

Desert Challenge facing financial, legal hurdles

Development's woes outline risks builders face in today's construction market

By ANDREW OVERBECK

TOLEDO, Ohio — Financial resources have run dry for local developer Jack Sparagowski and his ambitious desert-themed golf course and housing development here in northwestern Ohio.

While a desert golf course in an area that gets more than 30 inches of rain a year may have been doomed to failure from the start, Sparagowski and architect Brian Huntley insist the design and concept were sound. The big problem for The Challenge at Desert Village was a lack of financial resources as major golf course lenders fled the golf course market, leaving Sparagowski high and dry (See related story on page 1).

Sparagowski, whose project has been deserted for the better part of a year, also faces substantial legal obstacles. Genoa Banking Co. filed suit in early September alleging that Sparagowski defaulted on a \$200,000 loan issued in August 2001. Jacksonville, Fla.-based golf course builder MacCurrach Golf, who stopped work on the project in August 2000, filed suit in August 2001 against Sparagowski for failing to pay more than \$779,404 for construction work and \$108,178 in late fees.

ILL-PLANNED FINANCING

Sparagowski, who used to own a private investigation firm that catered to corporate clients, concedes that the financing plan for the course

did not work out as he had hoped. To date he has put \$3.2 million of his own money into the project.

"Right from the start, the banker that gave us the mortgage on the property said he would subordinate the golf course portion of the property to a golf course lender," said Sparagowski. "Well, that guy left and went to another bank and the new guy decided that they were not willing to subordinate the golf course property. Then the only way to do it was to find a lender who was going to do both the course and the development and we found there was no such animal other than the hard-money lenders. There is not a heck of a lot of financing available right now."



A sign welcomes visitors to the planned Challenge at Desert Village in Toledo, Ohio, although the development has been dormant for about a year.

According to Alan MacCurrach, Sparagowski's financial difficulties created significant cash flow difficulties for his firm.

"It was not debilitating in the long-term, but when it happened, we took a cash-flow hit because we had to overcome the substantial expenses in manpower, equipment and materials that we had put into the project," said MacCurrach.

Sparagowski said he refused to pay MacCurrach because he be-

lieved that he had been overbilled for the work.

"We surveyed the property and found that the amount of earth MacCurrach said he moved was not accurate," said Sparagowski. "We came up with a figure of \$271,000 that was overbilled. They also caused \$47,000 worth of damage to construction equipment from Nation's Rent. He wouldn't reduce his charges, so I terminated his contract."

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Experience changes firm's approach to golf market

JACKSONVILLE, Fla. — MacCurrach Golf's experience at The Challenge at Desert Village and the subsequent slowdown in golf course construction have changed the way MacCurrach approaches new jobs.

"The error I made was not

digging into the background of the ownership," he said. "That's an error I won't make again. In bid meetings it is taboo to stand up and ask how the owners plan on financing the project. Not enough guys do that, but I do now. If the client is too scared to answer, you

might not want to be working there."

According to MacCurrach, since the financing landscape changed, problems that were usually hurdles for projects are now project killers.

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Children's Golf Foundation enjoys inaugural success

By ANDREW OVERBECK

WEST PALM BEACH, Fla. — The Children's Golf Foundation has had a successful first season at its Tam O'Shanter Teaching and Learning Center that is dedicated to teaching golf to disabled kids. The facility, which sits on top of a former landfill, opened in March.

"We logged more than 450 kid hours this summer," said Keith Stuhler, CEO of the foundation. "We have made alliances with a number of disability groups and we are growing by leaps and bounds."

Stuhler has been working on the golf learning center for handicapped children for the past 12 years. Prior to the construction of the facility, Stuhler and his staff would conduct classes on-site at schools. Now kids come to a 15-acre facility that was designed with them in mind.

The course features a 25,000-square-foot teeing area, an 8,000-square-foot putting green and a 3,000-square-foot clubhouse. The driving range provides four holes of varying length.

"We have progressed from teaching golf at schools to getting the kids out chipping and putting," Stuhler said. "Then we get them to play the course. We can set up the course specific to their abilities. For instance, for a severely handi-

capped kid, we have holes that are 10 yards in length and we can have a hole that is 310 yards in length."

