

KENNESAW STATE UNIVERSITY ORAL HISTORY PROJECT

INTERVIEW WITH NORMAN J. RADOW

CONDUCTED AND EDITED BY THOMAS A. SCOTT

for the

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KSU Oral History Series, No. 121
Interview with Norman J. Radow
Conducted, edited, and indexed by Thomas A. Scott
Thursday, May 8, 2014
Location: Mr. Radow's residence, Atlanta

TS: Mr. Radow chaired the KSU Foundation from 2007 to 2012 and has been a member of the foundation since 1999. Norm, why don't we begin by you talking about your background? I gather you're somewhere in your fifties by now, so tell me where you grew up. I know you got a bachelor's degree from the State University of New York at Plattsburgh, is that right?

NR: That's correct.

TS: And then a law degree as well [J.D., New York Law School, 1981]. Talk a little about your background. I know there's an interesting story about your business activities while you were in law school. You've got a lecture series in honor of your parents [Paul and Beverly Radow] at Kennesaw State University. So talk a little bit about your background and maybe your parents even.

NR: I was born in 1957 in Brooklyn in a place called East New York. I grew up in what was then considered post-war housing. It was public housing meant for veterans. Today they call it a ghetto. Then we thought it was the cat's meow. We thought it was a wonderful place to live. None of us thought we were poor. One of my neighbors was Lloyd Blankfein who is now the chairman of the board [and CEO] of Goldman Sachs, and he tells the story of growing up in the projects—we called it the projects then.

TS: Oh you did?

NR: We did call it the projects. He grew up in the projects with me. I think we were maybe in the same building. We went to the same synagogue. He talks about when his father got a job with the post office as a mail carrier it was a time for celebration: "Oh, my God, we'll be lower middle class now." That was considered moving up. We didn't know we were poor. I had no idea. When I moved to Long Island in my teenage years, and we got a house that was a small postage stamp house with one bath on a sixty by eighty lot or so, I came back to my friends in Brooklyn first having seen grass. I told them all it was an estate—that we were moving to an estate. It was almost an eighth of an acre. So everything really in life is relative. We thought we were rich, and in fact we were lower middle class maybe, but we didn't know anything better than that. When I went to college, I realized my limitations in that really we could only afford a state school. So I only applied to state schools. I think that's one of the reasons that I embrace the education that the public universities provide because of what it did for me. It allowed me to grow. I had every opportunity. I had professors, Tom, who are just inspiring. I remember in my English, not English 101 but advanced writing, I thought I

was a good writer, and I am a good writer, but then I thought I was a good writer, and I got an “F” and not just one “F” but ten “F”s.

TS: Ten “F’s”?

NR: Yes, “FFFFFF.”

TS: So this is really, really bad.

NR: Yes, it was underlined and then circled, so I think he was making a point. When I read it—and frankly I think today—some of the things were probably overkill, but he really woke me up as to what it means to write precisely, to write compellingly, to draw a picture to the reader, not just put words on a paper but actually draw a picture with words. That’s just something that stuck out at me about my education there. I was editor of the student newspaper. I was involved in so many different activities, and I came away with a really fantastic education.

TS: Wow.

NR: It taught me not to think, because I think I was [already] a good thinker, but it taught me how to think—how to think critically, how to craft an argument. I was a history major. I also took philosophy and a lot of English, a lot of liberal arts. We really had to look at concepts, look at facts, extrapolate those facts, and craft them into an argument and defend it. I did that in every class and every day, and so that made me a great lawyer. It really helped me a lot. Because of what it did for me that no one else could do—I couldn’t afford anywhere else; we didn’t have Pell grants then, and we didn’t have all these scholarships then. I’ve always supported public education, and wanted to do something that made a difference to its future.

TS: I was thinking, you came along a little too late for when they had no tuition at City University in New York, I guess.

NR: My brother was in that; my brother went to Queens College.

TS: Somewhere in the 1970s New York City went bankrupt, and they had to start charging tuition.

NR: That’s right. Now [Plattsburgh] is [part of] SUNY, and SUNY always charged, but it was not a lot of money. I took out student loans. I think I ended with \$20,000 of student loans for four years of college and three years of law school. I thought that was an ungodly amount of money.

TS: I saw something just the other day that the average student at Kennesaw has \$20,000 of loans when they graduate, which probably is pretty good given the fact that we really haven’t had any budget increases and had some budget cuts over the last several years, and tuition has gone up as a consequence.

NR: It's clear that some students' parents can afford the tuition for them, and many of our students at Kennesaw work. I'm talking about leaving law school in 1981, 33 years ago, so that number seems very small to me. I think it's a combination. If you look at the median of those students who have loans, I bet it's higher. I'm pulling this just out of the air—I bet one third of the students or more have no loans. That number may be actually much higher for the average student who needs the loans to live and to go to school.

TS: Probably so. Well, I know you got through New York Law School in '81, so I guess maybe '78 or somewhere in there you're getting through Plattsburgh.

NR: That's right. I finished in 1978. I went to New York Law School and moved to Greenwich Village. It was a unique time when you could afford to live in New York. I had a small two-bedroom walkup apartment in Greenwich Village for \$650.00 a month.

