



# FAHEY SALES

AUCTIONEERS & APPRAISERS

The following pages are from an executive summary from a certified real estate appraisal that was completed on the subject property in December of 2016. This information is being provided as a courtesy with the permission of the appraiser and the entity the appraisal was completed for.



ASSETS TO CASH

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## EXECUTIVE SUMMARY

<b>Property Type</b>	18-Hole Public Golf Course
<b>Current Name/ Use</b>	Southbrook Golf Club
<b>Location</b>	511 Morrison Avenue Northwest, Annandale, Minnesota 55302
<b>Legal Description</b>	To Conform to PIN numbers below Recommend Title Search, See Addenda
<b>Property Identification Numbers</b>	102048006010, 102048006020, 102048000130 102066000010, 102800361100, 102068000010, 120680000030
<b>Land Area</b>	Total of 200.91 Acres, Per County Records
<b>Parking</b>	On-Site estimated at 150+, open bituminous
<b>Zoning</b>	R-1; Single Family Residential
<b>Flood Zone</b>	Zone X, Non-hazard area, wet lands not included
<b>Gross Building Area</b>	Club House                      6,112 square feet Cart Storage                    2,400 square feet Maintenance Bldg.            4,800 square feet
<b>Year Built</b>	1996 - 2000, physical age of 18 years weighted

**EXECUTIVE SUMMARY (Continued)**

**Remaining Economic Life** 10 - 15 years

**Base Real Estate Taxes** Year 2016 at \$21,394  
No specials per County website  
A title search is recommended

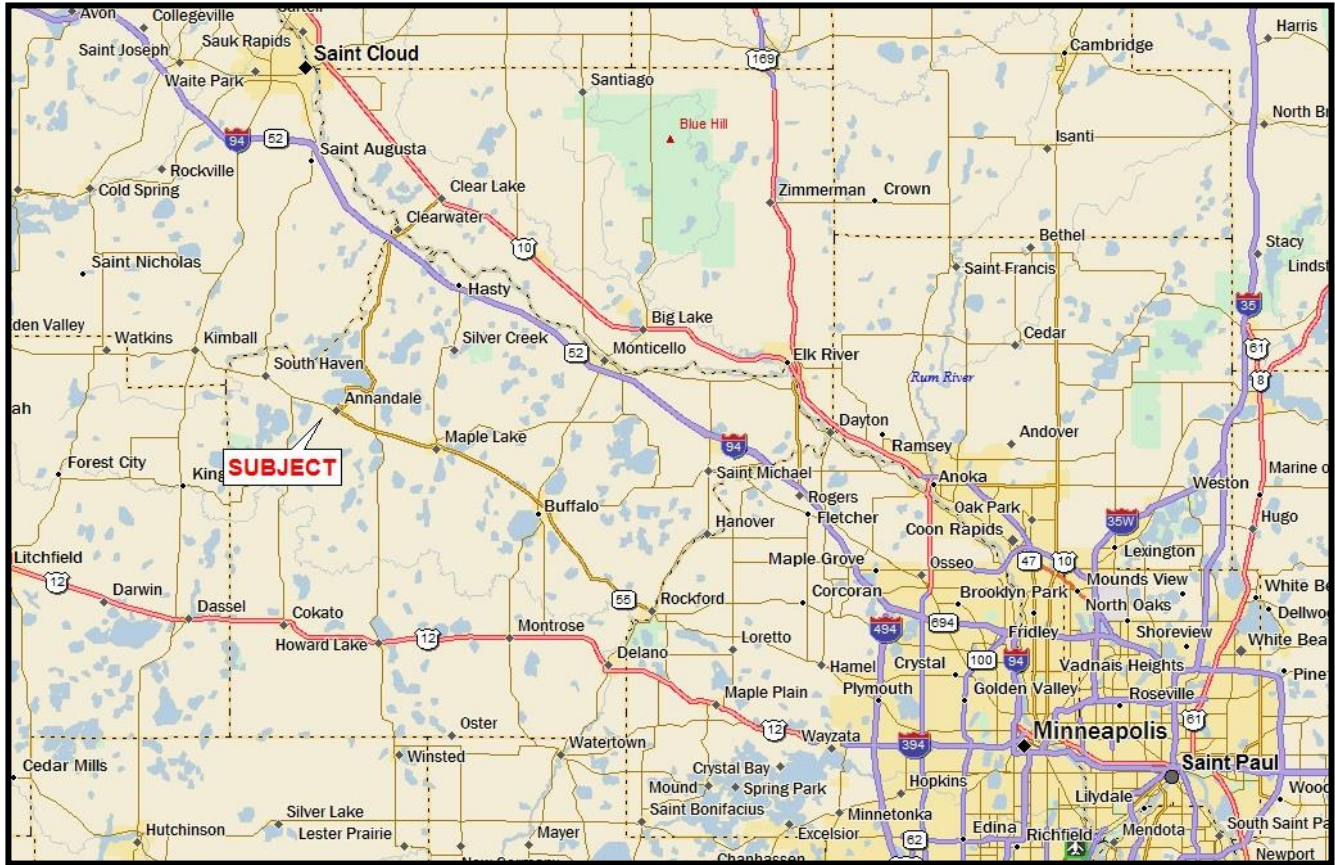
**Property Rights Appraised** Fee Simple Interest

