

**SOUTH DAKOTA TECHNICAL INSTITUTE
FACILITY PROJECT APPLICATION**

(Use when applying for funds that are bonded through the South Dakota Health & Education Authority)
(Submit one (1) copy each to South Dakota Department of Education &
South Dakota Health & Education Authority)

Institute: Lake Area Technical Institute _____ **Date** 24 August 2011

Project Title/Programs LATI Campus Plan: Phases IV (Agriculture, Environmental Technology, Heavy Equipment Operator)

Local Board Approving Resolution 10 October 2011 _____
(Date)

Anticipated Length of Project 2.0 _____ Mar 2012 – Mar 2014
(Number of Years) **(Dates)**

Project Square Footage:

<u>Project</u>	<u>Agriculture</u>	<u>Environmental</u>	<u>Heavy</u>
Sq. Ft.	50,000	<u>Technology</u>	<u>Equip</u>
		8,000	15,000

Project Need

1) Rationale/Intended Use:

In a recently completed LATI Strategic Campus Plan, an independent Architectural firm cited several findings which included of note:

- The current campus and facilities are inadequate to meet current and long-term needs.
- Facilities are heavily utilized or over utilized. Space limitations are beginning to affect the quality of education and leave no room for enrollment growth.

Phase IV of the LATI Campus Plan replace the classrooms and lab spaces for Agriculture and Environmental Technology, and provides laboratory and classroom space for the new Heavy Equipment Operator program.

-Industry Need:

According to the US Department of Labor Statistics showing 50 Top Occupational Growth in South Dakota over the 2004-2014 timeframe, over 80% of South Dakota's economy is agriculture or agriculture-related industry. Department of Labor projects 89 new positions per year in South Dakota for heavy equipment operators. Additionally, looming retirement will considerably increase the demand for these operators above solely new positions. Further, the US Bureau of Labor and Statistics cites job growth for environmental technicians from 2008-2018 from 9 to 29% depending on the specialty.

2) Program(s):

Agriculture Building (Phase IV)

Primary Needs: With continued program growth, LATI's agriculture program is operating over capacity and at the safe limits of current facilities. Over 80% of South Dakota's economy is agriculture or agriculture related industry. This project focuses on expanding and strengthening the delivery of skilled agriculture business and agriculture production technicians throughout the South Dakota and West Central Minnesota region. The direct results of this proposal will be an increased availability of more highly skilled, highly trained farm and agriculture business workers prepared to ease the workforce needs of the agriculture production, agriculture business, and agriculture equipment maintenance crews, as well as the technological advancements that will drive the farming and related industries. Besides the direct involvement of industry in the LATI Agriculture program, South Dakota organizations such as the Governor's Office of Economic Development, the local cooperative extension service, the Farm Credit Services of America, Farm Services Agency, other local agriculture businesses, and South Dakota State University, Focus Watertown, and South Dakota Office of Career and Technical Education (OCTE) are actively working with LATI to create an "opportunity environment" to increase technology-based economic development.

Environmental Technology (Phase IV)

Primary Needs: Our current facilities lack laboratory space and equipment for sustaining and growing our program. Vital to the South Dakota's workforce, Environmental Technicians work to protect natural resources and monitor the chemicals and fuels entering the environment. Graduates analyze and test the quality of water, soil, air, and fuel. An Environmental Technology Graduate can: 1) perform field and lab work for local, state, and federal governments dealing with water, soil and indoor and outdoor air quality; 2) perform tests on soil and water quality for agriculture and other research firms; 3) attain a cutting-edge job with alternative fuel plants like ethanol plants, testing the plant's product to ensure all stages of production are working properly; and 4) transfer into an environmental management program at a 4-year institution

Heavy Equipment Operator (Future Program) (Phase IV)

Primary Needs: Addressing industry's needs for heavy equipment operators, LATI intends to start a heavy equipment operator program. However, because LATI's laboratories are already over capacity, this program cannot be started until the completion of phase IV facilities. The Heavy Equipment Operator Program is designed for students interested in a career in Construction/Heavy Equipment/Earthmoving Equipment Operations and opportunities in the Agricultural Power Machinery Operation. Students will study all aspects of heavy Equipment operation and maintenance techniques. Department of Labor projects 89 new positions per year in South Dakota for this industry. Additionally, looming retirement will considerably increase the demand for these technicians above solely new positions.

