

Two KAN STEP projects beat increased steel costs

The present trend in construction costs can be summed up with three words: "Higher and Higher!" Increased costs for steel are impacting a variety of construction projects, including the buildings that cities are developing through the popular KAN STEP program. KAN STEP is a self-help program that enables small communities to make major infrastructure improvements. Local residents volunteer labor or services – termed "sweat equity" – while the Department of Commerce provides funding for technical services and materials. Commerce's funding originates with the federal Community Development Block Grant (CDBG) program. KAN STEP provides small communities an opportunity to invest in projects

they otherwise could not afford. Kansas Rural Water Association provides inspection services and technical assistance on all KAN STEP projects.

As of June 1, there are 12 projects in construction or contracted. The

KAN STEP projects in Hanover and Hunter are both erecting steel buildings and are in the middle of construction. Both of these projects have beat the escalating price increases of 2008.

Hunter gets new community center

In early 2007, the Kansas Department of Commerce awarded the city of Hunter a \$296,551 KAN

STEP grant to construct a new community center. Hunter will match the funding with \$248,530 in volunteer labor. The total retail cost is estimated at \$545,081. Hunter is located in southwestern Mitchell County in north-central Kansas. This small town has an army of

volunteers that has attacked this project with a fervor.

The 6,365 square-foot facility is being constructed in the center of town north of the elevator and south of the cafe. The dimensions are 73 feet x 88 feet. The community center will include a

library with office, dining area with a full kitchen, reception hall with a kitchenette and an office, restrooms, storage and utility room. A record number of volunteers for a KAN STEP project pitched in on March 22 when the second half of the slab was poured. There were 32 volunteers there. Hunter Mayor Bob Wiles said, "It is sure nice to see all these volunteers



Top: The framework for the City of Hunter's KAN STEP Community Building was erected in April 2008. The manufacturer is Star. Structural steel costs have increased 26% from Jan. 1, 2008 to May 15, 2008.

Above: Leonard Moen, one of dozens of volunteers on the Hunter project, fastens the subframe for the rake angle. Leonard is retired as a former industrial maintenance supervisor. He and his wife are restoring a home in Hunter.



*Shane Holthaus
KAN STEP Tech*



Above: Another beam is lifted to be bolted to the main columns on the Hunter project on April 15, 2008.

Right: Volunteers attach and cut openings in the exterior metal for windows on the east side of the Hunter Community Building.

show up and lend a hand. I just hope we have this many volunteers here by the time we finish.”

The project representatives at Hunter are Bob Wiles, Steve Schneider and Ken Stewart. Grant Administration is provided by Lori Thielen, North Central Planning Commission, Beloit, Kan. Don Marrs, DMA Architects, Salina, is the architect for the project

Hanover’s multi-purpose project

The city of Hanover in northeast Washington County was awarded a \$300,000 KAN STEP Grant to construct a new multi-purpose community center. Hanover is matching the funding with \$272,970 in volunteer labor for a total retail cost of \$572,790.

The 9,000 square-foot facility will include an assembly room, restrooms and three food service rooms to be used by different organizations during community events and fundraisers. Hanover started their red iron work on April 22. As of June 5, the volunteers are hanging tin on the exterior. The

center will have eight overhead doors and nine walk-in doors. There will be three serving windows in the exterior of the building. There will be an abundance of trim work involved. Project Representative Robert Holle and Dennis Minge are setting a July 4 date to be finished with the tin on the building.

Sparkplug Robert Holle said, "It's great on a Saturday morning to have 31 volunteers to show up for work and 60% being younger men from the community – that's just makes me proud to be from a rural community. We feel fortunate to have such a wide range of talent and that is what is making this project successful."

Increased cost of materials makes money more expensive

According to the United States Mint it costs in the neighborhood of 1.7 cents to make a penny and 7.7 cents to make a nickel. In 2007, the Mint produced 7.4 billion pennies and 1.2 billion nickels, according to the House Financial Services Committee.

Other coins still cost less than their face value, according to the Mint. The dime costs a little over 4 cents to make, while the quarter costs almost 10 cents. The dollar coin, meanwhile, costs about 16 cents to make, according to the Mint.

Project representatives at Hanover are Robert Holle and Dennis Minge. Deb Olde, North Central Kansas Planning, is providing Grant Administration. Architect is Don Marrs, DMA Architects, Salina.

The weather has been a major problem since late last year for everyone. Both Hanover and Hunter's steel buildings were shipped in December 2007 in both groups' anticipation of beginning their projects. Concrete slabs however



Volunteers prepare to attach the eave girt on the north wall of KAN STEP project at Hanover. The building will have a multi-purpose use including Days of 49, local auctions, 4th of July celebrations, weddings and other community events.

were not poured in December due to the ice storm that hit most of Kansas. Cold and wet conditions continue through February and into March, further hindering progress. The last floor pour was made on March 22 at Hanover. Hunter started red iron work on April 15.

Between rains work has progressed and tin work has been started on the buildings.

Steel costs

Norman Elliot with J & N Elliot Construction, Morrowville, Kan., is the supplier for both of these

projects. Elliot explained, "Structural steel costs have gone up 26% since January of 2008 for the Star brand of building."

I am aware that rebar has increased by 32%. Anyone purchasing steel buildings or rebar can expect price adjustments every two weeks.

The increases in the cost of steel began in 2000. BNET Business Services reports that China's demand for scrap metal to feed its booming manufacturing industry has driven the price from \$120 a ton in the summer of 2007 to \$255 a ton by mid-February 2008. In 2001, the United States exported 7.44 million metric tons of scrap. In 2003 it exported 12 million metric tons, with China buying 3.3 million metric tons. China's demand for scrap iron increased 22 percent in 2003 and 13 percent in 2004. Recycled metal has helped keep the prices down but the demand from China is inflationary on world markets.

KAN STEP is a unique program. I encourage communities that are interested to contact the Kansas Department of Commerce for more information.

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