PARCEL #	PROPERTY ID #	LAND AREA	USE
1	105048006010	5.31 Acres	Main Building
2	102048006020	3.3 Acres	Clubhouse
3	102048000130	130.57 Acres	Course
4	102066000010	9.68 Acres	Course
5	102800361100	36.02 Acres	Course and wetlands
6	102068000010	3.5 Acres	Course, Peach Lane and Acacia Drive
7	102068000030	12.53 Acres	Hole, Outlot, wetlands
8	Totals	200.91	Total Golf Course

**Effective Date of Appraisal** December 9<sup>th</sup>, 2016, "As Is"

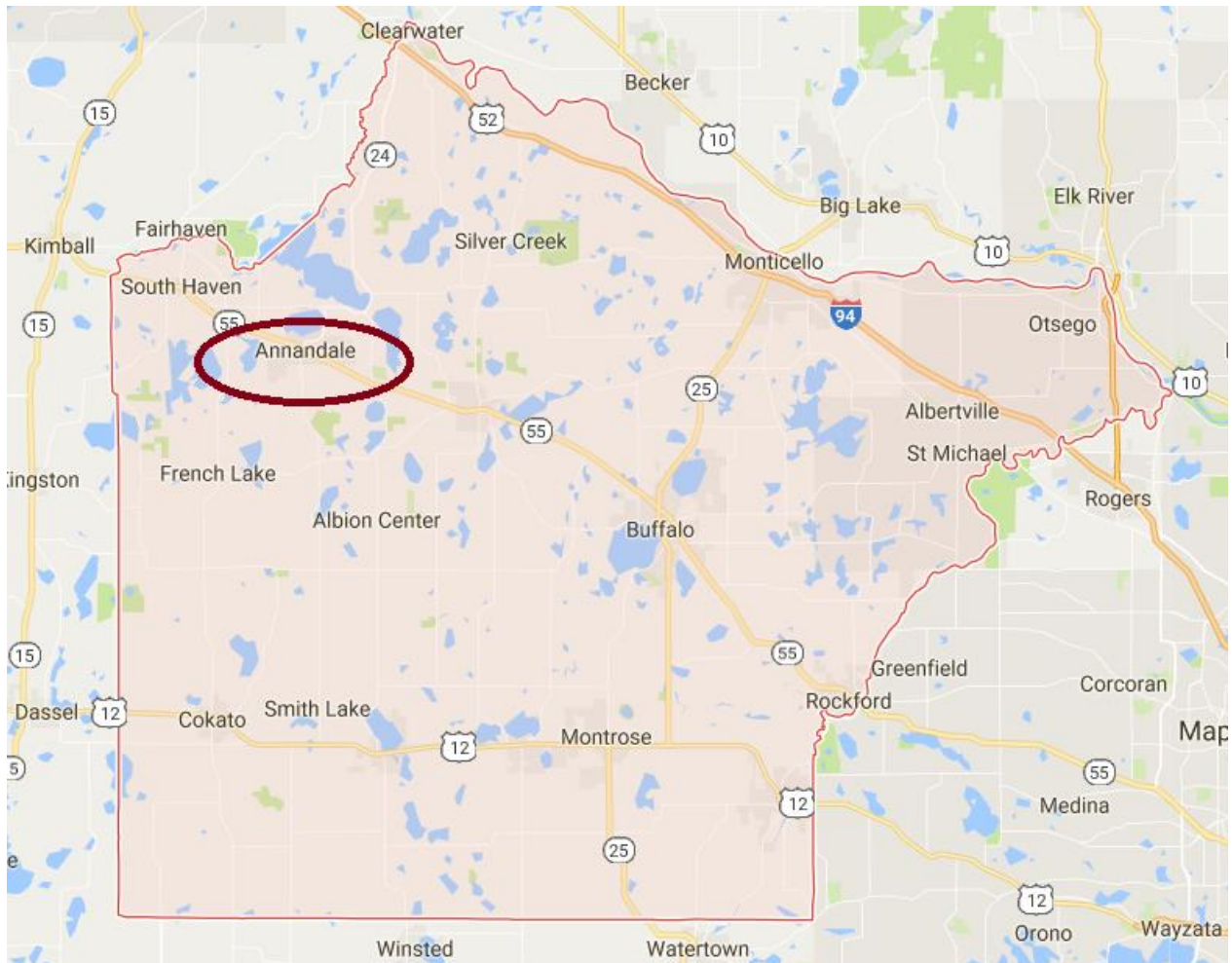
"AS IS" VALUE ESTIMATED BY	
Cost Approach	\$970,000
Land Value as Though Vacant	\$760,000
Sales Comparison Approach	\$810,000
Income Approach	\$620,000
<b>FINAL VALUE ESTIMATE</b>	<b>\$800,000</b>