3) Program(s)Wage/Salary:

	2009 Graduate Wages	2010 Graduate Wages
	<i>(surveyed 6 mo after graduation)</i>	
Agriculture:	\$14.49	\$11.18*
Environmental Tech:	\$16.10	\$17.17
Heavy Equipment Operator:	N/A	\$18-\$20 (projected)

**believed to be an anomaly as trend has been sustained consistent increase prior to recent recession.*

4) Program(s) Current and Projected Enrollment-(Current to year 5):

Project	AG	ENV Tech	HEO
Current	178	25	0
Year 1	178	25	18
Year 2	178	35	36
Year 3	190	40	40
Year 4	200	44	44
Year 5	210	60	56

Note: Corporate Education will also expand offers in these areas

5) Safety Issues

Today, the Agriculture and Environmental Technology laboratory facilities are overcrowded. The building housing Agriculture has exceeded the 30 year life expectancy. Water leaks, seepage and other age related problems are becoming safety concerns. Additionally, aging ventilation and heavy lift equipment as well as specialized electrical wiring, needs to be upgraded or replaced. The Environmental Technology lab is current under 800 sq ft, significantly short of the needed 8000 sq ft of laboratory space.

6) Additional Project Information

Projected Estimated Cost **\$ \$14.6M**

Dollars Requested from Bonding Authority **\$ \$12.5M**

Other Resources for Funding Project **\$ \$2.1M**

(In-kind, private contributions, other)

LATI Foundation continue to raise capital through a Major Investment Campaign. The Campaign’s focus is on ensuring facilities are technologically up to date with modern safety and efficiency features. A concerted effort is also underway to obtain the next level of excellence funding from Federal and commercial grants.

Location & Legal description of project

(Survey & title commitment)

Phase IV of the LATI Campus Plan will be constructed on existing District-owned land, but will require the purchase and relocation of a District transportation facility.

Preliminary construction draw-down schedule

Month 1 = 4%	\$500,000
Month 4 = 24.8%	\$2,600,000
Month 8 = 37.6%	\$1,600,000
Month 12 = 50.4%	\$1,600,000
Month 16 = 69.6%	\$2,400,000
Month 20 = 83.2%	\$1,700,000
Month 24 = 100.00%	<u>\$2,100,000</u>
Total	\$12,500,000

**TECHNICAL INSTITUTES
SERIES 2011
LAKE AREA TEACHNICAL INSTITUTE**

**Estimated Schedule of Project Costs and Average
Reasonably Expected Economic Life**

<u>DESCRIPTION</u>	<u>(A) Total Costs</u>	<u>(B) Paid by Bond Proceeds</u>	<u>(C) Economic Life in Years</u>	<u>(D) Product of (B) * (C)</u>
Building (new)	7,600,000	7,500,000	40	300,000,000
Building (combination)			30	0
Building (remodeling)			20	0
H.V.A.C., fire protection	1,600,000	1,600,000	20	32,000,000
Plumbing	800,000	800,000	20	16,000,000
Electrical	1,400,000	1,400,000	20	28,000,000
Equipment - 8 years	500,000		8	0
Equipment - 10 years	850,000		10	0
Equipment - 15 years	700,000	250,000	15	
Professional Services	890,000	655,400	20	13,108,000
Builder's Risk	10,000	9,600	20	192,000
Contingency	250,000	285,000	20	5,700,000
Totals	14,600,000	12,500,000		395,000,000

Average Reasonable Expected Economic Life: Not Less than 31.56 years. (D/B)

31.60

- (1) Computation of economic life as of expected placed in service date does not include period of years (or portion thereof) from the date such assets are expected to be placed in service.
- (2) Facilities given an original economic life of 20 years or longer include only property that constitutes a building or an integral part thereof, which integral part (i) is not removable without damage to such part or the building of which it is a part and (ii) is not to be used with respect to, or designed to permit or facilitate the operation of, any particular piece of equipment or non-real property.
- (3) Estimates only. School board has approved architect. Anticipate by mid-January LATI will submit updated information. Building costs include land acquisition and preparation activities, including development of interim and permanent parking lots.