

Operator wants to match city's offer for Park Hill Golf Course

Aaron Kremer May 9, 2018 0

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Park Hill Golf Club seen from the air. *(BusinessDen file photo)*

The Texas company that runs Park Hill Golf Course says it is willing to match the price discussed last fall when the course's owner announced a deal – now up in the air – to sell the land to the City of Denver.

Scott Siddons, general counsel for golf operator Arcis, told BusinessDen this week that the company wants to buy the course from owner Clayton Earning Learning for around \$21 million – the same terms announced last fall with the city.

"We always prefer to own the land," Siddons said. "That's our business model."

Siddons said Arcis Golf owns Arrowhead Golf Course in Littleton and Parker's The Club at Pradera.

According to the terms of Arcis' and Clayton's current lease, which comes up for renewal at the end of June, Arcis pays \$700,000 a year in rent and has a "right of first refusal" if the course is ever sold.

Arcis and Clayton now are [locked in a lawsuit](#) over what constitutes a right of first refusal.

The city announced in September that it had [reached a deal](#) to buy the course for a one-time payment of \$10.5 million with \$350,000 paid per year for 30 years, and a cut of any land sale that might come later if the land is sold to developers.

The deal was [put on hold](#) in September.

Arcis sued Clayton last month, saying it was never given its right of first refusal. Clayton has countered that Arcis' right hadn't kicked in yet, because the announcement involving the city was a proposal, not a "bona fide" signed offer.



The putting green at Park Hill Golf Course. *(Aaron Kremer)*

Siddons said Arcis wants to own the land and run it as a golf course for the time being.

"If (Clayton) are willing to sell it to the city on those terms, why wouldn't they sell it to us on the exact same terms?" he said. "Clearly, they would rather have the city in the deal for some reason."

"I'm giving them the same deal financially," Siddons said. "If it's about funding the Clayton Foundation, why wouldn't they take my money just like the city's money?"

Clayton CEO Charlotte Brantley said Arcis could not meet some terms of the announced deal, such as changing any of the uses from golf to something else. Only the City of Denver can change the use, she said, and Clayton would reap 75

percent of any land sale up until the deal reached the \$24 million threshold.

Clayton and the City of Denver have a previous agreement that lets Clayton avoid paying taxes on the golf course in exchange for designating it open space or golf, Brantley said.

"That is a contract between two parties," he said. "And only we, as parties of that contract, can change it.

"Arcis can't walk in and strike a deal with the city to remove use restrictions."

This is not the first time Arcis and Clayton have negotiated over the "right of first refusal."

Siddons said that in 2015, when the course was struggling, Arcis asked for a rent reduction from \$700,000 a year to \$400,000 a year. In exchange, Siddons said, Arcis was willing to give up its "right of first refusal."

Clayton rejected the offer.

"We were not prepared to take that kind of hit on the budget," Brantley said.