## METRO MAP



### METROPOLITAN LOCATION MAP

## COUNTY MAP



## WRIGHT COUNTY MAP



## SITE AERIAL



**SITE DATA (Continued)**

**Parcel #1, PID# 102048006010/ 5.31 Acres**



**Parcel #2, PID# 102048006020/ 3.3 Acres**



### Parcel #3, PID# 102048000130/ 130.57 Acres



### Parcel #4, PID # 102066000010/ 9.68 Acres



**SITE DATA (Continued)**



**Parcel #5, PID# 102800361100/ 36.02 Acres**



**Parcel #6, PID # 102068000010/ 3.5 Acres**



**Parcel #7, PID# 102068000030/ 12.53 Acres**



### ***SITE DATA (Continued)***

The subject consists of seven parcels, comprising the main larger course parcel, the parking lot parcel, the clubhouse parcel, as well as smaller parcels with holes surrounded by the adjacent residential lots to the west, and parcels with maintenance/ storage/ outbuildings.

### **SIGNIFICANT SITE ATTRIBUTES**

- Total size equals 200.91 acres
- Shape is irregular
- Various parcels semi-detached
- Partially utilitied
- Convenience to State Trunk Highway #55
- Proximate to various recreations lakes/ areas
- Stable residential base for employment
- Small but stable retail base

### **SITE CONCLUSION**

In concluding, the site has all the locational and physical features which are prerequisite for a public golf course. Currently residential development is near slow. This however does not totally rule out the purchase for potential subdivision if the housing market recovers.

In concluding the highest and best use of the site "as though vacant" would be for agricultural or out lot use as an interim use, or future residential development, or golf course construction. The smaller parcels located in between homes, have no other use then as out lot areas, or park areas for the adjacent land owners. It is doubtful adjacent home owners would purchase them, as they already have the benefit of the open view. If the course failed, they would be abandoned, and not constructed upon.