TS: That's amazing for Greenwich Village.

NR: It was amazing. I was there at a really vibrant time. Everyone was saying, "Oh, my God, you won't believe how the Village is changing." I read a book recently called *Republic of Dreams: Greenwich Village, [The American Bohemia, 1910-1960]* by Ross Wetzsteon (Simon and Schuster 2002). It's a tome, a thousand-page tome, and the first quote in the book was from 1906 from E.E. Cummings. He said, "Greenwich Village, it's not what it used to be." It was exactly what everyone told me when I was there: "Oh, it's not what it used to be." Now when I go back I say the same thing. Greenwich Village is just so alive. It's a moving, breathing, living thing, and to live in it and watch it move and be a part of that living thing was really exciting, very exciting in the late-1970s and early-1980s. It was a lot of fun.

My parents lent me \$10,000.00. You thought my rent was cheap. I bought a building in Manhattan for \$60,000.00. It's unheard of today. You can't buy a closet for \$60,000.00. I paid \$10,000.00 down, and then I got a mortgage for the other \$50,000.00. I fixed it up myself, eight apartments. Some of them still had DC current. For those of you who don't know what that is, it's . . .

TS: Direct current.

NR: It's direct current. It had two lofts and a store front. I fixed it up, and I sold it for \$125,000.00.

TS: So that was Edison Electric Company?

NR: That's right.

TS: [Thomas] Edison as opposed to [George] Westinghouse had different ideas about current [in the late 19th-century]. I didn't know they still used direct current.

NR: Yes, I don't know if it has it anymore, but I sold it, and that's how I paid my way through law school. Otherwise I couldn't afford it.

TS: What did your father do?

NR: My father was an engineer by training.

TS: What kind?

NR: Mechanical; I think he was electrical as well. He was an elevator designer. He used to work for Otis Elevators, and I think his personal triumph was that he designed the elevator system for the Apollo Space project. They built that long tower, and they had the elevator that would go up, and they didn't have to bend over when the rocket took off. So he led the design team on that.

TS: When you say you renovated the building did you do the work yourself?

NR: Yes. I cleaned out the garbage. I shot the rats with BB guns. I painted. Renovated is a strong word, Tom. I had a coat of paint. I had a wrench, some putty, nothing really extravagant. I just made it habitable. That's what I did, and I sold it. So I got the bug. We'll come back to that later.

TS: So at \$125,000.00, you doubled its value.

NR: In a year. We only put \$10,000.00 in, so you're really making \$50,000.00.

TS: How much time did you devote to that while you were doing your legal studies?

NR: A few hours a day, not every day, but a few hours a day, and I had to collect the rents.

TS: Beats working at McDonald's I guess.

NR: It sure did. It was on 104th and Broadway. It was not a very nice neighborhood at that time. Now today it's considered posh. I think that building sold for many, many, many millions of dollars last year, so shame on me.

TS: Well, you got the bug at any rate.

NR: I got the bug and I got an education.

TS: What kind of law did you go into?

NR: Real Estate, naturally, real estate. My first job was as a special assistant corporation counsel for the City of New York, which is basically the city's civil litigator. I was assigned to the Department of Housing, Preservation, and Development, which ran all of the real estate related regulatory and administrative things for the City of New York. I

was assigned to the tax foreclosed area. We'd foreclose on buildings for failure to pay taxes, but then you'd have to do something with them because there were people living in them, and there were consequences to how that building was maintained compared to the one next to it. I was assigned to help administrate all those buildings. Well, okay, it's interesting, but there were 50,000 of them at a time that were being foreclosed on.

TS: That's a lot.

NR: That's a lot of property. It was a very tough time for the City of New York then. We had the big fire in the late 1970s; you saw New York burning. Real estate values were low, hence my low rent, hence how cheaply I bought that building.

TS: This is the Reagan era though. Weren't things picking up?

NR: Well, but New York City was bankrupt. New York City had just gone bankrupt three years before.

TS: Right, and I guess it took several years into the Reagan administration before things picked back up anyway.

NR: Yes, that's true. But it picked up pretty quickly because in 1986, I had a son, and my wife complained that she couldn't walk my son down the steps together with the carriage. Today they have all these lightweight carriages, but then it was really difficult. She would leave my son in his little seat in the Chinese laundry. Now we don't have Chinese laundries in Atlanta, but they were ubiquitous in New York. She left the baby at the Chinese laundry with Mr. Lee, and she'd run back up and get the carriage and come down, and the same thing when she'd go back up. So she told me I had to find an elevator building. We started looking for it, and I was shocked. In the interim, taking a pause here, in segue, I bought my apartment—it went co-op—and I bought it for \$63,000.00. So this is, "We'll find something." The best buy I could find was in what was called Hell's Kitchen. The name had meaning.

TS: Going back to the immigrants coming in in the late 19th and early 20th century.

NR: It was not a focus group name. It was a name that was deserved.

TS: I've seen some Jacob Riis photos of Hell's Kitchen.

