

Claremont School of Theology ordered to offer land to neighboring colleges

by [Sam Hodges](#) in the [February 23, 2022](#) issue



First United Methodist Church of Salem, Oregon, displays banners welcoming the Claremont School of Theology. (Photo courtesy of Claremont School of Theology)

According to the Los Angeles County Superior Court, Claremont School of Theology must offer its Claremont, California, campus for sale to the Claremont Colleges, a neighboring consortium of schools—and for a price likely to be millions below fair market value.

The financially embattled United Methodist seminary has long been willing to sell its 16.4-acre campus near Los Angeles. But seminary leaders insisted on getting a fair market price, which they put at about \$40 million.

During litigation that has gone on for years, the Claremont Colleges have stressed a 1957 legal agreement reached when the consortium sold the seminary land to relocate in Claremont. The agreement gave the consortium a repurchase right if the seminary ever put the land up for sale—and under a formula that guarantees a price far below what the seminary has been saying it needs to right itself financially.

Recent rulings have gone the Claremont Colleges' way, and the latest, issued in early January, made clear that Claremont School of Theology had, through past actions, triggered a "right of first offer" in the 1957 agreement and must "promptly" offer to sell its property to the consortium under the formula.

While neither side has spelled out how much the Claremont Colleges would pay under the formula, the seminary suggested in a statement last year that the price could be as little as 10 percent of fair market value, or \$4 million.

The latest court ruling brings more trouble and uncertainty for the seminary, and seminary leaders said in a press release that they are considering appealing the recent ruling but will explore other options, including arbitration.

Claremont School of Theology—one of 13 United Methodist seminaries—was founded as Maclay College of Theology in 1885 in San Fernando, California, but soon moved to Los Angeles to become part of the University of Southern California, then a Methodist-affiliated school.

In 2017, Kah-Jin Jeffrey Kuan, president of Claremont School of Theology, announced that the seminary was exploring becoming part of the United Methodist-affiliated Willamette University, in Salem, Oregon. It was a bold idea that held the prospect of saving operating expenses and generating cash through a sale of the Claremont campus.

Two years before, the seminary had begun talking to the Claremont Colleges about a property sale. At the time, the Claremont Colleges offered \$14 million for about 10.5 acres and agreed to renovate some of the seminary's housing. That offer went beyond what the 1957 agreement would have required.

However, seminary leaders considered the Claremont Colleges' offer inadequate, and in 2016, the seminary filed suit against the consortium, arguing that changes in California law meant the 1957 agreement no longer held. A long period of claims and counterclaims began.

As the years of litigation went on, the seminary moved forward with a plan to move to Willamette. Some faculty moved there and began to hold classes from there. Kuan even wrote a farewell letter to the Claremont community, published in the local paper.

But an appellate court ruling for the Claremont Colleges caused the seminary to pivot last summer, saying it had decided not to sell the Claremont property and would try to maintain its base there and keep a second presence at Willamette.

Seminary officials declined an interview request. But Kuan said in a press release that the recent court ruling is important but doesn't affect the seminary's accreditation status or focus.

"Our number one priority is ensuring our current and prospective students maintain access to the world-class education they want and deserve from Claremont School of Theology. We prefer to carry out that mission on our campus in Claremont, where we have successfully done so for more than 135 years," he said. —United Methodist News Service