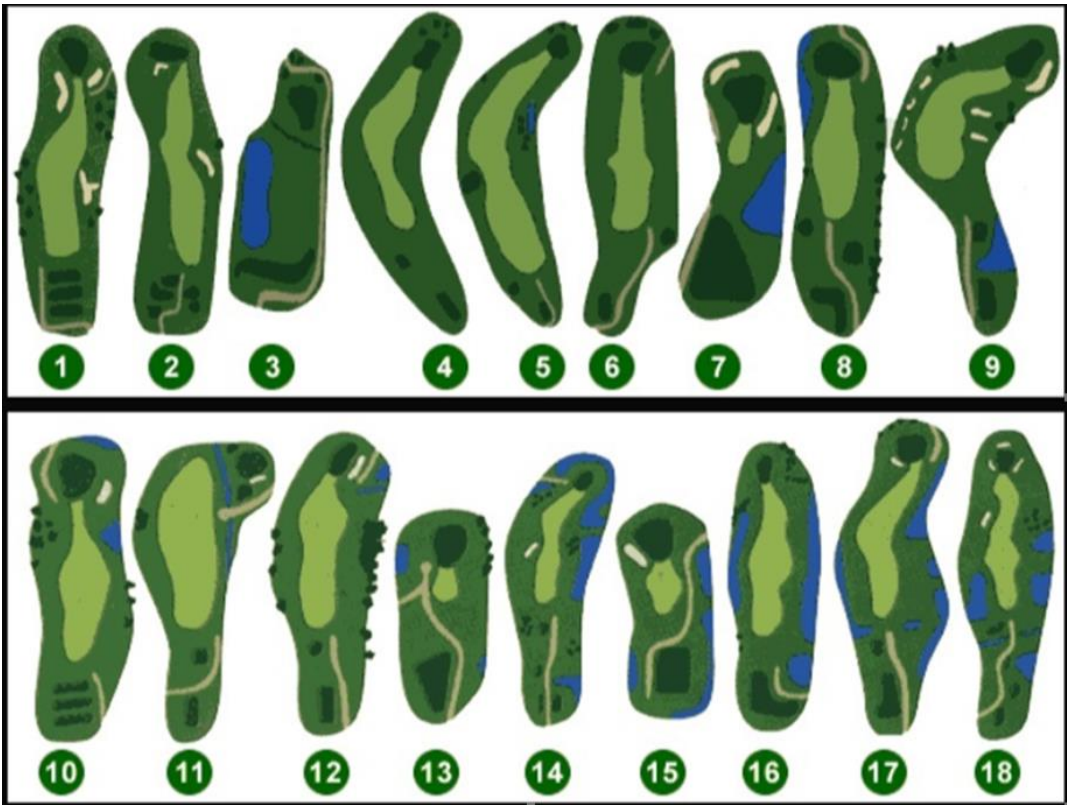
The larger areas to the south and east, with no residential roadways, would be for Agricultural, or new residential development.