NR: Oh yes, Jacob Riis. I'm reading Doris Kearns [Goodwin's] book on Taft and Roosevelt [*The Bully Pulpit: Theodore Roosevelt, William Howard Taft, and the Golden Age of Journalism* (Simon and Schuster 2013)] and how Jacob Riis was such a good friend of Roosevelt's. It just reminded me, as a kid I went to Riis Park all the time, so I always wanted to know who Riis was. Eventually, I learned what a great person he was and an important person, a pivotal person at the beginning of the 20th century.

TS: There was a time when I had classes read *How the Other Half Lives: [Studies among the Tenements of New York (1890) by Jacob Riis]*.

NR: It's important. I read a book, seguing again, Bill Bryson's latest book, *One Summer: America, 1927* [Doubleday 2013]. I just lent it out to a friend yesterday who is going on vacation, and it's about the summer of 1927 and how that summer was the pivotal, changing point in our future, where the past handed off to the future. So what happened in 1927? Sacco and Vanzetti happened [were executed] in 1927. Amelia Earhart happened in 1927. Lindberg happened in 1927. Babe Ruth happened in 1927, hitting 60 home runs. The leaders of the world's economies, what today we call the Feds, but they didn't really exist then, met in secret in Long Island and mapped out what would become the Depression including policies that caused the greatest depression of all times happened in the summer of 1927.

TS: Oh, they brought it on?

NR: So many things happened in 1927. You can go on and on. There were about twenty things. You read them and, "Wow, they all happened." Al Capone, 1927, Prohibition—all these things that happened in that year and how it changed America. One of the things that struck me was called hygiene. That's why I was thinking of Jacob Riis and the hygiene of that time, and you just shutter at the thought of it. If people pricked their finger on a fence—we would climb a chain link fence—they would knick their finger, as I did as a kid, and they would die three days later of sepsis or some disease that they never could describe.

TS: We've got antibiotics nowadays.

NR: So it's just amazing what the difference is now. I just think that our kids today have to learn about that. They can't just think that our lives today just happened. This is a very interesting book. Jacob Riis is important and Upton Sinclair [*The Jungle (1906)*].

TS: Okay, so, you got an apartment with an elevator.

NR: Yes. Anyway, it would have cost me about \$5,000.00 a month to live in a modest two-bedroom. It probably wouldn't be considered a legal two-bedroom in Georgia today. The second bedroom was a closet without a window, and it would have cost me about \$5,000.00 a month to own it and to pay the mortgage. Interest rates were higher then. There was a wrap-around mortgage. I think the price was \$350,000.00. Today it would be two or three million. But I said, "Geez, I'm working so hard; that's all my net income. That's a lot of money today; it was a lot of money then; it was more than I made. I said, "I'm working so hard to live like this?" I'd rather move to the suburbs. I always said I never would. There I was. I was contemplating it. I went one day to Jersey to look at a house in Montclair, New Jersey. I came back to my apartment, and the first thing I saw was *The New Yorker* poster, "The View of the World." It's a famous poster map of the world where it has Manhattan in all its glory, all its streets, all its buildings, then the Hudson River, then the little note New Jersey, and then there's Japan. So outside of

Manhattan everything is so small. I said, “Geez, if I have to move from Manhattan, I’ll move anywhere, but I don’t want to have this commute. I don’t want to do what I saw my father doing. So I answered an add in *The Wall Street Journal* classifieds and had a general counsel job offered to me in Atlanta, Georgia in 1987, and that’s what brought me here.

TS: General counsel doing what?

NR: General legal matters for a real estate company.

TS: So it takes another seven years before you really got into the turnover of properties again?

NR: I did the workouts. There was a real estate recession in 1990-’91 that lasted until about ’94. So I did a lot of workouts then. One of the workouts I ended up buying. That was what is now the Four Seasons Hotel—office and condominium tower—in Midtown Atlanta [at 75 Fourteenth Street]. And for those of you who go to Midtown and think it’s such an exciting place, except for our building at the time, they were all closed out, closed off, plywood was up, low rise buildings with transvestites and drug dealers hanging around. It was a totally different world then. It was a no man’s land.

TS: When did the Fox Theatre [660 Peachtree Street] come back?

NR: The Fox was coming back, but across the street all the buildings around it were mothballed. It was only in that cycle in the mid-1990s when they started renovating up on Ponce and Peachtree. Otherwise before then it was all boarded up buildings.

TS: So you bought the Grand Hotel office and condominium? Not your law firm. but you bought it?

NR: That’s right. I bought it.

TS: What did it cost to buy it?

NR: Forty-eight and a half million dollars (\$48,500,000.00).

TS: That’s a lot of money.

NR: That’s about \$48.5 million more than I had. Lehman Brothers gave me a participating loan. It’s a loan that goes right up and also lends you the equity. They charged me 20 percent interest on that loan and 20 percent of the deal—the upside—but we made the deal at a bar over drinks.

TS: You’re kidding.

NR: I'm not kidding. We wrote the deal on a napkin, actually, and we went from napkin to closing. There I was in 1994, the owner of this building. Today it is one of the most gorgeous buildings in Atlanta. It's very stately, and it's timeless in its architecture.

