

## “Thanks” or “No Thanks”

You are the president of a suburban independent comprehensive university with total graduate and undergraduate enrollments hovering around 8000. You and your faculty speak with pride about the liberal arts flavor of your undergraduate programs and your venerable mainstream set of masters professional programs in business, law, education, nursing, and health sciences. But with gross revenues essentially stagnant, benefits costs and tuition discount rates increasing, and an anemic endowment, it is difficult to fund a series of vital institutional needs. Your capital campaign goal, which seemed reasonable three years ago, now seems dreadfully high.

Then unexpectedly an influential trustee, who happens to be a local real estate developer, contacts you about making a major gift. She wants to donate a 18-acre parcel of land. The land she wants to give your institution is part of a 200 acre real estate project she has been developing. Her project is master planned for multi-use development including a hotel, sports arena, condos, retail, business, professional buildings and residential. This gift is worth at least \$1,500,000 given its location.

Imagining that you can sell the land and use the cash you are about to accept the gift. But before you can the trustee adds: “This gift is contingent upon your establishing a University Research Park in the heart of my 200 acre project. I see the university as a magnet tenant. Your presence will attract businesses, entrepreneurs, starts-ups, and, of course, improve the residential real estate value of the entire development. Because of this, I am prepared to pledge another \$40 million for a Technology Innovation Building to be erected on the 18 acres I’m going to give you.” You graciously thank the trustee, note that you need to check with a few people, and promise to respond to her most generous proposal as quickly as possible.

Other information: It takes at least 30 minutes to drive from campus to the place where the 18 acre plot is located. The trustee does not want any “noisy student residence halls” on that site, she wants you to locate “substantial and serious programs” there. As a trustee she has often said that for strategic reasons the university must break out of its traditional mold and develop programs that look toward the future, such as in the areas of technology and business innovation.

*Your Task: As president you must (a) decide whether or not to accept this gift of 18-acres and a technology and innovation building; and, at the same time you must decide, (b) who should know about and have a voice in the decision, (c) what you will do if there is no consensus.*