Here in Pittsburgh in recent years we've taken a more deliberate approach to growth. We haven't had the booms, but we've also avoided the busts.

As a result, though we aren't immune to what's happening elsewhere in the world, the state of our region is strong.

Across southwestern Pennsylvania, unemployment remains 1.1 percentage points below the national rate. But what does that really mean?

Well, if our unemployment rate were 1.1 percentage points higher, about 13,500 more of our family and friends in the region would be out of work. Imagine the Bank of New York Mellon and PNC both closing shop and leaving our region entirely. That's about 1.1 percent.

So it's no small matter, nor is it insignificant, especially considering the rate at which unemployment has risen in many of our competitor regions. We're holding our own in the face of our challenges.

We were actually the only region among our benchmarks that increased employment from December 2007 to December 08. And home values have held up here, too, while falling off the table in other parts of the country.

Looking at the numbers, it's no wonder *TIME* magazine recently called Pittsburgh "A bright spot on Main Street," why *BusinessWeek* listed Pittsburgh among the best places in the country to ride out the recession, or why *Forbes* named Pittsburgh a top place for job growth in 2009.

Because of our diverse regional economy, we're positioned for a softer landing than our competitor regions. And companies are continuing to invest here.

Since I came to the Conference five years ago, 951 companies have announced expansions or new operations in the region – along with plans to create more than 53,500 new jobs.

Many of these announcements have been made by companies like U. S. Steel and Allegheny Technologies – longtime Pittsburgh stalwarts reinvesting in our region. But we've also seen companies like Eutechnyx, Mesotec and SYCOR announce new operations or expansions here in recent years. In fact, I came here today from a press conference at which we announced nearly 300 business development wins just in 2008.

These are extremely positive measures of the confidence that the private sector has in the potential of our region. And what's really impressive is the amount of capital investment that we continue to see.

In 2008, announced capital investment by employers in the region was \$4.2 billion. That was more than double the \$1.7 billion total of 2007, which we thought was pretty good!

All of this investment is a key reason Moody Investor Services recently named Pittsburgh the number-one market for commercial real estate in the country.

This success doesn't just happen; leaders make it happen. And it's translating into new opportunity.

Now, I'm sure you've all heard somebody say that there are no jobs in Pittsburgh. Maybe it was a neighbor or a friend – or even a son or daughter. But that's simply not true.

Last fall, the Allegheny Conference launched a Web site that reaches out across the Internet and pulls together job postings from the region's 10 counties. Right now on ImagineMyNewJob.com there are more than 21,000 open career positions.

Twenty-one thousand jobs ... in our region ... in virtually every sector – from life sciences and IT to advanced manufacturing, engineering, construction and sales.

With so many open positions, with the projections for replacement jobs that will become available as our older workers retire, and with so much ongoing investment by employers in the region, there aren't many better places in the world to be looking for work right now.

Despite the global recession, worldwide demand remains for the things that Pittsburgh can deliver ... the things we make and the things we do – advanced manufacturing, engineering, information technology, financial services, law, education, healthcare and more. The state of our region is strong today because we've worked together to become more diverse.

Because success doesn't just happen; leaders make it happen.

Now let's talk about some of what we've accomplished as a region over the past few years. As we've always said at the Conference, regional transformation and true progress take time.

Five years ago, we saw the critical need for new shovel-ready land in the airport area, and today there are about 2,000 new acres online or under development. We've also seen the fruits of major transportation infrastructure efforts, including completion of the missing ramps connecting I-79 to Future – I-376.

We've worked to improve Earned Income Tax collection, made significant headway toward improved regulation and made business taxes in our state more competitive.

This is real progress that is benefiting employers and residents throughout southwestern Pennsylvania. And it's why it's so important for you and your fellow leaders throughout the community to be a part of these efforts.

Because success doesn't just happen; leaders make it happen.

At the same time, let's not pretend that it's all sunshine and roses, lest we be accused by some of our friends in the media of being Pollyannaish about the challenges we face as a region.

We are in the midst of a bad recession. The Commonwealth is staring down a deficit projected in the billions of dollars. The City of Pittsburgh faces ongoing fiscal hurdles. And the problem of municipal pension plans is growing worse. They're too many, they're too small, they're underwater, and they won't fix themselves. So, for all we have to celebrate, there are many challenges we need to overcome in the months and years ahead.

The Allegheny Conference is committed to developing solutions that work and then working to make them happen. Our basic approach boils down to two goals – fostering more competitive regional governance and becoming a gateway to opportunity for businesses and individuals.

That means making government simpler and more cost-effective. It means continuing to fight for business climate improvements – a smarter approach to business taxes and regulation.

It means ongoing, targeted transportation and infrastructure investments – from highway and bridge improvements to more robust regional, national and international air service at Pittsburgh International Airport.

It means we need to position the region as an attractive workplace for a diverse workforce.

We need to continue to support our partners in the community – particularly those who provide essential social services – to ensure that the opportunities we're working to create are available to every citizen of our region.

And in the end we need to redouble our efforts to stimulate business investment ... by employers that already make a home in the Pittsburgh region ... and by employers in other parts of the world who may be looking for a new place to call home in these difficult economic times.

Now, some people have said that we can't possibly achieve much in the current climate. I reject that. And you should reject that, too.

We have a choice to make this year – to retreat and allow the challenges we face to overtake us or to meet those challenges aggressively.

For my part, I prefer the head-on approach.

We must not allow a battered global economy and shortsighted concerns about recession to brutalize our region with new or higher business taxes that kill jobs. Now more than ever we must work to limit or eliminate regulatory and other roadblocks to economic development.