TS: Did everybody tell you that you were nuts?

NR: Some people said, "If you'd only move the building to Buckhead." Of course, now those are the people moving to Midtown. But, anyway, we did well. I learned a lot. We ended up selling the building to Blackstone [Real Estate Advisors] in 1997. I kept the condos. They converted it to the Four Seasons brand and made my condos more valuable. I sold them out over a couple of years. We did very well on that, and that started my company called The RADCO Companies, and we've never looked back. We've been in business this year twenty years, so it's very exciting. We have 42 employees now, and we became a national company in 2003. We were sort of a mom and pop shop, doing one thing at a time until 2003. Then Lehman Brothers came to me and asked me to be their off balance sheet workout company on deals that weren't doing well. They took me to Boston, Chicago . . .

TS: They were impressed with what you did in Atlanta?

NR: That's right, and a couple of subsequent deals we did together. I pulled it off, and each deal was incredibly difficult—there were legal issues, construction issues, death threats, developers absconding with money. We had to go back and do forensic accounting. That means the books disappeared, so you have to go back and recreate the books. It's like forensically you're going back and tracing things because you had no paper trail to follow. So we had to develop all those skill sets. Some of them I had, most of them I didn't, so I learned litigation issues and being sued every day, not from anything that I did, but from the things that the previous developer did or just the fact that vendors weren't paid. They sued everybody hoping that somebody would pay them. We had to deal with all those issues and deal with them simultaneously. I'm glad I was ADD [Attention Deficit Disorder] because a linear person couldn't have handled that.

TS: I read in *The New York Times* article about you that you were everybody's punching bag. [Devin Leonard, "Go Ahead and Yell. He's Everyone's Punching Bag," *New York Times*, November 21, 2009].

NR: Yes. I didn't read it for six months.

TS: Oh you didn't?

NR: No.

TS: You didn't want to . . . ?

NR: And then when I did, I'd read a paragraph, and I'd say, "Oh, no, they said that!"

TS: Right. Well, there are some things in here that could be embarrassing when you're talking about the guy that was too emotional and you had to part company with him.

NR: Yes, and actually that happened word for word, just like that.

TS: It did?

NR: Yes, it did. It was an accurate portrayal.

TS: Okay, but not necessarily what you wanted the whole world to read.

NR: No, but it did show how decisive we can be, and when we recognize a problem, we don't sugarcoat it; we fix it. I think that underscored that point. It wasn't intended, but nonetheless it is an accurate portrayal.

TS: You've gone beyond a bucket of paint and a putty knife, I guess.

NR: Yes, yes. I still carry a little putty knife wherever I go, but, yes, we now have gone back, now that the market is getting better—we knew in about 2010 that our workout business was going to fade. We had two years of business on the books, but we knew that all the banks were hiding their bad assets. So we started buying again. I went back into the principal business in 2011. As of today, May 8, 2014, we have like 25 properties, almost 7,000 apartment units, in six cities in America, from Denver, Tulsa, Chicago, Indianapolis, Anderson, South Carolina of all places, and Atlanta.

TS: I know some of the condos you took over were about a third of the way full. Are they selling now?

NR: Yes, that's right. You know me from the press as being more in the condo business, but I'm really in the opportunity business. I look at what the market needs. I see what the market wants, and I try to get ahead of it.

TS: Oh, so you've moved beyond all that then.

NR: That's right, but I still use a lot of those same skill sets, moving with alacrity, identifying problems quickly, making decisions and bold decisions—don't be afraid to make bad decisions—and improving people's lives, which at the end of the day gives you the drive to get up in the morning. You know when you take over these failing projects that have been neglected, we go in there and put in money and spruce them up and change people's lives for the better. I was just at a property the other day where people came out hugging me and thanking me, and you feel good about it. It's a way to make money, learn, have fun, but do social good. It's a potpourri of goodness.

TS: How did you get involved with the KSU Foundation?

NR: I had met Michael Coles.

TS: I thought that might be the connection.

NR: I met him through the Jewish community, and he was chairman of the board of the Kennesaw State Foundation. I don't think I knew that at the time, but I knew him as a bold politician.

TS: Yes, he had run for the U.S. Senate I guess it was.

NR: Yes, he ran for U.S. Senate, and he ran for Newt Gingrich's district twice. He ran three times, and I supported him all three times, back in the days when I didn't have a lot of money, but I gave him everything [I could].

TS: He was running as a Democrat in a Republican district.

NR: Right. But I was just speaking of the relationship. I supported him, and you know what? He had a lot of guts. As you said, he ran as a Democrat against a Republican in a Republican stronghold. He didn't just go out against a Republican, but the Speaker of the House, and so he had a lot of guts. I said, "God bless him." I didn't have the guts to do it, and probably I should, but I didn't do it. So I looked up to him for that. One day I'm reading in the paper in *The Atlanta Journal Constitution* that Kennesaw had tried to get student housing, but it failed. Whatever, the zoning board, or the Board of Regents, whoever it was, nixed the plan.