Stuhler designed the course and



Kids with disabilities learn golf at the Children's Golf Foundation facility.

will oversee the upcoming renovation of the clubhouse.

"We are doing a \$400,000 renovation," he said. "We have a triple-wide modular unit that we are going to build up on and put a deck on. On the inside we will have interior ramps and we will redo the interior. It will be the equal of a good private golf club."

While the foundation works largely with disabled children, it will be expanding to serve the local VA Hospital and start working with the local YMCA. Stuhler said the program will continue to serve children in cooperation with the Palm Beach County Parks and Recreation Special Populations, the Jewish Community Center's disability program and Palm Beach County Elementary Schools.

The Children's Golf Foundation is fully funded by donations. It is a First Tee facility and receives a grant from the USGA Foundation. Dorothy Campbell is the primary benefactor of the project. The facility is named in tribute to George S. May, who staged the 1950 World Open at the original Tam O'Shanter Golf Club in Niles, Ill.

"Ongoing funding is going very well," said Stuhler. "The solid waste authority who capped the landfill recently built us a road and other infrastructure, saving us \$285,000."

PGA awards Air Force-related grants

PALM BEACH GARDENS, Fla. — The PGA of America, through its Growth of the Game Grant Program, has awarded two grants to programs that focus on children of men and women who serve in the U.S. Air Force.

Both the Eisenhower Junior Golf Academy, which received \$8,000, and the LPGA Urban Youth Golf Program of Delaware, which received \$10,400, use golf as a way to teach life skills to children whose parents are often away on active duty for months at a time.

The player development program of the Eisenhower Junior Golf Academy has been so successful that a new player development program has been established

to accommodate the parents who have been asking for instruction. The program is also being implemented at Air Force bases around the country, with a goal of helping military families spend more time together through golf.

The LPGA Urban Youth Golf Program of Delaware works with at-risk children. Now in its eighth year, the program recently established a partnership with the Dover Air Force Base. Through this relationship, the program now reaches up to 100 children of Air Force parents annually.

Since 1999, the PGA of America's grants for growth of the game and community outreach have totaled more than \$20 million.

Nor Cal GCSA declares war on ball marks

By ANDREW OVERBECK

NAPA, Calif. — The Northern California Golf Course Superintendents Association declared war on ball marks during its "Ball Mark Repair Week" in early October.

The message was simple: golfers can contribute to the health of the golf course by repairing ball marks properly.

"There are a lot more ball marks out there than there are greenkeepers or hours in the day," said Bob Lopic, superintendent at Orinda Country Club and vice president of the Nor Cal GCSA. "We want to

educate golfers that ball marks left unfixed are dead in 72 hours and then take four weeks to repair. By using a repair tool properly, golfers can be active in the maintenance of their course."

The 600 members of the association were on hand at their individual courses to demonstrate the proper method of repairing ball marks. While golfers on the PGA Tour often lift and push up the turf to create a smooth putting surface, Lopic and others will explain why that is the incorrect method.

"The professional golfer doesn't care if that ball mark turns into a brown spot," he said. "But by lift-

ing it he is tearing the roots and spreading the problem beyond the crater to the perimeter of the ball mark. We give people a card that shows the proper method of turning the tool and pushing the crater of the ball mark toward the center."

The week culminated at the Senior PGA Tour's Napa Championship at Silverado Resort & Country Club, where members of the association distributed free ball mark repair tools and demonstrated how to correctly use them. The association gave out 5,000 repair tools this year.

Desert Challenge

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MacCurrach's attorney, Sarah McHugh, refutes these allegations, and a common pleas court has ruled

problem with MacCurrach, by God he would have moved beyond us by now. He hasn't paid us and he still can't make it work."

As for Sparagowski, he said he and a partner are close to putting a deal



Construction equipment sits idle at the site of the planned Desert Challenge.

for MacCurrach in the case. Sparagowski's attorneys appealed to the appellate court, which upheld the lower court's decision. They are now appealing to the Ohio Supreme Court. McHugh expects the Supreme Court to reject the appeal and for the case to eventually go to trial.

After MacCurrach left the job, Sparagowski brought in local construction firm Bihn Excavating, but work stopped when the money ran out. The course is mostly rough shaped and nine holes are largely completed, though the turf has died on the holes that were grassed before the construction stopped.

