



Kahuku: Where shrimp is king

Crave



The Pulse of Paradise

Star Advertiser

Big Promise of Little Things

Change Comes From Everyone



HAWAII COMMUNITY FOUNDATION
Amplify the Power of Giving

See Friday's LOCAL Section

SHIDLER GIVES AGAIN



PHOTOS COURTESY JAY SHIDLER

LANDMARK DONATION

Real estate investor Jay Shidler has donated seven mainland commercial properties to the University of Hawaii business school already named after him. He donated four similar properties in 2014, indicated by an asterisk. The school owns a partial or whole interest in the land under these buildings, and in 99 years will also own the buildings outright or with partners.

BUILDING	TYPE	LOCATION
1. 200 South Michigan	23-story office building	Chicago
2. 200 West Adams	12-story office building	Chicago
3. Burnham Center	21-story office building	Chicago
4. Columbine Place *	17-story office building	Denver
5. Continental Plaza	34-story office building	Columbus, Ohio
6. Marriott Fairfield Inn *	Hotel	Mount Vernon, Ill.
7. Nashville City Center	26-story office building	Nashville, Tenn.
8. National City Tower *	40-story office building	Louisville, Ky.
9. Tampa City Center	38-story office building	Tampa, Fla.
10. University of Washington Biomedical Center *	Research building	Seattle
11. Wake Forest University Charlotte Center	Office and hotel complex	Charlotte, N.C.

Source: Jay Shidler

Donated properties could bring the business school \$7B over a century; UH hopes the gift prompts others

By Andrew Gomes
agomes@staradvertiser.com

Wealthy local resident and real estate investor Jay Shidler learned a core lesson over a long career: Hold land and lease it to others. Now he's sharing that lesson with the University of Hawaii in a valuable way.

A really valuable way. Like to the tune of possibly \$7 billion over the next century.

Shidler has donated a collection of mainland commercial properties to UH, representing the largest single gift ever made to the 110-year-old university.

Specifically, Shidler, an Oahu resident and UH alumnus, has donated his stakes in the land under 11 office and hotel buildings in nine mainland cities to benefit the business college at UH that already bears his name.

Shidler and UH officials signed gift agreements for seven of the properties Thursday.

Income from ground lease payments, the rent that building owners pay to the landowner, will provide steady and increasing revenue to the business school. This cash flow starts relatively small, between \$550,000 and \$1.5 million a year for the first 24 years, but over the life of the 99-year ground

Please see SHIDLER, A5

THE GIFT

The University of Hawaii Shidler College of Business has been given ownership stakes in 11 mainland office and hotel buildings. Here's what that's worth:

\$2.1 billion
Income from leasing the land under the buildings over 99 years

\$21 million
Average ground rent income per year

\$5.1 billion
Estimated value of the properties after 99 years when ownership stakes in the buildings pass to UH

HOMELESS CRISIS

Perils and squalor prompt shutdown of waterfront park

By Dan Nakaso
dnakaso@staradvertiser.com

Following a series of dog attacks, fires and vandalism blamed on homeless people lining the waterfront, state officials plan to indefinitely close Kakaako Waterfront Park and the adjacent Gateway and Kewalo Basin parks starting at 10 p.m. Sunday.

There is no timetable for when the parks will reopen.

"It's reached a point where we just can't manage it," Jesse Souki, CEO and executive director of the Hawaii Community Development Authority, which manages the parks, told the Honolulu Star-Advertiser. "It's not easy to say it, but I want the park to be safe. Right now, with dog attacks and exposed wires and broken plumbing, it's just not safe. We need to shut it down and take a pause."

A complete assessment of the damage needs to be conducted once state sheriff's deputies sweep the estimated 120 campsites Sunday night, Souki said. But he's estimating that the cost of repairs could reach \$500,000.