Betty Siegel was quoted and Michael Coles was quoted. I go, "Oh, he's the chairman of the board of Kennesaw?" So I wrote him a letter. I didn't know him very well. I said, "Michael, I saw this. This is great that you are involved with Kennesaw." I had thought that the school didn't have a very good reputation. It's like, if you can't get into anything [else], go to Kennesaw. It was a commuter school. [I said,] "I'm glad you have the guts to take that on. If you need advice, let me tell you this is what I would do to get this project going." He called me up and asked me for lunch. I had lunch with him at Bone's Restaurant, [3130 Piedmont Rd., NE, Atlanta], I remember. At the end of lunch, he invited me to be in charge. So the next thing you know, I wasn't in charge at the time, but he said, "I want you to come and get involved, and your mission is to accomplish this." Kennesaw is going places. We have to take it by the scruff of its neck. We have to drag it there and propel it to where it needs to go.

TS: He said that?

NR: Well, not exactly those words. But that's more or less what he said. He had a vision; he had great vision for the university. So I joined the Board of Trustees at that time, and I went to the first meeting, and I was bored to death.

TS: Tommy Holder has a similar story.

NR: Yes, he joined about the same time as I did.

TS: He talks [in his oral history] that he was about ready to quit and didn't want his term renewed or whatever when Michael Coles announced that he had been added to the executive board without asking him if he wanted to be there. So he thought that might be interesting, and that's why he decided to stay.

NR: After a few meetings, I realized it was like a shell game almost. Everyone got together, they all talked, they were all businessmen in the community, very nice people, I think sincere people, but there was no mission being given to us by the university, no tools to really do anything grand, and there was very little money. We had \$6 million total, and we had negative cash. That is, the university demanded more money than we either brought in through donations or [made through] interest on the endowment. It was a big problem. They spent hours complaining about, "When is the university going to know that we don't have all this money?"

TS: This is when Betty Siegel was spending money and sending them the bill?

NR: Yes. She had these grand lunches and these grand dinners, and she bought a new car, and she bought this and bought that, and, you know, in hindsight, none of what she asked for was really unreasonable. Frankly, the fact that the university didn't give her more either reflected poorly on the powers that be or maybe it was a message they didn't want her to be there and that she should leave. I don't know what it was, but the president at that university, even in this configuration then, deserved to have that budget. At the time it seemed excessive, but today it seems so trivial and small, just because of what we've become and what I've learned about what that position needs to be successful. It is a public office. It's an office where you deal with the public every day, you shake hands, and you have lunches. It's not like she was going out having lobster dinners or anything. It was just having refreshments for community leaders, for faculty for her meetings, for the board meetings, the executive meetings, and things of that sort. I don't think in hindsight it was anything that was inappropriate, but we didn't have the money.

TS: Right. You're really coming on to the board not too many years after they've started trying to recruit trustees from the whole metro Atlanta area instead of just the old Mariettans.

NR: I was the first one. Tommy and I were the first two. So everyone else, the way we saw it, on the board were the old school. Bob Prillaman and Chet Austin called us the Buckhead boys even though at the time I lived in east Cobb, but they called us the Buckhead boys because we always bucked the system, we asked the questions, we challenged existing truths with a small "t" and found out that they weren't so true. So, we kind of were rebels. I wrote some memos that I was asked to take back many times, you know, this can't be public record, no one can see this, etc.

TS: Did we get the KSU Center right before you came on the board?

NR: Yes.

TS: So that was really the first real estate.

NR: That was the only deal done before me. They were all reeling from it; everyone was complaining about it; it wasn't well done; it wasn't making money; it had physical issues; and a lot of people on the board were soured on real estate from that transaction.

TS: Really? They hadn't had a chance yet, had they, [to see the value of the purchase]? By the time you came on the board, they had to totally renovate an old outlet mall and start putting offices in there.

NR: Right, but nobody was a real estate person on there. No one understood it. Everyone thought it was risky. They were taking on debt. That was one of the issues that I faced [all the way] until I left—the fear factor of what could go wrong rather than what do we need and what are we investing in. Everyone looked at the cost versus the return. I always looked at the return. You could see that just from that first real estate transaction. In fact, the foundation didn't even own it. I think a third party owned it.

TS: That's right, TUFF [The University Financing Foundation].

NR: I stopped that when I was chairman. I bought it back from them. But they were just too scared. Everybody was so risk-averse, as opposed to promoting the university's needs and taking a risk for a reward. Everyone just saw the risk. That was something that came out of me and Tommy and Michael. Michael also was very supportive of it, and Tommy was the right leader to be the first to chair our real estate committee. He later, as chairman, made the committee its own foundation.

TS: So you basically were the real estate expert when you came on the foundation. The foundation got into real estate big time, I guess, beginning with the deal with the Board of Regents to build the residence halls and the parking decks.

NR: Right. Michael Coles was the driver on that. Tommy was the right person to lead it.

TS: How did that come about?

NR: The university tried to do it on their own. The university tried to go to get funding for a parking deck or housing or both, I'm not sure, and they failed.

TS: You said the university, not the foundation?

NR: Not the foundation. It was sort of this Chinese wall. We were them, and they were us. It was that kind of feeling.

