



Carlisle Recreation Commission

Response to Questions on Pickleball
Proposal Posed By Select Board -
January 11, 2022



Follow up question 1 – Construction costs

As complete as you have, the proposed building design and cost, making clear what \$1.5 million covers and what it does not (are outdoor courts definitely included?)

- See section 6 of the grant agreement, which lays out the minimum design requirements for the project grant (it does include outdoor courts)
- See also section 9, which specifies permitted use of grant funds
- See also section 10, which lays out three installments of grant funds (engineering reimbursement, design, and construction)
- Also under section 10, the town is obligated for construction costs in excess of 1.5M
 - However, municipal construction costs use guaranteed cost contract formats. If the quoted construction costs exceeded 1.5M, and the Foundation did not agree to increase their grant, the town could simply not move forward with construction.



Follow up question 1 – Construction costs

| <u>Item</u> | <u>Estimate</u> | <u>Data Source</u> |
|--|------------------|-----------------------|
| Engineering | 54,500 | Stamsky & McNary |
| Architectural review | 20,000 | Vertex, Inc. |
| Site and ground preparation (subsurface foundation, concrete movement of earth and materials) | 110,000 | |
| Construction of public well | 100,000 | Stamsky & McNary |
| Utilities access (electrical connection) | 10,000 | |
| Septic installation | 40,000 | Stamsky & McNary |
| Building materials and assembly | 350,000 | Patriot Steel |
| Indoor court surfacing and construction | 116,160 | Sportmaster surfacing |
| HVAC | 48,000 | Vertex, Inc. |
| Plumbing | 26,000 | Vertex, Inc. |
| Non-court space finishing | 60,000 | Vertex, Inc. |
| Lighting/Electricity | 40,000 | Vertex, Inc. |
| Solar infrastructure | 56,000 | Unbound Solar |
| Fencing, nets, and other interior hardscape | 30,000 | ASBA |
| Finishing, painting, carpeting, flooring (non court areas) | 25,000 | ASBA |
| Furnishings | 15,000 | |
| <u>Digital infrastructure (wifi, cable, security system, smart maintenance systems, computers)</u> | <u>20,000</u> | Vertex, Inc. |
| <i>Subtotal</i> | 1,120,660 | |
| | | |
| <u>Exterior</u> | | |
| Landscape architecture | 15,000 | Fisher Design, Inc. |
| Outdoor court surfaces | 79,200 | Sportmaster surfacing |
| Outdoor court amenities (fencing, hydration, pathways, benches, etc.) | 14,000 | Fisher Design, Inc. |
| Parking | 50,000 | Various, 3/sqft |
| Landscape hardscapes | 15,000 | Fisher Design, Inc. |
| <u>Landscape softscapes</u> | <u>15,000</u> | Fisher Design, Inc. |
| <i>Subtotal</i> | 188,200 | |
| | | |
| <u>Soft costs</u> | | |
| General contractor fees | 112,066 | Vertex, Inc. |
| Permit and inspection fees | 5,000 | |
| <u>Site maintenance and conditions</u> | <u>33,620</u> | Vertex, Inc. |
| <i>Subtotal</i> | 150,686 | |
| | | |
| Grand total | 1,459,546 | |



Follow up question 2 – Operating Costs

- The projected operational costs, with detail on projected revenue, with the assumptions that are built into it



Operation and Maintenance – Illustrative Budget

| | Fiscal Year* | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2023 | 2024 | 2025 | 2026 | 2027 |
| Revenue | | | | | |
| Membership | 124,000 | 167,375 | 209,528 | 260,615 | 277,438 |
| Rentals | 4,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Tournament and other Fees | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Pro Shop | 14,000 | 10,000 | 10,300 | 10,609 | 10,927 |
| Concessions (net) ** | 3,600 | 3,708 | 3,819 | 3,934 | 4,052 |
| Total Revenue | 147,600 | 191,083 | 233,647 | 285,158 | 302,417 |
| Expenses | | | | | |
| COGS - Pro Shop | 11,200 | 8,000 | 8,240 | 8,487 | 8,742 |
| Payroll*** | 75,000 | 77,250 | 79,568 | 81,955 | 84,413 |
| Website, advertising, payment processing, etc. | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 |
| Utilities | 18,000 | 18,540 | 19,096 | 19,669 | 20,259 |
| Cleaning & Trash Removal | 5,760 | 5,933 | 6,111 | 6,294 | 6,483 |
| Landscape maintenance | 4,000 | 4,120 | 4,244 | 4,371 | 4,502 |
| Snow removal and roadway maintenance | 3,900 | 4,017 | 4,138 | 4,262 | 4,389 |
| Pest control | 1,200 | 1,236 | 1,273 | 1,311 | 1,351 |
| Insurance | 3,000 | 3,090 | 3,183 | 3,278 | 3,377 |
| Repairs | 3,000 | 1,500 | 1,500 | 3,000 | 3,000 |
| Total Expenses | 130,060 | 128,836 | 132,656 | 138,091 | 142,143 |
| Net contribution to reserves | 17,540 | 62,247 | 100,991 | 147,068 | 160,274 |
| Cumulative contribution to reserves | 17,540 | 35,080 | 97,327 | 198,318 | 345,386 |

