



PHOTO: RTEC

# Tech Talk

## A Former Blue Jean Plant In Yankton Has Turned Into An Important Training Ground For Area Technical Students And Manufacturers

BY RANDY DOCKENDORF  
randy.dockendorf@yankton.net

In 1999-2000, Yankton suffered two dramatic back-to-back business losses with the closing of Aalf's Manufacturing and Gurney Seed and Nursery.

The job losses were jolting for the community of 15,000 residents and the surrounding region. Aalf's employed 90-100 workers. Gurney employed 120 full-time workers with a total of several hundred personnel, including part-time and seasonal workers.

But from those losses emerged the Regional Technical Education Center (RTEC), which has provided workforce training and support for nearly 15 years. It is located at the former Aalfs building on 21st St.

The Yankton School District (YSD) purchased the building last year, and the acquisition will bolster its current vocational programs for students.

The former RTEC facility is now called the YSD Career Manufacturing Technical Education Academy (CMTEA), according to Superintendent Wayne Kindle.

"We continue to partner with RTEC, and they remain in the facility," he said.

From its inception, RTEC has met several different needs over the course of time, according to president and chief operating officer Josh Svatos.

"In 2004, RTEC began as a vision by several community members," he said. "Gurney's was leaving, and a couple of manufacturing plants had downsized, meaning we lost dedicated workers. On the flip side, manufacturers needed skill training without sending workers out of town."

Community members viewed RTEC as a way of directly meeting local workforce needs, Svatos said.

"RTEC's goal has remained to 'home grow' our technical education workforce," he explained.

"We'd welcome an expansion which would give us more space for more students and more learning opportunities."

RTEC has succeeded because of its early and continued support, Svatos said. In particular, he pointed to the role of Yankton Area Progressive Growth (YAPG).

"YAPG has been a partner since Day 1," he said. "We owe it to YAPG for being so supportive of this institution. We wouldn't last without the local sponsors' support of us."

RTEC has grown and evolved over the years to meet workforce needs, according to YAPG chairman Rob Stephenson.

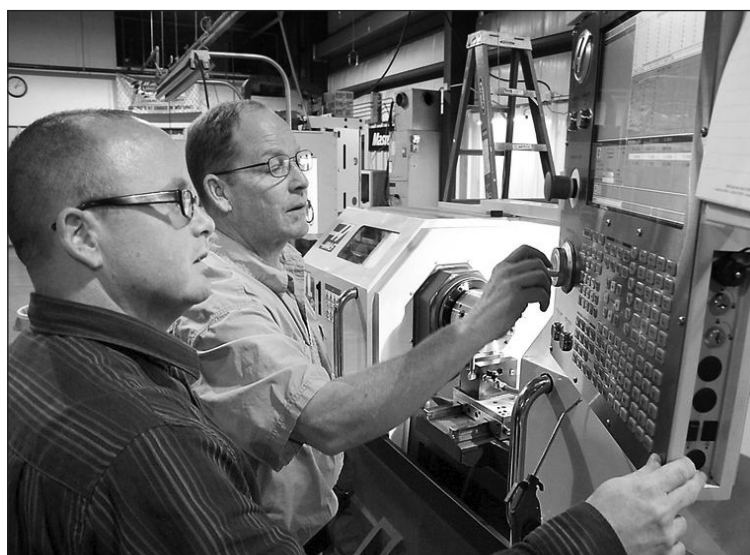
Local support, along with state funding, remained crucial in getting RTEC off the ground, Stephenson added.

"Yankton Manufacturing (organi-



COURTESY PHOTO

ABOVE: A photo of the Aalf's blue jeans factory on W. 21st St. in Yankton. It closed in the late 1990s, and the building was eventually transformed into what is now known as RTEC. BELOW: In this 2014 photo, RTEC instructor John Darcy (right) shows RTEC COO Josh Svatos how one of the Haas CNC mill and lathe stations works that the Yankton facility had recently acquired.



KELLY HERTZ/P&amp;D

zation) was active then. Kolberg and Applied Engineering had leading roles in contributing equipment (and other resources)," he said.

"Tom Bohnet, Rick Duimstra, Joe Vig and Ron Kraft were long-time leaders that helped keep RTEC afloat and producing strong results for the Yankton community through its infancy and over the years."

### A HISTORY OF SUCCESS

Kraft produced a summary of RTEC's history, from its origins to the present.

YAPG and the City of Yankton received a \$789,000 grant to cover 60 percent of the purchase price

for the Aalf's building and to start remodeling it. This was done by Congressional Special Appropriation through the U.S. Economic Development Administration (EDA) as recommended by the South Dakota congressional delegation.

The YAPG raised the 40 percent match, and remodeling of the 25,300-square-foot building began in summer 2001. Then-South Dakota Gov. Bill Janklow authorized \$200,000 to finish remodeling the building.

The grant contained a 15-year mortgage that stipulated the building must be used for education. The mortgage was lifted in 2016.

The City of Yankton became involved because the grant required

a government pass-through for the EDA. The City of Yankton owned the building at that time, which made the facility a tax-exempt property. RTEC held an agreement to buy it back for \$1.

YAPG provided operating funds in the name of workforce development from the inception to the present.

The original plan called for Southeast Technical Institute to operate the building as a satellite, but STI pulled out in June 2004.

Matt Michels, Allan Douglass, Tom Bohnet and Ron Kraft formed the Regional Technical Education Center (RTEC), Inc., a non-profit, 501(c)3 corporation. The board was expanded using the former advisory council.

RTEC leased the building for \$1 annually on a triple-net lease. RTEC paid all of the insurance, maintenance and operating costs, and sub-leased to other occupants.

The new business model called for RTEC to operate as a business, delivering technical training and education services.

Gov. Mike Rounds gave \$50,000 for a start-up grant in 2005.

RTEC officers managed the program for more than two years with Southeast Job Link overseeing building operations. Instructors were and are contracted per class taught.

Full-time renters have included the Yankton School District for a metals lab, the City of Yankton for a community room/commission chambers; and Southeast Job Link

for its offices and training rooms.

The rent of \$10 per square foot annually was not increased during a 13-year period.

As part of its training mission, RTEC started hiring staff in 2006.

In 2008, the recession decreased demand for training, but in 2009, RTEC enjoyed a very good year, as it was profitable and had no debt.

In 2010, training demand dropped, and the federal government money passed through the state for training became less predictable.

During the recession, a number of Yankton manufacturers and other businesses saw layoffs rise because of decreased orders. The unemployment rate exceeded 7 percent at one point, one of the highest jobless figures at the time in South Dakota.

In response, RTEC provided training that allowed unemployed workers to enter other career fields which had openings at the time, Svatos said. One of those areas of demand came for Certified Nursing Assistants (CNA).

"During the recession, Avera Education and Staffing wanted us to offer classes for dislocated workers," he said. "What could we do to make (those workers) marketable for available openings? We offered the next step."

In addition, RTEC has offered specialized training for new industries and expanding job markets, Svatos said. "We've had demand