TS: So the university tries to do this through the Board of Regents and couldn't get approval.

NR: They couldn't get approval. Michael came into a meeting and announced, "Damn it, we're going to have student housing on this campus, and we're going to have parking, and we're going to be the first to do it in a public/private partnership. I don't know how we're going to do, it but Norm, Tommy and Jake Sanchez were appointed to be co-heads of the real estate plan.

TS: I don't believe I know Jack Sanchez.

NR: He was on the board of the Port Authority at the time. I think he was a Democrat appointed by Governor Barnes, and that's how Michael knew him. We went down to the Board of Regents. We met with everybody. We formulated a plan. We met with the university. But I don't really think they thought it could be done.

TS: The Regents didn't?

NR: No, the university.

TS: The university didn't?

NR: Right. "We tired to do it and it couldn't happen; who are you who are going to do this?" Then we got permission to do four projects at once. The projects were building East and West Parking Decks—not what you see today because . . .

TS: The East Parking Deck is bigger now than it was originally.

NR: It's bigger now, but we contemplated that, and we designed it with the physical structure to get larger. We should have done it larger to begin with but there was no big thinker at the university to go ahead. It was always catch up.

TS: I wish we had done it with the West Deck too.

NR: We should have done it with the West Deck but that West Deck had a problem because it backed up to a subdivision. There were houses right across the street. We would have had a height issue. We could have gotten around it, but they would have complained, and this was our first deal . . .

TS: So basically you built it into the side of a hill.

NR: Right. We were trying to be thoughtful to our neighbors. Ultimately, we bought all those houses on that street and assuaged that concern because we were the neighbor, and we wouldn't complain against ourselves, but we didn't know that at the time. There were actually five things that we did at the same time, which was pretty bold thinking. We did the two parking decks; we did the first phase of our housing on campus, which was University Place; and we bought what was then called Kennesaw Hall, which was a private apartment complex adjacent to the university on the north side of campus. At the time there was a road that went up. It's still there, but we moved it. It cut between the

university and the housing development. It was a public road; it was not a private road. There was another apartment complex after that, and it dead ended there, and that was also private, and it was horrible. It was run as a halfway house, people right out of prison who would go there, as the purgatory between prison and civilian life. So we didn't buy that yet. We bought and renovated that newer apartment complex, built this new housing, built these two parking decks, and we bought nine houses down Frey Lake Road [now named Campus Loop Road]. It was very complex; it was very difficult; to be candid, we had very little support from the university; and to the contrary I felt like a blind man with logs thrown in front of him as I'm walking forward—anything to make us trip to make it not happen. Tommy had the expertise to shepherd so many large construction projects at once.

TS: So you're saying Betty Siegel didn't support this or wasn't enthusiastic about it.

NR: I think she became enthusiastic. I think she didn't think it could be done, and she didn't want to waste political capital. I think that, to be candid with you, her staff below her were people who had been with the university for fifteen or twenty years, long timers, and there's a difference between being a good administrator for a 2,000 student community college and what was then an 11,000 student, four-year college that was just becoming a university and was exploding in growth. The thought process and the understanding of where the university was going—their comfort zone was back in the past, and the future scared them.

TS: So this is the Jim [James A.] Fleming at the foundation before Wes [Wesley K.] Wicker came in?

NR: Jim is a very nice guy. I think if he met with Betty Siegel, he'd agreed with her, and if he met with us, he'd agree with us. He never disagreed with any of us directly. It wasn't that, but I think the executive team of the university was unsure of where the university was going and unsure of their own expertise in taking it there. I think when that happens, you become reactive and conservative because you're unsure. No one rah-rahed us. No one said, "This is fantastic. Let's go get rally support. Let's go to the banks together. Let's go to the Board of Regents together." We had to push and shove and rant and rave and jump up and down and threaten to run nude on campus to get people to realize that something was happening. And that includes, if I may, our own executive board, which was comprised of these businessmen who, again, were scared of the risk, [and said], "We're taking on too much debt." I said, "Well, you don't have anything to risk. We have \$6 million for a university with 11,000 students. What are you going to do with that? That's \$300,000 a year in interest. How are we making an impact? What's more, the university was asking half a million a year from us. So we were having \$200,000 a year in deficit spending. Over time, it was the Board of Regents Development staff that proved to be the biggest obstacle.

TS: Are you saying that KSU expected you to do an annual fundraiser for a half a million a year?

NR: That's right. So what was the risk? This is exactly when we should be taking the risk, when we don't have anything to risk except our future by not acting. So it was just as hard internally for Michael, Tommy, and me to get the board to act. We had to spend hours and hours of handholding and discussions. It took a long time. We didn't have a groundswell of support in the foundation. We did not have a ground swell of support in the university. The Board of Regents, frankly, I think we were backwaters to them.

TS: I guess we were.

NR: They also had people there, until just recently in fact, who, I thought, were—the University System had grown more complex and larger than their capabilities. So, really, we were kind of cowboys and doing it ourselves. There we were. I told everyone the day we opened the student housing, I said, “You don't know what just happened today.” I remember my talk. “You don't know what just happened today, but mark my words, today is the day that Kennesaw became something.”