"They've broken into and exposed wires on about 30 poles," Souki said. "They're breaking the

Please see KAKAAKO, A8

INSIDE



Clippers beat Raptors in rematch at a packed Stan Sheriff Center

SPORTS / C1

Kauai doctor files lawsuit against FDA over access to abortion pill

LOCAL / B2

Singaporean-based carrier Scoot launching Honolulu route in December

BUSINESS / B4

local
Kokua Line B2
Obituaries B7

views&voices
Our View A6
Your Letters A7

business
Business Report B4
Stocks B6

sports
UH football C1
Hawaii Grown C5

detours
Comics D2-3
Television D4



538-NEWS
CALL TO SUBSCRIBE
Our 136th year, No. 246

RATES ARE RISING!

Refinance your first mortgage and pay off your home equity line of credit.

30 Year Fixed*
3.500% | **3.759%**
Simple interest | APR

Territorial Savings Bank
The bank that grows with you.

CALL TODAY (808) 206-8199

territorialsavings.net

Example: Using the rate and APR shown, a loan of \$300,000 (based on a \$400,000 home with 25% down payment) will have 360 monthly principal and interest payments of \$1,347.13. *Rates as of 09/27/2017. Rates and terms are subject to change without notice. All loans are subject to credit and underwriting approval. Other terms and conditions may apply. No prepayment penalty. Owner occupant only.



DONATE YOUR CAR

Wheels For Wishes Benefiting

Make-A-Wish® Hawaii

*Free Vehicle/Boat Pickup
*We Accept Most Vehicles Running or Not
*Fully Tax Deductible

WheelsForWishes.org **Call: 1-855-278-9474**

* Car Donation Foundation d/b/a Wheels For Wishes. To learn more about our programs or financial information, visit www.wheelsforwishes.org.

Michael B. Russo MD

NEUROLOGY HEADACHES

808-NEURONS

SYNCHRONIZE
A PHASE OF REDUCING AND REDUCING EDUCATIONAL COSTS

Do you think you have conjunctivitis (pink eye)?

You and/or your child may be able to participate if you (or they):

- have had pink eye symptoms (e.g., redness, watering/discharge, or irritation) in at least one eye for no more than the past 3 days
- are interested in taking part in a research study for up to 13 days
- are willing to travel to the study center for appointments.

Qualified participants may receive the non-antibiotic investigational drug and study-related procedures and visits at no cost. Health insurance is not required to participate.

To find out more, and to see if you qualify, call:

Jenkins Eye Care
615 Piikoi Street Suite 205
Honolulu, HI 96814
1-877-434-4942

JENKINS EYE CARE

CTM_Air Patient Color Print Ad 9/11 USA

SHIDLER

Continued from A1

leases, contractual income to the Shidler College of Business will average \$21 million a year and total \$2.1 billion.

UH officials said they could use that income stream to eliminate business school tuition within 40 years, along with investing to expand programs, improve facilities and recruit top professors.

What's more is that after the ground leases expire, UH will own all the buildings either outright or with other partners. At that time, Shidler estimates, UH's stake would be worth \$5.1 billion if the properties only appreciate at the historical annual inflation rate of around 3 percent.

Shidler, 71, said he wanted to make a lasting gift that would allow the college to continue investing in itself and striving for excellence 30 years from now and beyond.

"I know it's going to take a lot of money," he said. "This is more than about impacts today."

Vance Roley, business college dean, said the gift will extend Shidler's transformational impact on the school, which has risen in national rankings with its Asia-Pacific focus, expanded programs, added endowed faculty positions and increased student scholarships.

"The college, with this gift, is positioned really well for the long run," he said. "We are incredibly excited for the future."

Not counting future income from donated real estate, Shidler has made gifts to the business college valued at \$228 million since 2006.

It started with a \$25 million contribution that year, after which the college was

renamed for Shidler. Several additional gifts followed, including a \$69 million contribution in 2014, part of which included leased fee interests in four of the 11 office and hotel properties.

The present value of the seven properties just added is \$112 million. Shidler also is giving \$5 million in cash over the next five years as part of his latest gift.

Grateful alumnus

For Shidler, giving to UH is reciprocation to an institution he credits with helping launch a career in which he has invested in more than 2,000 commercial properties and started more than 20 companies, including five public firms that have been listed on the New York Stock Exchange.