COURSE DATA/ IMPROVEMENTS

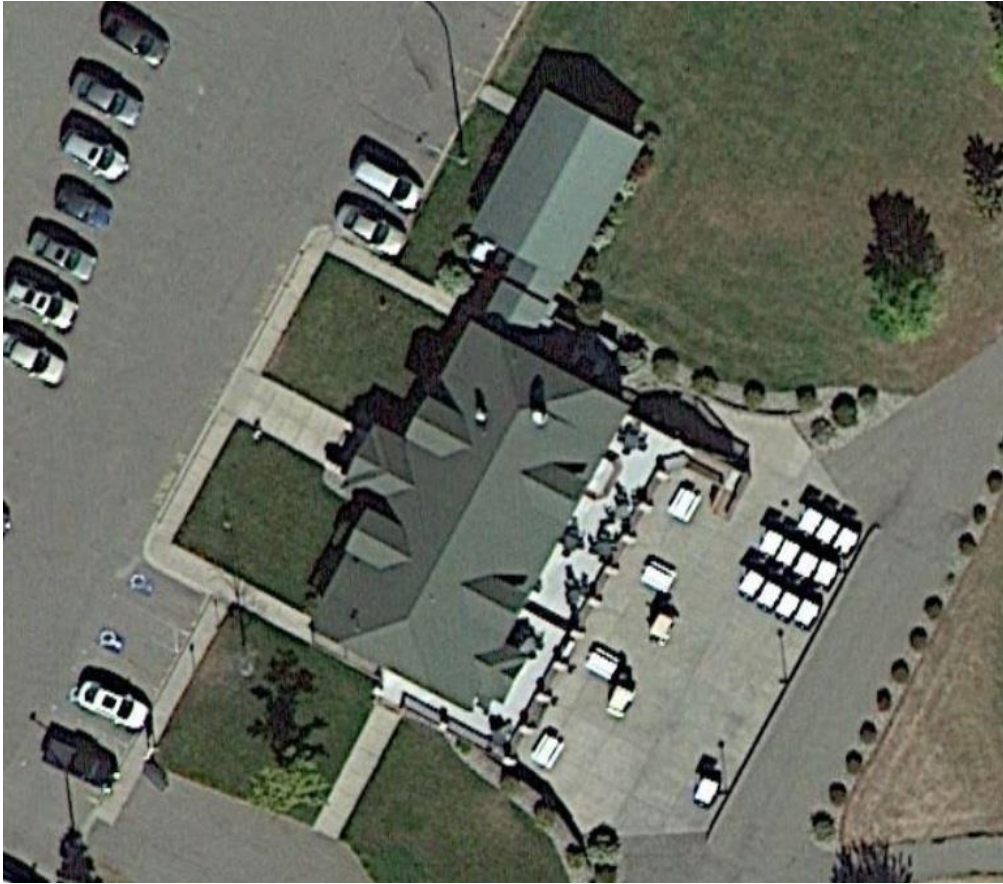
Course

Tee	Yards	Par	Slope	Rating
Blue	6525	72	121	70.8
White	6120	72	117	68.9
Red	5067	72	113	68.7
Bird houses at 150 yards				

Architect:	Andy Lindquist
Course Type:	18-hole public
Slope/Rating:	70.8/121
Water Holes:	17
Bunkers:	23
Riding Carts:	Yes
Pull Carts:	Yes
Club Rental:	Yes
Caddies:	No
Superintendent:	Brian Peterson



## CLUB HOUSE AERIAL



<b>Property Type</b>	18-Hole Public Golf Course	
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<b>Location</b>	511 Morrison Avenue Northwest, Annandale, Minnesota 55302	
<b>Property Identification Numbers</b>	102048006010, 102048006020, 102048000130 102066000010, 102800361100, 102068000010, 120680000030	
<b>Land Area</b>	Total of 200.91 Acres, Per County Records	
<b>Parking</b>	150+, estimated, bituminous, not striped	
<b>Gross Building Area</b>	Club House	6,120 square feet
	Cart Storage	2,400 square feet
	Maintenance Bldg.	4,800 square feet
<b>Year Built</b>	1996 - 2000	



**CLUBHOUSE**  
**DESCRIPTION OF THE IMPROVEMENTS**  
**“AS IS”**

<b>IMPROVEMENT CHART</b>	
<b>Property Type/ Use</b>	18-Hole Public Golf Course
<b>Year built, Age</b>	1996, 1998 and 2000/ 18 years weighted physical age
<b>Levels</b>	Club House is 2 levels, remaining structures slab on grade
<b>Club House</b>	6,112 square feet/ 1996 yr blt./ Addition of 640 sf in 2000
<b>Cart Storage</b>	2,400 square feet double sided, 24 total doors. Metal, slab floor, electric, detached row style, built in 1998.
<b>Maintenance Building</b>	4,800 square feet, built in 1996
<b>Electrical</b>	Adequate, with plug-ins in all three structures.
<b>Foundation</b>	Poured hardened and reinforced concrete slab on grade, with poured and reinforced frost footings
<b>Exterior Walls</b>	The Clubhouse is a framed building with concrete block walkout basement. The walls are 2" x 6" wood construction with good "R" factors.
<b>Building height</b>	Clubhouse 8' clear height, 8' wall height with vaulted ceiling Cart storage building 10' clear, Maintenance building 12' clear
<b>Framing</b>	2' x 6' wood frame with wood floor separations/or/poured concrete floor separations/or/wood floor separations with chipped-crete coat
<b>Roof</b>	Gable style roof with asphalt shingles
<b>Sprinklered</b>	Not sprinklered
<b>Restrooms</b>	Main level restrooms of ceramic tile and standard white porcelain features, adequate to support current use
<b>Plumbing / Fixtures</b>	Assumed Copper piping, white standard porcelain fixtures
<b>Heating / Cooling</b>	100% HVAC
<b>Parking Spaces</b>	Total parking spaces estimated at 150+, open bituminous.
<b>Other on-site building Improvements</b>	Paved bituminous drives and parking area, concrete curbs, gutters, and walks

## **SPECIAL FEATURES/ OTHER IMPROVEMENTS**

The parking lot in average to fair condition, and needs seal coating. It has noticeable cracks, Spalding, and plant growth.

