



Edwin M. Lee, Mayor
Philip A. Ginsburg, General Manager

Date: May 30, 2013
To: Operations Committee
Recreation and Park Commission
From: Tom Hart *[Signature]*
Through: Nicholas Kinsey *[Signature]*
Re: Gleneagles Golf Course in McLaren Park

Agenda Item Wording:

Discussion and possible action to consent to a transfer of a controlling interest in Gleneagles Golf Partners, LP, the current lessee of Gleneagles Golf Course in McLaren Park, which constitutes an assignment under the lease.

Background:

Gleneagles Golf Partners, LP (the "Partnership") has operated Gleneagles Golf Course in McLaren Park since December 1, 2004 under a 9-year lease. At the time the lease was signed, the Partnership had two General Partners - Peg Leg Productions, LLC (Craig Lipton, its manager) and TwoHsieh, LLC (Tom Hsieh, its manager), and two Limited Partners - Craig Lipton as Trustee of the Craig Lipton Revocable Trust and Tom A. Hsieh as Trustee of the Hsieh Family Revocable Trust.

During the past year the partners of the Partnership have negotiated a change in ownership of the Partnership, resulting in only one General Partner, TwoHsieh, LLC and only one Limited Partner, Tom A. Hsieh as Trustee of the Hsieh Family Revocable Trust. Section 15 of the lease provides that the transfer of a controlling interest in the lessee partnership is an assignment of the lease requiring the Commission's consent. As required by Section 15 of the lease, the Partnership notified the Department of the intended change in control prior to taking any action. Tom Hsieh, the manager/principal of the remaining partners, has directed and overseen the day-to-day management of the golf operations as well personally coordinated the major greens replacement project three years ago. This was a project of considerable effort, pulling together the needed forces in a narrow window of opportunity to actually save the golf course. Tom has also served as the liaison with the Visitacion Valley branch of The First Tee of San Francisco in not only welcoming the youth golf program to Gleneagles but also successfully integrating their presence with his regular adult clientele. Department management and staff feel confident that Gleneagles Golf Partners, LP, as restructured, will continue to manage and operate the golf course at a high level under Mr. Hsieh's direction, both for the remaining initial term and any approved extension. All insurance policies will remain intact, the \$25,000 security deposit is still in effect and the general partner of the Partnership, TwoHsieh, LLC has an additional line of credit in the amount of \$250,000 to serve as financial security for the course operations.



Recommendation:

Staff requests that the Recreation and Park Commission approve the change in ownership and control of the Gleneagles Golf Partners, LC for the continued management and operation of Gleneagles Golf Course in McLaren Park.

Financial Impact:

There is no direct financial impact.

Supported By:

Tom A. Hsieh
Department management and staff

Opposed By:

None known