Note: Based on estimated pricing and participation rates – see next page

* Town of Carlisle Fiscal Year begins June 30, eg July 1 2022 is in FY 2023

** Concessions shown likely vending machine revenue only.

*** Model assumes 1 employee primarily responsible with membership and programming.



Illustrative Budget - Assumptions

| Assumptions | Fiscal Year * | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2023 | 2024 | 2025 | 2026 | 2027 |
| <u>Member Numbers - Average</u> | | | | | |
| Carlisle Family Memberships | 40 | 50 | 55 | 60 | 65 |
| Carlisle Individual Memberships | 60 | 90 | 120 | 150 | 150 |
| Non-Resident Family Memberships | 20 | 25 | 30 | 35 | 40 |
| Non-Resident Individual Memberships | 80 | 100 | 120 | 150 | 150 |
| <u>Fees *</u> | | | | | |
| Carlisle Family Memberships | 70 | 72.10 | 74.26 | 76.49 | 78.79 |
| Carlisle Individual Memberships | 50 | 51.50 | 53.05 | 54.64 | 56.28 |
| Non-Resident Family Memberships | 90 | 92.70 | 95.48 | 98.35 | 101.30 |
| Non-Resident Individual Memberships | 60 | 61.80 | 63.65 | 65.56 | 67.53 |
| <u>Revenues - Annualized</u> | | | | | |
| Carlisle Family Memberships | 28,000 | 36,050 | 40,845 | 45,895 | 51,211 |
| Carlisle Individual Memberships | 30,000 | 46,350 | 63,654 | 81,955 | 84,413 |
| Non-Resident Family Memberships | 18,000 | 23,175 | 28,644 | 34,421 | 40,518 |
| Non-Resident Individual Memberships | 48,000 | 61,800 | 76,385 | 98,345 | 101,296 |
| Total | 124,000 | 167,375 | 209,528 | 260,615 | 277,438 |
| Inflation | 3% | | | | |

* Monthly membership fees (10 months per year)

Illustrative pricing based on similar facilities locally and nationally.

Membership pricing and participation estimates developed with foundation and benchmarked against other regional and national pickleball facilities.

Note: illustrative pricing only using market rates for a membership model. Actual pricing to be determined by governance board.



Illustrative Budget – Market Rates

- The illustrative model relies on a membership model
 - We used membership fees because they are simple to understand and to project
 - Most courts of this caliber use a membership fee + hourly court fee
- Ultimately, the pricing will be up to the Town, through a governance committee. This model is intended to illustrate the viability of operating the courts at prevailing market rates.
- These membership fees are roughly equivalent to a purely per hour court use fee of \$20-24/hour
 - That conversion assumes a player uses the courts 10 hours/month in doubles play
 - Example – 10 hours per month at \$20/hour = \$200, which divided by 4 is \$50/month, which equals our illustrated single membership fee for Carlisle residents



Pricing Benchmarks - local

| <u>Establishment</u> | <u>Membership Fees</u> | <u>Court fees</u> |
|---|---|----------------------------------|
| Pickles Hanover MA | 200 lifetime fee 80/month | 20/hour |
| Marcus Lewis | ~40/month | average 35/hour |
| Dartmouth Indoor Pickleball Club Dartmouth, MA | No membership | \$20/hour per court |
| Danvers YMCA | | \$20/hour |
| Danvers Indoor Sports | | \$30/hour court |
| Hunt Gym | Sold out 3 courts for 2 hours 1-3PM 4 days/week | \$40/hour |
| Chatham Community Center | | Converts to about \$36/hour |
| YMCA Beverly Basketball courts that are lined | | \$25/month individual member fee |
| Andover - Gyms | | Converts to \$30/court hour |
| Bay Road Tennis Club Amherst | 40/month | Court fees average \$28/hour |



Pricing Benchmarks - national

| <u>Establishment</u> | <u>Membership Fees</u> | <u>Court fees</u> |
|---|---|--|
| Glenbrook paddle club Glenbrook IL | 149 annual plus 89/month | None |
| Pickleball Island Grand Island, NY | | 50/hour |
| House of Pickleball Leland NC | 125 annual + 12/monthly | 20/hr |
| Oxford Pickleball Oxford CT | 4month member is 280 Annual 800 Equates to about 70/month | 10/hour |
| Pickleballerz Chantilly VA | 40/month | 6/hour |
| The Pickleball Club Sarasota, FL startup | Initiation of 150 65/month membership | 25/hour |
| Chicken and pickle Various - midwest | None | 20 - 40/hour (40 for all peak hours) 400,000 visits in 2017, about 125/day 6 locations, revenue of 4m/location |
| Sky Fitness Chicago | 49 -86/month | 10/hour |
| PicklePlex Punta Gorda FL | 200/year | 5/player/session |
| Taconic MN | Individual \$199/year Couples 350/year Family \$500/year | \$24/hour for members |



Cost Details

| | <u>Estimate</u> | <u>Data source</u> |
|--|-----------------|---|
| Payroll*** | 75,000 | Glassdoor, Inc. |
| Website, advertising, payment processing, etc. | 5,000 | Square |
| Utilities | 18,000 | US Energy Information Administration Survey |
| Cleaning & Trash Removal | 5,760 | Various sources (Janitorial store, Steamboat Springs, PricelItHere commercial survey) |
| Landscape maintenance | 4,000 | Reccom |
| Snow removal and roadway maintenance | 3,900 | |
| Pest control | 1,200 | Urbanex |
| Insurance | 3,000 | HUB International |
| Repairs | 3,000 | |
| <u>Total</u> | <u>118,860</u> | |



Follow up question 3

- The risk the town assumes if the Rec Com pays for the preliminary site plan and the project does not go forward
 - Conceptual site plan quote is \$6,000, although since we are expanding the scope of that review we expect it to be more
 - Full site plan review was quoted at \$54,500