### **Cart Storage**

The golf cart storage building has 12 double doors, back to back, totaling 24. It is aluminum and approximately 48 x 24 with a metal roof, slab floor, electric plug ins, and is semi-detached. The ceiling clear height is 10'.

### **Maintenance Building**

Inside the maintenance facility off of hole 11, there is an overhead door, a concrete slab floor with trench drain. The frontal area is double skin ceiling and walls and is heated. There are fluorescent ceiling mounted lights and a wall mounted makeup air system. The shop clear height is 12'. The storage area is approximately 13' to 14' clear height. The bathroom is ¾ with a cultured marble vanity, and a standard porcelain stool and a shower.

There is vinyl flooring and fiberglass walls, and a dropped ceiling and is ventilated. The rear section is cold storage with double skinned walls and an open ceiling to trusses which is clear span and has electric lights. Outside of the building are concrete filled bollards. The cart paths are in average to fair condition. Hole #14 is a longer par 5 with tee boxes

### **Clubhouse**

The lower level cart patio is combination exposed aggregate and regular concrete. There are bricked in pillars. The lower level walkout is brick with block retaining walls. The deck has corrugated water drains underneath it keeping the patio dry.

There is a lower level open conference and banquet area with a portable wait station. It has an 8 ½ clear ceiling, canned lights, paneled wainscot, with a papered remainder. It has a Drop ceiling with combo slider windows. This area has a men's and woman's room, the men's contains 1 stall and urinal, with two sinks and a ceramic floor, with wainscot paneling. The additional shower area is ceramic, and is currently not in use.

The pro shop area has carpeted floor, built in cabinets, papered walls, and a built in kitchenette area with Formica and a single metal sink. The kitchen area has ceramic floor, washable walls, and a vaulted ceiling with fluorescent lights. There is a 8' clear in the very rear area or newer addition that contains the walk-in coolers and freezers which are double metal skinned with fluorescent ceiling mounted lights.

The dining area has a built up bar with ceramic tile and a wooden bar. This area has carpeted floors, slider windows, and a walk down to deck area.

The upper level bath contains ceramic floor and walls, 2 sinks, 1 urinal, and 1 stall. There are Hollywood lights and a 6-panel door. There is full paneled wainscot in dining area. The ceiling is flat sheetrock with canned lights and a 8.5' to 9' clear. It also has 4 ceiling fans, and the gable goes up to about 12' clear. It has energy trusses.

## ***DESCRIPTION OF IMPROVEMENTS (Continued)***

### **CONCLUSION OF THE IMPROVEMENTS**

The subject is located on the outskirts of Annandale, which is a remote and rural type area with access from State Trunk Highway #55

Annandale, like other outlying areas, was hit hard by the economic recession and the housing market decline. Another factor that affects the subject is that golf courses were overbuilt in the 1990's and in the first half of the 2000's. This has backfired on many outlying courses, such as the subject, where housing markets declined and did not expand.

Competition saw a drop off in rounds played and fee increases. Many of the golf course sales are non-cash flowing sales, which are similar to the subject in the sense that they are not associated with a resort, are smaller Public fee courses, have lower slope ratings, and no larger population center or special amenity to draw patrons.

This being stated, there are sufficient golf courses in the area to allow golfers enough choice so green fees cannot increase, and restaurant and pro shop fees revenues remain competitive. From a structural standpoint, the course is adequate for a contemporary or 'easy style' course, which is favorable for a beginner, and has enough distance for a core golfer.

The course has some challenges, and natural appeal, however, this is just a basic level course. The back part of the course is township, and is not annexed and not utilitized.

From a structure standpoint, the subject has the required structures for a public golf course. That being an adequate clubhouse with restaurant/bar facility, lower level banquet room and pro shop, a walkout patio with a deck above. This followed up with the supplemental buildings necessary for the function and operation of a course; such as a cart storage, as well as a sizeable maintenance building, which is adequate for the ongoing operation of the golf course.

In concluding, although the golf market is down and subdivision is at a stand-still, the course is still operational and in good condition for its age and use. From a physical standpoint, the course should be able to sustain itself economically with the amount of rounds played and sustain the current level of maintenance. Stability is portended for the subject at its current rates, maintenance levels, and improvements.