TS: That's absolutely true.

NR: I talked to the president, and I talked to her cabinet, and I said, “Guys, you are now a 24/7 university. You're not a commuter college. People aren't leaving at 5:00 or 3:00 o'clock when the classes end. The library—people want to study all night and stay here. You're going to need security. You're going to need programs. You just took a quantum leap into a whole other place. It's a revolution that happened today, and it's going to be more impressive four years from today when we graduate our first students who lived, touched, and breathed Kennesaw in our housing. Everyone else came for a while and left, and they never—you can't inculcate that love of institution when you're not living and breathing it like these students are to become. Mark my words.” And that really is what was the turning point, I think, for Kennesaw State—one of several that would happen over the next ten years that I was involved in.

TS: Betty Siegel must have been listening because she had a quote very similar to that about the first residential halls creating a sea change of difference.

NR: Yes, but she didn't act on it. Everything was years after.

TS: I had a question, when you said that you were the first. Are you saying that this kind of public/private partnership, where the state actually owns the land, but you lease it, and you build it and manage it, and the students remove your risk through their parking fees and other fees—are you saying that we're the first place in the country to do that?

NR: In the state.

TS: Okay, so did you have a model that you followed in doing this?

NR: No. We didn't. Not that I recall. I think we went and looked at some things and what have you, but the Board of Regents didn't allow this type of public/private partnership to

occur. The universities themselves held on to the ownership. The foundations got the development done, and then they net-leased it back or there was a net lease for the whole space from the university, so that they controlled the real estate as well. We were the only ones where the foundation controlled the real estate. Later, a couple of years ago, the Board of Regents tried to stop that, saying that we were the only ones in the state that were like that. They were able to effect a change on one phase of the housing, but otherwise our program was unique to the state at the time, and it's unique to the state today. In fact, if you go look back, I think we've done \$500 or \$600 million of real estate projects during a time when the state funded about \$150 million at Kennesaw. We did about \$60 million a year while I was there of real estate that the foundation did. Just imagine that—if half those projects didn't get done, or all those projects didn't get done, what the university would be like.

TS: It would be much different. I don't understand why the Board of Regents didn't follow the Kennesaw model everywhere. This sounds like a brilliant plan to me. Why did the Board of Regents want to keep the control of the project?

NR: They didn't at the time. Just later they realized that it had happened. I think it was the first time. They didn't realize what was happening.

TS: But it worked, so why didn't that become the model for everybody else?

NR: Because very few schools had the expertise to run their real estate as efficiently and as profitably as we did. A lot of the schools now, you read in the paper that the Board of Regents wants to take over these projects and sell them to the private sector because they're losing money, and they're afraid of their bond ratings, and what have you. Just because you're a president of a college doesn't make you a real estate guru, and many of the people who are in charge of real estate at universities are really facilities directors, not developers. So we just were blessed with being in a major city, so we had high quality, sophisticated, real estate people. We were also blessed that we were demographically in an area where we felt comfortable to grow. We didn't grow ahead of the university's needs. We never caught up to it actually. Every time we tried to catch up, people got nervous. We were always playing catch up, and so all our projects were very successful because there was pent up demand.

TS: Right. So the original projects the foundation still owns, right?

NR: On some of them the foundation owns the lease, so we have ownership for thirty years. Then there are others where we bought the land like that project Kennesaw Hall [the private apartment complex at the northern end of campus] and now what became University Manor behind it, I want to tell that story in a minute how we bought that. So we have land that the foundation owns free and clear, where the state's not involved at all. We used our balance sheet—the balance sheet we built up by having the other housing and the other parking decks—we built up the balance sheet to get our own bond rating to build housing on our own land. So we have three different models now at the university. We have projects where we net lease the land, took the risk, and then where

we are really a capitalistic—I use that word tongue in cheek—but we’re in the business then of going and trying to rent them out. We take the risk of it not renting. If it doesn’t rent, we can’t pay the bonds, and they foreclose on us, and they hurt our credit rating, not the university’s.

TS: So like the University Place which is now the Chet and Hazel Austin Residence Complex . . .

NR: Right. Wonderful people too. Then you have Kennesaw Place and the two projects north of campus that are owned free and clear by the foundation, and it’s all private totally. There is no partnership.

TS: Kennesaw Place is the old apartments that you purchased?

NR: Yes, that had that street [Idlewood Avenue], and then the other one behind which I’ll talk about in a moment—how we bought that—and then we had the last phase in the University Place II [opened August 16, 2012], which is owned and run by the university. So when the Board of Regents woke up and said, “Oh, we don’t like the way you’re doing this” . . .

TS: So the foundation didn’t play a role in University Place II?

NR: It did. We were the developer. We built it; we got the financing; but then we had to give the control back to the university.

TS: So who’s taking the risk, the university?

NR: University.

TS: So you’re the developer. What did they do—sign a contract on a lease with you to develop it?

NR: Yes, they did a net lease, so that the bonds were sure of payment, so that the state is behind that.

TS: But the foundation sold the bonds, but the state is behind it.

NR: That’s right, so therefore the state exercises control, and the state gets the economic benefit.

