

## Shidler's \$100M gift to University of Hawaii business school was years in the making

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Courtesy: University of Hawaii, Jay Shidler



[Duane Shimogawa](#)

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Hawaii businessman [Jay Shidler](#), who on Friday quadrupled his gift to the [University of Hawaii](#) business school that bears his name [to a total of \\$100 million](#), told PBN that he started thinking about making this big move about four years ago.

"I started to think about what is the next thing I could do for the business school," he said. "What was the form I should do it in? We always talk about dollars. Then that's when I started thinking, it needs to be in a way that deals with long-term issues."

Enter the leased-fee option, which has become an increasingly popular way to donate to colleges. A leased fee is a specific type of interest in land leased to the building owner under a long-term ground lease.

On the Mainland, universities benefiting from ownership of leased fees include [Columbia University's](#) historical ownership of land under [Rockefeller Center](#) and [Cooper Union's](#) ownership of the land under the Chrysler Building in New York City, [Stanford University's](#) land under various commercial complexes in Palo Alto, California, and the [University of Washington's](#) land under numerous office buildings in downtown Seattle, Shidler said.

Like [Kamehameha Schools](#), which generates significant income from leased fees under homes and commercial buildings, the Shidler College of Business will now have an increasing source of predictable cash flow from which to meet long-term financial needs.

"I think the type of asset that's most important is the leased fees of these office buildings on the Mainland," Shidler said. "I'm donating this year, the first portfolio of six [leased fees]. Next year or the year after, I'm adding additional portfolios. Donating something of value with the actual cash flow from these assets, that goes on for decades. This will [equal] hundreds of millions of dollars in cash flow [the business college]."

In one interesting instance, the Shidler College of Business will be benefiting from the proceeds from the leased fees from [Wake Forest University](#) in North Carolina, he said.

Shidler, the founder of Honolulu-based [The Shidler Group](#) and an alumnus of the UH business school, also said that he has liked what the college has been doing, especially under the leadership of Dean [Vance Roley](#).

"Over the past eight years, what Vance has accomplished is nothing short of miraculous," Shidler said. "To increase enrollment of the business school when Manoa [as a whole] has not, is impressive."

Duane Shimogawa covers energy, real estate and economic development for Pacific Business News.

[http://www.bizjournals.com/pacific/blog/2014/10/shidlers-100m-gift-to-university-of-hawaii.html?ana=e\\_vert&u=jDCEwoG3GoflgKoVulfv26 CYVA&t=1414616162&page=all](http://www.bizjournals.com/pacific/blog/2014/10/shidlers-100m-gift-to-university-of-hawaii.html?ana=e_vert&u=jDCEwoG3GoflgKoVulfv26 CYVA&t=1414616162&page=all)