And while other regions are scrambling to figure out how to triage their economies to limit the casualties of this recession, we need to leverage our resources and the opportunities before us to position the Pittsburgh region for growth and prosperity.

Because success doesn't just happen; leaders make it happen.

Back in 2006, Pittsburgh's private and public sector leaders took ownership of an idea – the commemoration of our region's 250th anniversary. It was to be a celebration of our past, but also the foundation for our future.

Together we took on projects including the revitalization of Point State Park and the completion of the Great Allegheny Passage – projects that will define our region and benefit Pittsburghers long after we're gone.

We united people across 14 counties through 100 Community Connections projects. We encouraged people to ... think Pittsburgh, and imagine what you can do here. And we leveraged the energy of our entire community to attract business investment, create jobs, and ensure a brighter future for our children and grandchildren.

Pittsburgh 250 was a success by all accounts. And as our region begins Pittsburgh 250 plus one, we find ourselves uniquely positioned in the nation – and perhaps in the world – to turn crisis into opportunity.

Like Pittsburgh 250, we need a vision for our region that builds on our past, establishes the roadmap for our future and marshals our talent to get us there. We need to see the opportunity ahead of us, and we need to focus the resources of our region to that end with laser-like intensity.

That opportunity is energy.

One hundred and fifty years ago this year, one oil well in Titusville set western Pennsylvania on the path to a major oil boom. At the turn of the last century, Pittsburghers electrified the world with alternating current.

In the mid-1900s, our region again led the way in energy innovation when the first American commercial nuclear power plant went online in Shippingport. And in 2007, our place as a global hub for the nuclear energy industry was assured when Westinghouse chose to build its new headquarters facility in southwestern Pennsylvania.

The economic impact of just that decision is more than \$1 billion in new gross regional product, more than 3,000 jobs retained, and a plan to create thousands of new jobs in the coming years.

That's big. It's huge. But it's just the tip of the iceberg.

Our region is home to some of the world's most dynamic and innovative energy and environmental companies – along with the suppliers who make possible the extraction of fossil fuels, power generation and energy distribution.

Global energy demand is projected to rise dramatically in the coming years. According to one report, worldwide energy consumption is projected to increase by 71 percent by 2030. And in southwestern Pennsylvania, we're positioned to take advantage of this growing opportunity thanks to our diverse energy assets and our diverse expertise in research, production and distribution.

As we look to our future beyond the current economic recession, we must resolve today that by 2012 we will have set the Pittsburgh region on a clear path to becoming the world's only truly diversified energy economy – the indispensable link in the global energy supply chain.

In the years ahead, our greatest opportunity lies in working to make this a world in which every energy solution deployed in every state in the nation and every nation around the world includes technology developed or produced in the Pittsburgh region.

Looking across southwestern Pennsylvania, we see CONSOL Energy investigating exciting new clean coal technologies.

Duquesne Light, First Energy and Allegheny Energy are keeping the lights on in homes and businesses throughout our region.

And specialty equipment manufacturers like Ellwood Group, Converteam and Brad Foote Gear Works are forging components for wind turbines and other systems of power generation around the world.

Flabeg is building a brand-new facility in our region to assemble solar thermal mirrors.

Eaton Electrical group expanded its engineering operations here last fall.

Plextronics is developing organic solar cells and just cut the ribbon on a new manufacturing development line.

And PPG is developing fiberglass and coatings used to build windmill blades, glass that improves solar cells, and windowpanes that better conserve energy.

Just this week, Serious Materials officially reopened the former Kensington Windows facility with an eye toward producing a better class of energy-efficient windows for green building projects.

At the University of Pittsburgh, the Swanson School's Power and Energy initiative is unique in the world in teaming industry and academic innovators to develop our future energy solutions.

And then there's the Marcellus Shale.

Atlas Energy, Columbia Gas, CNX, Equitable, Range Resources and many others are investing in the nation's largest undeveloped reserve of natural gas right here in southwestern Pennsylvania.

Once again, the Pittsburgh region is at the confluence of world-changing trends at a pivotal moment in history. This is the only place in the world where so many natural resources, so much technology and such abundant intellectual capital converge.

We've reached the tipping point, and it's time Pittsburgh stops being the comeback region and reclaims its rightful place as the region that leads through the most important innovations in energy and the environment in the 21st century ... the indispensable link.

Last year, the regional energy industry generated more than \$28 billion in economic output and fueled more than 105,000 jobs. But that's just a beginning.

The success of our efforts in energy and the environment will not be limited to energy and environmental companies. Engineering firms, IT companies, lawyers, bankers, manufacturers, medical service providers, insurers, restaurateurs, hotel operators, universities and virtually every other stakeholder in our region will benefit from this economic success.

New growth means new opportunity for us all. So it's our shared responsibility to support a vigorous effort to ensure that growth.

Because success doesn't just happen; leaders make it happen.

Unfortunately, civic-minded private sector leaders across the country are under fire today because of negative perceptions driven by the economic crisis. In other regions, they're taking cover to avoid unwanted attention.

They're stepping away from their engagement with nonprofits. They're putting regional stewardship on the back burner. And their communities are suffering for it.

But you – our region's employers – remain committed to the ongoing effort to build an even better Pittsburgh region.

We're holding up relatively well in the face of recession. We've achieved much in recent years. We have significant challenges ahead, but we've got tremendous opportunities, too.

And you are our greatest competitive advantage.

Because success doesn't just happen; leaders make it happen.

Today, the state of our region is strong. Tomorrow, if we imagine a brighter future and continue to work together, we will make our region even stronger.

Thank you.