

Morningstar golf course in receivership, improvements planned for eventual sale

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A court-appointed receiver is running the cash-strapped Morningstar Golf Club at Parksville in order to upgrade it and put it on the market this summer.

"It was one of the premier golf courses on the Island when it was started in the 1990s," receiver Gary Powroznik said Friday. "There's a plan to bring this back to really top-quality."

He is hoping to put Morningstar on the market in four or five weeks. A specific price will not be set.

Morningstar's 6,983-yard layout was designed by Les Furber, a well-known course designer. Completed in 1991, the facility includes a driving range and clubhouse. Powroznik is aiming to open an outdoor beer garden to bring more vitality to the site.

G. Powroznik Group Inc., of G-Force Group in Vancouver, was appointed as receiver in the Supreme Court of B.C. on June 1 at the request of creditor Realcor Mortgage Group.

Realcor holds the first mortgage on behalf of the trustees of the Operating Engineers' Pension Plan, according to an affidavit from Realcor director Dennis Van Den Hooff. Canadian Western Bank holds a second mortgage on the land. The affidavit said that Morningstar has defaulted on its mortgage payments and owes \$1.648 million.

Morningstar is owned by Paul and Shayne McCracken of Edmonton, according to a petition from Realcor. Paul McCracken controlled a number of companies, including Canada North Group Inc., which has filed for creditor protection in Alberta. The McCrackens have also filed a proposal under the Bankruptcy and Insolvency Act and have resigned as directors of Morningstar.

Ernst and Young, which was appointed as monitor in the Canadian North matter, said in its most recent report to the court that in May, Morningstar did not have enough money to pay employees, deal with outstanding debts or continue operating without additional funds.

Morningstar receives annual dues of \$200,000 from members, the Van Den Hooff's affidavit said. He said there were debts of about \$327,000 as of early May.

G-Force is experienced in dealing with similar situations at golf courses, hotels and restaurants, Powroznik said. "We bring in management people and we also bring in real estate people to look at the strategies to see how we can improve the operations and then also make it saleable to the long-term buyer."

Improvements include fixing up the irrigation system and determining if there are other income-generating opportunities, such as housing development.

In May, six staff were laid off and some agreed to stay on until a receiver was appointed. Existing employees have now been paid and have been retained to continue working, Powroznik said. Former staff have been re-hired and several other jobs are open. A new manager is being brought in later this week.

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