Shidler first moved to Hawaii in 1949 as the child of an Army officer. After moving away and graduating from high school in Maryland, he returned in 1964 and enrolled at UH, where he earned a bachelor's in business administration four years later.

While at UH, Shidler worked for real estate appraiser Philip Won and one day came across a Makiki property he believed could be developed. Though Shidler explored developing a leasehold condominium on the site as an academic exercise, Won helped make it a reality that today is a 21-story tower called 1111 Wilder.

Shidler used his share of proceeds from that deal to start his own company, The Shidler Group.

Now UH, through the University of Hawaii Foundation, owns 11 Shidler real estate assets. They include three office buildings in Chicago, a hotel in Mount Vernon, Ill., an office tower in Nashville, Tenn., and the tallest building in Louisville, Ky. For seven properties, UH owns a 50 percent interest,

which is what Shidler had owned. Three others were owned wholly by Shidler and conveyed entirely to UH, and the stake in the last one is 25 percent.

Gift keeps giving

UH President David Lassner said it would be nice if the university could attract more such gifts. "We would absolutely hope that our grateful alumni and others in the community who we have touched would be inspired by this gift to do what they can to advance higher education in the state," he said.

Currently, annual UH tuition for resident students is \$10,000 a year. The business college has 1,400 undergrad-

uate and graduate students, and the resident tuition is about \$13,000 and \$21,000, respectively. To make UH free for all its 20,000 students would require covering the estimated \$200 million in annual tuition, which would mean a roughly \$4 billion endowment invested to produce a 5 percent annual return.

While it likely won't be \$4 billion, Roley anticipates there will be a donation snowball effect because of Shidler's new gift. He said something similar happened in 2006, and the added gifts along with publicity helped increase the quality of faculty and students.

"Great faculty attracts great students who, in turn, attract great faculty," Lassner said.

Added Roley, "It's a good cycle. We're in that cycle right now."

Donna Vuchinich, UH Foundation president and CEO, said attracting top faculty with pay secured by endowments is a global competition. "Private investment really positions us to keep the best and brightest, or to attract the best and brightest, that we want for our students," she said. "That's a really important piece that private philanthropy and Jay's gift helped jump-start."

How exactly business college administrators decide to spend the bulk of future income from Shidler's real estate donations will be up to a future generation of leaders, though Shidler set one condition that will outlive him. That condition is that UH not sell the real estate assets during their 99-year ground leases.

And after that, Shidler advises holding the real estate. "In 99 years, when ownership of the buildings reverts (to the landowner), the university can sell land and buildings, but I hope they don't," he said.



Private investment really positions us to keep the best and brightest, or to attract the best and brightest, that we want for our students. That's a really important piece that private philanthropy and Jay's gift helped jump-start."

Donna Vuchinich
President and CEO,
UH Foundation



STAR-ADVERTISER

Retirement and Social Security

- When should I retire?
- Will Social Security be there for me?
- When should I apply for my benefits?
- How are benefits calculated?
- How can I manage my estate and plan for my beneficiaries?
- Will my Social Security be enough?



Thursday, October 12

7:00 pm to 8:30 pm

Saturday, October 14

10:00 am to 11:30 am

Ala Moana Hotel

Find out the answers to these questions and more at a

Free Social Security Workshop

Call **(808) 545-2211** to reserve your seat or register online at **EABuck.com**

Ask for your **Free** copy of the **Baby Boomers Guide to Social Security** at the workshop



Jeff Buck, Owner

Ed Buck, Founder

Katie Buck, President



E.A. BUCK
Family of Companies



55 Merchant Street, Suite 1880 • Honolulu, HI 96813 • (808) 545-2211 • www.eabuck.com

E.A. Buck is not affiliated with the Social Security Administration. E.A. Buck Family of Companies is comprised of E.A. Buck Insurance and Buck Financial Services. Securities offered through Parkland Securities, LLC. Member FINRA/SIPC. Investment advisory services offered through Sigma Planning Corporation, a registered investment advisor. E.A. Buck Family of Companies is independent of Parkland Securities, LLC and Sigma Planning Corporation.