"If he had the [financial] wherewithal, he would have completed that golf course by now," said MacCurrach. "If he really had a

together to fund the first phase of 31 housing lots on the property. "That deal would generate half a million dollars, and that is all we need to finish nine holes. With that money in place we would be 60 days from having nine holes open." ■

MacCurrach

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"Financing has become more difficult with the stronghold institutions stepping down," he said. "The lenders that have followed are charging a lot more for their money because these are high-risk deals. Developers have to be prepared because obstacles now stop projects."

To avoid these risks,

Coldwater

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could transform their land into an inviting golf course led them to Davis, who is based in Dallas.

"We thought we really needed to bring in a name architect. We chose Tripp Davis because of his background on projects like The Tribute," Walter said. "He was also very helpful in the search for a contractor."

The main reason Walters and Randall decided to build a golf course was to help fill the need for affordable public golf in the Ames area. According to Walter, there are some nine-hole courses that farmers have built on their land, but very few truly public 18-hole courses nearby.

"We haven't decided on a definite price range yet, but it will be competitive with the other courses in the area," Walter said. "We want this course to be competitive with higher-end golf courses with a country club feel but at a daily-fee price."

Brian Maloy, Coldwater's superintendent, said it is commendable that developers would think of affordable public golf when building a course, rather than building an

upscale private club.

"Affordable golf that is available to the public is important to the success of the game," he said.

In order to build the course, a floodway needed to be moved, which required permits from the state Department of Natural Resources. Walter said the goal all along has been to keep the course in tune with the surrounding environment.

"We have made use of the considerable wetlands on the property," Walter said. "Coldwater will blend into the environment."

When it came time to hire a superintendent, the owners had to look no farther than Ames native and Iowa State graduate Maloy, who had been working as an agronomist for the USGA Green Section for the past several years. Maloy

said he wanted to return home to Ames someday, so he was thrilled at the Coldwater opportunity.

"I met Matt (Randall) at a trade



Construction continues on the clubhouse at Coldwater Golf Links.

show and he said he was looking for a superintendent for a course he was building in Ames," Maloy said. "I thought, 'This is perfect,' so I jumped at the chance."

To complete the decision-making team, Coldwater will look to hire a business manager sometime in the near future.

"We're probably looking at around the first of the year," Randall said. "We don't want to be making too many decisions until the team is in place."

Under Maloy's employment agreement, some of his salary is based on the course achieving certain performance levels. While this could mean lower than average pay at times, Maloy said he relishes the opportunity to work under that structure.

"I am all for this kind of agreement," Maloy said. "I think more superintendents ought to work like this."

Another main draw for Maloy to return home was the opportunity to work closely with Iowa State again. Through the relationship with the university, Maloy will have access to a steady stream of employees through the university's turfgrass research department.

"We've got students working for us part-time, and it's really a win-win situation," Maloy said. "I can hire five or six turf students for less than it would cost to hire full-time staff, and they're getting the hands-on experience they're going to need in the future."

Partly because of this arrangement, the course owners were able to get John Deere to give them a discount on equipment.

"John Deere was smart about this," Maloy said. "They want these kids to be using their equipment so that when they're working on their own courses, they'll be familiar with the company."

Walter agreed, adding, "John Deere really stepped up and we worked together to develop a unique program with them."

The course design includes an alternate fairway, where Iowa State students and professors will conduct turf research, Maloy said.

"It will serve as a lab of sorts where they can get a hands-on feel for turf management," Maloy said. ■

in a tightening market is to do less work. New work has to be regional or have a good relationship behind it or we won't do it."

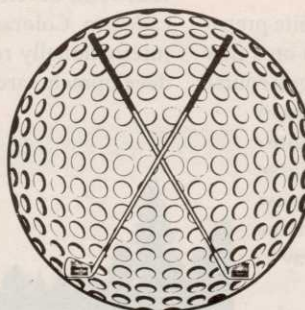
MacCurrach said he hopes Desert Village eventually opens so he can get his money out of the job.

"The bank is ahead of us, but hopefully the course will make it," said MacCurrach. ■

— Andrew Overbeck

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