

**MINUTES
UNIVERSITY OF HAWAI'I BOARD OF REGENTS'
SPECIAL MEETING OF
September 6, 2006**

1. CALL TO ORDER

The meeting was called to order by Chairperson Kitty Lagareta on Wednesday, September 6, 2006, at 9:10 a.m. in Campus Center Conference Chamber, Room 220, University of Hawai'i at Mānoa. President McClain announced that this meeting was being held to consider the acceptance of a \$25 million donation from Mr. Jay Shidler and, in recognition of this gift, to name the College of Business Administration, the Shidler College of Business at the University of Hawai'i at Mānoa. Chairperson Lagareta announced that Mr. Shidler is her client so she recused herself from the meeting. Former Vice Chair Alvin A. Tanaka then presided.

Attendance

Present were Regents Byron W. Bender, Michael A. Dahilig, Ramón S. de la Peña, Marlene M. Hapai, James J.C. Haynes II, Allan R. Landon, Alvin A. Tanaka, and Jane B. Tatibouet; President David McClain; and Executive Administrator and Secretary of the Board David Iha. Regents Andres Albano, Jr. and Ronald K. Migita, were excused.

Also present were Ms. Darolyn Lendio, University General Counsel; Mr. Sam Callejo, Vice President for Administration; Dr. Linda Johnsrud, Vice President for Academic Planning and Policy; Dr. John Morton, Interim Vice President for Community Colleges; Mr. Howard Todo, Vice President for Budget and Chief Financial Officer; Ms. Karen Lee, Interim Associate Vice President for Student Affairs; Dr. Denise Konan, Chancellor, University of Hawai'i at Mānoa (UH-Mānoa); Dr. Vance Roley, Dean, College of Business Administration, UH-Mānoa; Mr. Presley Pang, Associate University General Counsel; Dr. J. N. Musto, Executive Director, University of Hawai'i Professional Assembly (UHPA); and others.

2. PUBLIC COMMENT PERIOD

The following testimonies were received:

1. Jean Rolles said that this was an incredibly wonderful gift and thanked Mr. Shidler for such generosity and forethought. As a member of the Advisory Council for the University of Hawai'i Business School, she said that she was very excited about the possibilities that these

resources would bring to the College. The future for the University is very bright. She urged the Regents to accept this wonderful gift.

2. David Heenan, Trustee of the Estate of James Campbell, former Vice President for Academic Affairs, and Dean of the College of Business Administration at the University of Hawai'i spoke in favor of the gift and the naming recognition. He stated that he is delighted to see the University of Hawai'i participating actively in the philanthropy process. Three points come to mind with this gift:

Point #1. The donor himself. Mr. Shidler is incredibly bright, very gifted, highly analytical, and very thoughtful. He said that he knows that Mr. Shidler spent months examining the strengths and weaknesses of both the University system and also the Business School before he committed to the gift to get a sense whether this gift could really make a difference. Mr. Heenan said that this gift was a tremendous tribute to all of those in the University, particularly President McClain and Dean Roley. This is a very important and serious gift from a very serious donor.

Point #2. The size and magnitude of this particular gift. Mr. Heenan stated that by anybody's standards, \$25 million is an incredible amount. He said that this really is an "eye-popping, head-snapping, wow-creating" kind of an amount that casts the University of Hawai'i in a very different and positive light.

Point #3. A gift like this is clearly intended and should produce a ripple effect across the system. He said that he expects to see people who previously sat on their wallets and who did not have the University of Hawai'i on the top of their minds when it came to major gifts to step forward. He said that it would be near impossible for any high net worth individual, private company, or foundation, not to put the University on a very short list for major giving.

This is a magnificent gift to a magnificent institution. He congratulated the University and the donor.

3. Barry Weinman stated that this is a seminal time for the Business School. Besides acknowledging Mr. Shidler for this wonderful gift, Mr. Weinman asked for a round of applause to Dean Roley and Terry Wells of the University of Hawai'i Foundation who have put time and energy into this wonderful opportunity. Mr. Weinman said that this gift gives the University of Hawai'i a chance to be not only the best university in the Pacific but one of the best universities in the world. He recommended that the Board approve this gift. Mr. Weinman said that this gift will trigger a series of future gifts and will put people in a

position where they really want to get behind the school and make it as good as it can be.

3. AGENDA ITEM

Chancellor Konan said that she was pleased to request that the Board accept a \$25 million gift from Jay Shidler in support of the College of Business faculty endowments, student scholarships, and other investments within the College of Business. Chancellor Konan further requested that to recognize and acknowledge the donor, the College of Business Administration be named the Shidler College of Business at the University of Hawai'i at Mānoa.