In conclusion, the property is a key element in the neighborhood structure of complementary land use strategy. This is an average location for a Golf Course; the subject benefits the neighborhood and serves a community/ area need.



## COMPETITIVE GOLF COURSE RATES



COMPETITIVE COURSES MAP

**INCOME APPROACH (Continued)****GREEN FEES  
(COMPETITIVE COURSES)**

#	Name/ Location	Description	Quality	Fees (18 ) Cart Rent	Features
1	Albion Ridges County Road 105 Annandale, Minnesota	18 holes, Par 72 6,505 yards	Average/ Good	\$23.00 \$32.25 \$24.00	Cart rental, pro-shop, snackshop, practice range, putting green
2	Buffalo Heights 905 South Highway 25 Buffalo, Minnesota	9 holes, Par 36 3,119 yards	Average	\$24.00 \$26.00 \$16.00	Cart rental, restaurant, lounge, putting green
3	Wild Marsh 710 Montrose Boulevard Buffalo, Minnesota	18 holes, Par 70 6,553 yards	Average/ Good	\$42.00 \$42.00 \$18.00	Cart rental, driving range, pro-shop, putting green, restaurant/ bar
4	Whispering Pines 8713 70 <sup>th</sup> Street Northwest Annandale, Minnesota	9 holes, Par 35 3,065 yards	Average	\$28.00 \$39.00 Included	Cart rental, pro-shop, snackshop, practice green and range
5	Eagle Trace 1100 Main Street Clearwater, Minnesota	18 holes, Par 71 5,959 yards	Average/ Good	\$22.50 \$27.50 \$15.00	Cart rental, clubhouse, pro-shop, restaurant, putting greet
6	Kimball Golf Club 11823 County Road 150 Kimball, Minnesota	18 holes, Par 72 6,652 yards	Average/ Good	\$40.00 \$40.00 Included	Cart rental, snack bar, pro-shop
7	Pebble Creek 14000 Club House Drive Becker, Minnesota	27 holes, Par 72 6,820 yards	Good	\$36.00 \$44.00 \$16.00	Cart rental, pro-shop, restaurant/ bar, putting green, lessons
Sub	Southbrook Golf Club 511 Morrison Ave NW Annandale, Minnesota	18 holes, Par 72 6,525 yards	Average	\$22.00 \$30.00 \$12.00	Car rental, pro-shop, restaurant/ bar
			Average	\$29.69 \$35.09 \$16.83	

**ANALYSIS AND CONCLUSION OF GREEN FEES**

The Subject with green Fees at \$29.69 and \$35.09, is well within the range of the competition.

## CORRELATION OF APPROACHES AND RECONCILIATION TO VALUE

TABLE OF APPROACHES	
APPROACH	VALUE
Cost Estimate	\$970,000
Land Value as vacant	\$760,000
Sales Comparison	\$810,000
Income Approach	\$620,000

**The Cost Approach** is supported by the Marshall Valuation Cost Service, providing up-to-date estimates, but is hindered due to subjective depreciation estimates, as well as External and Functional Obsolescence, which are difficult to quantify. The Full Cost Approach is not used in this appraisal report. However our estimate is reliable and conservative, reflecting solid land values, and reasonable depreciated values on the improvements in place.

A negative factor of the **Sales Comparison Approach** is that it is historical in nature. Positively speaking, recent and comparable sales transactions meeting the test of Market Value can be representative of the value of the subject property. In this instance, several sales were found to be comparable to the subject, and their physical characteristics and locational attributes were analyzed and adjusted to indicate a value for the subject. The sales are recent and exhibited a high degree of similarity to the subject, thus the assignment results were credible.

**The Income Approach** is weighted in this appraisal. This is an income-producing property, purchased on potential income and yield rates it can produce. This approach has reliability based on the consistent income and expense history. Probable buyers in today's market would base their offers to purchase on income and expense proformas similar to our methodologies and procedures in this approach. The GIM method is a Going Concern value, and given minimal weight.

### FINAL RECONCILIATION

After a physical inspection of the subject property and analyzing and adjusting for the factors that influence market value, it is our opinion that weighted emphasis should be placed on the Golf Course Sales analysis. The final value is reconciled as follows.

**FINAL ESTIMATED MARKET VALUE      \$800,000**