

# **Preliminary Cost Estimate:**

**Recreation Entertainment Venue**

# Comparison Facility: Smash Park

The estimates used in this proforma are informed by the size, capacity, and other features noted for Smash Park, the featured case study, and average industry costs as of August 2024.

## LOCATION:

West Des Moines, IA  
38 square miles  
70,741 people

## SIZE & CAPACITY:

22,000 square feet  
300-400 people indoors  
addt'l capacity outside

## VISITATION

**250+**  
on weekdays

**1,000+**  
on weekends

**120K-240K**  
estimated annual

The former Smoot Tannery site is on a **3-acre parcel, approximately 130,680 square feet**. Common dimensions for a 22,000 SF building might be 200 feet long by 110 feet wide. However, the actual shape and layout could vary. The building would use less than one-fifth of the land, leaving around **108,680 square feet for additional amenities** such as parking, outdoor recreation areas, landscaping, walkways, or other facilities.

# Calculating Preliminary Construction Costs

The cost of constructing a recreation or entertainment facility can vary widely based on location, materials, design complexity, and additional amenities (like kitchens, number of sports courts, or specialized rooms). However, we can estimate an average range for construction costs per square foot.

As of 2024, recreational facility construction costs range between **\$200 and \$350 per square foot**. This range can increase based on factors such as high-end finishes, complex architectural designs, or additional amenities such as indoor sports courts, rock climbing walls, fitness equipment installations, etc.

**FOR A  
22,000-SQUARE-  
FOOT RECREATION  
FACILITY:**

**\$4,400,000**  
low-end estimate  
\$200 per SF x 22,000 SF

**\$7,700,000**  
high-end estimate  
\$350 per SF x 22,000 SF

# Additional Costs to Consider

## DEMOLITION + REMEDIATION

Due to the deteriorated condition of the buildings and the presence of asbestos in roofing and other building components, most of the buildings would need to be removed and demolished as asbestos-containing material at an estimated cost of **\$457,000**. The demolition of the buildings, including loading out the asbestos-containing materials, bringing the buildings down to grade, and removing the foundations and footers down 18 inches below grade, is estimated to cost roughly **\$800,000**. Hauling and grading topsoil to cover the site is estimated at **\$100,000**.

## \$75K-\$125K

preservation of the smokestack

## \$5-\$10

per square foot, depending on size and materials for asphalt

## \$100K-\$300K

for outdoor features such as seating areas, playgrounds, or walking trails

## 5-20%

of total construction costs for architect, engineering, and project management fees

## 5-15%

of total project costs for a developer fee

*this is a compensation payable to the developer for their time and effort. This fee can be reinvested in the project, covering operating costs or related programming, or it can be used to support other vision-aligned initiatives.*

## \$500K-\$1M

for furniture, fixtures, and equipment depending on quality and type

*these costs can be deferred to the tenant, as well.*

Given these estimates, the total cost for constructing a 22,000-square-foot recreation facility like Smashpark could range from approximately \$12 million to \$15 million, depending on the factors mentioned above. For a more accurate estimate, it will be necessary to have detailed architectural plans and specifications, a site survey, and targeted local market data on labor and material costs.

The out-of-pocket expense for the Town of North Wilkesboro is expected to be minimal and could potentially be covered without taking on debt or interest-bearing loans. This can be accomplished through a well-planned program that involves strategic partnerships with local organizations, businesses, and community stakeholders.

### POTENTIAL FUNDING SOURCES

- EPA Cleanup Funding:** up to \$500,000
- Golden LEAF Foundation:** \$200,000 to \$1 Million
- CDBG Funding:** \$500,000 to \$1.5 Million
- FY26 Congressionally Directed Spending:** up to \$5 Million
- New Markets Tax Credit Equity:** 20-25% of total project costs
- EDA Public Works & Econ. Adjustment Assistance:** up to \$3 million

By closely evaluating each funding opportunity for its competitiveness and aligning the project's objectives with the specific requirements and priorities of these funding sources, the town can increase its chances of securing awards. Leveraging these programs to their maximum potential could enable the project to be delivered entirely debt-free, enhancing its feasibility and financial sustainability.

## Sample Redevelopment Proforma

### Redevelopment Costs

Acquisition	Negotiable
New Construction	\$7,700,000
Smokestack	\$125,000
Demolition and Remediation	\$1,357,000
Site Improvements	\$300,000
Professional Fees	\$1,836,400
Developer Fees	\$1,358,208
<b>TOTAL USES</b>	<b>\$12,676,608</b>

### Assumptions

*construction costs estimated @ \$350/SF*

*parking lot (assumes 66 spots, 21,450 SF, \$7 per SF), landscaping, outdoor amenities*

*assumes 20% of hard costs*

*assumes 12% total project costs*

### Funding Sources

EPA Cleanup Funding	\$1,357,000
Golden LEAF Foundation's Economic Catalyst Program	\$500,000
CDBG Funding	\$1,000,000
FY26 Congressionally Directed Spending	\$3,000,000
New Markets Tax Credit Equity*	\$3,580,980
EDA: Public Works and Economic Adjustment Assistance Program	\$3,000,000
Deferred Developer Fees	\$238,628
<b>TOTAL SOURCES</b>	<b>\$12,676,608</b>

### Income + Expense

#### Income

Recreation Facility	\$374,000	<i>lease rates estimated at \$17/SF</i>
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#### Expenses

Annual Debt Service	\$ -	<i>assumes no debt service</i>
Gross Cash Flow	\$249,000	
Annual Operating Expenses	\$125,000	<i>utilities, maintenance, security, insurance, reserves</i>
Net Cash Flow	\$249,000	

*\*New Markets Tax Credits are highly competitive. As a best practice, identify alternate sources of funding that can be used if these tax credits or other sources of competitive funding aren't awarded to the project.*

# Economic Impact Summary

*An estimated total project cost of \$12 million was used for this impact summary.*

## EMPLOYMENT IMPACT

The construction project, estimated at roughly \$12 million, is expected to create **93 jobs** in total:

- **64 direct jobs** (construction workers, engineers, site managers, etc)
- **7 indirect jobs** (materials suppliers, equipment rental companies, etc)
- **16 induced jobs** (jobs created in local shops, restaurants, etc. due to increased spending by those employed directly and indirectly by the construction project)

## ECONOMIC OUTPUT

The total economic output from the construction project is estimated to be **\$16,172,115**:

- **\$12 million** in direct sales/output (value of the actual construction activities)
- **\$1,408,103** in indirect sales/output (value added to the economy through businesses that supply goods and services to the construction project)
- **\$2,764,012** in induced sales/output (economic activity generated by the increased local spending from the new jobs created)

## COMPENSATION IMPACT

The total compensation, including wages and benefits paid to all workers involved, is estimated at **\$5,869,168**:

- **\$4,615,472** in direct compensation (wages and benefits paid directly to construction workers and other employees involved in the project)
- **\$405,469** in indirect compensation (wages and benefits paid to employees in supporting industries)
- **\$848,227** in induced compensation (wages and benefits resulting from increased economic activity in the community)