Dean Roley stated that the purpose of the gift is to transform the College into one of the top 25 public business schools in the U.S. Private resources are needed to reach this goal, and this gift will allow the College to accomplish this goal within the next seven years. Plans for the gift include investments, faculty endowment support, faculty summer support, scholarships, additional program staff, marketing and communications support, and building renovations and remodeling. The funds will be used for three broad areas:

1. \$10,250,000 will establish several endowment accounts;
2. \$13,600,000 will establish several expendable accounts; and
3. At least \$1,000,000 will be a gift in kind to renovate and remodel the College of Business building.

The endowments planned are as follows, subject to Board of Regents' approval:

1. \$2,000,000 to establish two \$1 million professorships;
2. \$3,000,000 to establish six \$500,000 professorships;
3. \$1,250,000 to establish five \$250,000 faculty fellowships;
4. \$1,000,000 to establish a research seminar series.
5. \$3,000,000 to provide matching funds for new professorships, fellowships and scholarships, with minimum endowment amounts with the matching funds of \$100,000 for faculty endowments and \$50,000 for scholarships.

Dean Roley added that there will be several expendable accounts. Approximately \$8.5 million will be for programs that have immediate impact on the

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excellence of the business school, including expenditures for scholarship support, initial program startup costs, and the costs for staff support. Of this \$8.5 million, approximately \$6 million will be used for scholarship support which is an amazing investment to bring the programs to a whole different magnitude.

Dean Roley said that they will also be investing in summer research support. The chancellor has provided some summer support each of the last two summers but this gift will now be used to provide summer support now through the next seven years, including summer research support and visiting faculty.

Funds are also needed for marketing for their programs. Approximately a million dollars will be spent for marketing.

Another \$500,000 will be used for building renovations and remodeling. This is in addition to the gift in kind that the college will receive from Jay Shidler.

Dean Roley said that Mr. Shidler is an alumnus of the University of Hawai'i. He graduated in 1968 from the College of Business Administration. He served in the Army Corps of Engineers. He returned to Hawai'i to form the Shidler Group in 1972. Since forming the Shidler Group, Mr. Shidler's affiliate partnerships and corporations have acquired and managed over 1,400 properties in 40 states and Canada. He has founded and been the initial investor in over 20 public and private companies. During the past fifteen years, he has been the architect for four public companies listed in the New York Stock Exchange – TriNet Corporate Realty Trust, Inc. (now PiStar Financial, Inc.), First Industrial Realty Trust, Inc., Corporate Office Properties Trust, and Primus Guaranty, Ltd.

Mr. Shidler is a very successful alumnus and is a great role model for the students. When the alumni found out about this gift, the typical response was how proud they were that one of their own stepped up and made this gift. He has been very involved in Hawai'i with his Shidler Family Foundation and in past years, he was a board member with several community organizations in Hawai'i. He also served as trustee for the University of Hawai'i Foundation and he served on the boards of the Honolulu Academy of the Arts, Assets School, and the Rehab Hospital of the Pacific Foundation.

Regent Tatibouet moved to accept the \$25 million gift to be used to establish faculty endowment support (with the professorships and faculty fellowships named later subject to approval by the Board of Regents) and other investments in support of the College of Business Administration at the University of Hawai'i at Mānoa and in recognition of the donor, to name the College of Business Administration, the Shidler College of Business at the University of Hawai'i at Mānoa. Regent Haynes seconded the motion.

Regent Haynes inquired about the *U.S. News and World Report* rankings and the factors that are considered in this ranking. Dean Roley said that the standard ranking that most people refer to are those in the *U.S. News and World Report* for

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M.B.A. programs. While there may be good and bad things about the rankings, there are some helpful indicators. Rankings are based on how well you place students, for example. Some of the factors in placement rates are: jobs when they graduate; jobs three months after they graduate; their salaries; work experience when they enter the program; test scores when they enter the program; and how they are perceived by their peers. Dean Roley said that they are going to use part of this gift to add staff for placement purposes. They are hoping to add four or five new staff for the programs - one for placements; one for internships; one for admissions.

Regent Hapai commented that this gift has also given the University an opportunity to re-name the College, the "College of Business", which is more inclusive than "Business Administration." She foresees this opportunity as a way to open the doors for new programs.

President McClain said that at the conclusion of this meeting, there will be a press conference at which Mr. Shidler will be present.

Upon call, the motion was unanimously carried.

On behalf of the University of Hawai'i, President McClain thanked Mr. Shidler for this gift.

Chairperson Lagareta returned to the meeting room. She thanked Mr. Shidler on behalf of the Board and the University and announced that the Board and the administration would not be making any comments at this time. At 1:00 p.m., Mr. Shidler along with Dean Roley, Chancellor Konan, President McClain, and Donna Vuchinich will be at the press conference to provide the details of this gift.

4. ADJOURNMENT

The meeting was adjourned at 9:31 a.m.

Respectfully submitted,

David Iha, Executive Administrator
and Secretary of the Board