

CLAYTON BACKGROUND & FACT SHEET

- The George W. Clayton Trust, managed by Clayton Early Learning, has supported education and care services to children in Northeast Denver for more than a century. Clayton Early Learning serves more than 700 children in high-quality early education programs and employs nearly 200 staff on its historic campus at Colorado and Martin Luther King Jr. Boulevards.
- The Clayton Trust has owned the land on which the Park Hill Golf Course now operates along Colorado Boulevard between 35th Avenue and Smith Road since the Trust was established in 1899. Revenue from the golf course operation supports Clayton Early Learning programming.
- Golf revenue has been declining and costs have been increasing. Clayton Early Learning's lease with its golf course operator, Arcis Golf, expires Dec. 31, 2018, and Clayton Early Learning must determine the best use of the property to generate sufficient revenue to continue serving children. A golf industry consultant retained by Clayton Early Learning found an insurmountable economic challenge with the continuation of a golf-only site.
- Clayton Early Learning began meeting with community stakeholders in 2016 about the financial challenge. Thus far, Clayton has:
 - Held more than 30 one-on-one and small-group meetings
 - Formed a Citizens Advisory Committee, which has met monthly since February
 - Hosted community forums in March and August
 - Surveyed more than 750 community members about preferences for the site's future
 - Retained RNL to document and help lead a community visioning process
- During community dialogue, some community members have asked if the City could be part of the solution. The City has heard the community's input and understands Clayton's financial challenges.
- The City and Clayton Early Learning have been talking, and those talks have led to a proposal for the City to purchase part of the property and lease the remainder while Clayton Early Learning and the community work to determine the future of the land through the visioning process.
- The City has a more than 100-year history with this property:
 - The City was the initial Trustee of the George W. Clayton Trust from 1899-1984.
 - The City decided in the mid-1920s to construct the golf course on the land, which had been a dairy farm until that point.
 - The City imposed land-use restrictions on the site in 1997.
 - The City is set to use 20-25 acres in the northeast corner for the Platte to Park Hill flood-protection system.
- The 1997 land-use restrictions require the land to remain a golf course or open space. In 2000, those restrictions were incorporated into an agency agreement between the City and the Clayton Trust, and they remain in place today.

- Under terms of this new proposal, subject to City Council and Probate Court approval:
 - The status quo remains in place on the golf course site until 1/2/19.
 - At that time, the City would acquire 50% of the property for \$10M. The Platte to Park Hill storm-water detention area would be located on this portion of the property.
 - The city and Clayton would enter a 30-year lease for the remaining 50% for \$350K/year for 30 years, with an early-buyout provision or a right for the City to acquire full title for \$10 at the end of the 30-year lease term.
 - The agency agreement and use restrictions would be terminated by mutual consent.
 - Clayton will continue to lead the community visioning process over the next several months with support from the City. The agreement contemplates any number of outcomes to the community visioning process, spanning a spectrum from open space to development or a combination of both.
 - Depending on the outcome, the visioning process could then inform a master planning process led by the City. A master plan would require separate Council approval.
 - If sales to a third party occur in the future, the proceeds would be split as follows:
 - Clayton receives 75% and the City 25% until Clayton received a total of \$24M.
 - After Clayton receives \$24M, any additional sale proceeds would be paid to the City until the City recoups all amounts it has paid under the agreement (including the \$10M purchase price and all lease payments).
 - After Clayton and the City receive the amounts described above, any additional sale proceeds would be evenly divided.
 - The City would control any third-party sale effort until 12/31/22, and then Clayton would assume control through 12/31/37.
 - After 12/31/37, the City will own and control any remaining acreage.