TS: And the state has to pay the bonds back?

NR: That’s right.

TS: What about something like the 88 acres for the Sports and Recreation Complex?

NR: I'll get to that in a second. I want to finish [on housing]. The second phase of housing we did was the most complex of all.

TS: The University Village?

NR: University Village. We bought that University Manor in the back; we moved the road; we moved the old Facilities Building that was in the middle of that north campus. We bought Chastain Pointe and moved it into there.

TS: Okay, the foundation bought Chastain Pointe?

NR: Right, I did that—moved them in there and tore down their building. I had to have temporary parking for the university somewhere because we took this big surface lot down and built a new parking deck and new higher mid-rise housing concept, and then bought University Manor. Now how we bought University Manor—we moved the road, we privatized the road, so it's now our private property, we moved it to go around the housing rather than cut through the campus, so there was no drive through, so it was safer. So how did we buy it? It was owned by a Nigerian, and he refused to sell for any price. "I'm making a fortune; it's 100 percent leased; why would I ever sell?" I told him, "Well, you're doing a public service; you can always take a tax deduction if you think it's worth more than that; etc." He said, "I will never sell." I said, "Okay." So I had Kennesaw police, noted for their genteel manner, you know how they . . .

TS: Right, they've got to be on a college campus.

NR: Yes, I know, but ours particularly are very aggressive because they are also deputized as County offices. So I asked them to put a police car on our apartment complex that we owned.

TS: Oh, you told [campus police chief] Ted [Theodore J.] Cochran?

NR: Yes. He loved it. He was always supportive. We put a big spot light right there on our property onto the road and had just a cop car sitting with its lights flashing. And so when all these halfway house people would drive up to go home to the halfway house, they'd see this cop car and these bright lights, and they'd go, "Oh, my God," and they'd turn around. So the occupancy went down from 100 percent to like 50 percent in like a month. He [the owner] called me and said, "You're killing me! How could you do this to me!" I said, "What do you mean? I'm providing you security. I'm making it so much safer for you." So it ended up he sold to us. So that's how we got him to sell to us. It was an interesting experience. We paid him a good price, and we turned it into student housing, took away a security threat to our students, created a low cost value alternative for student housing, and we were able to move a road to make it also safer for the students.

TS: I wonder how many students know they're living in what used to be a halfway house.

- NR: Probably none, but they'll know now! We also had a lot of trouble getting the university to see all these moving pieces behind Chastain Pointe, moving the Facilities Building, tearing that down, and we're building a 1500 space deck, we're building 600 housing units at one time, and planning for a couple thousand more.
- TS: You're talking about the North Parking Deck for the residents of University Village where the old Facilities Building was located?
- NR: That's right. Then the next phase that I did was University Suites. I love that building. And we built the Central Parking Deck, so that was our next phase of it.
- TS: It's beautiful when you walk into that courtyard area where University Village and the University Suites are back there.
- NR: And I envisioned that bridge [above Campus Loop Road]. Everyone said, "How are we going to have people [go from the residence halls to the Commons and classroom buildings]. It's going to be so dangerous; we need traffic lights." I said, "No, look at the topography. We can build a bridge." I said, "It's the bridge to higher learning. That's what that is."
- TS: There are always people walking on that bridge.
- NR: It's very popular. You walk into the plaza, and it's all bricked, and it looks so beautiful. It's almost Ivy League—very high end and very beautiful. When they built it though, I turned to Dr. Siegel and then to Dr. Papp later on when he became president, and I said, "They said they don't want kitchens." They didn't want kitchens. I said, "Well, how are they going to eat?" "We're going to have a food court; we're going to have a cafeteria." I said, "Great! When?" "When it opens." I said, "Great, are you sure?" "Positive." So we built [the residence halls], and there was no cafeteria. I went to Dr. Papp, and I said, "Dr. Papp, you've got 912 students living here with no kitchens, and all we're serving is Chick-fil-A and McDonalds here. Don't we need to serve nutritious foods?" When I brought it to his attention, he just took the bull by the horns and took leadership to build the Commons. It was night and day interaction between me and Dr. Papp and me and Dr. Siegel. Dr. Siegel was afraid of—I think that she loved to tell everyone what they wanted to hear. Dr. Papp had a vision and wanted to take the university to a place and wasn't afraid of telling people what he was going to do and why he was going to do it. "If you disagree, let's discuss it, but I'm going to make a decision."
- TS: I had the sense that the foundation was very ecstatic that Dan Papp had come in as president and that there was a change. I think [KSU Foundation trustee] George Kalafat said that Betty was very entrepreneurial, and Dan was very managerial. But Dan has got a big vision too.
- NR: He's got a big vision. I don't know how entrepreneurial she was. I think a lot of her vision Dan has really carried out much more successfully than she could have. I think the university just got too big, and she was also too old to carry out that vision.

TS: She was 75 when she retired.

NR: Right. And I think she could have—and I told her this because I like Betty a lot, and she did a lot for the university—that you can't surround yourself with sycophants. You have to bring in people who want or can do your job. You've got to bring in a provost. You've got to bring in someone who can do the day-to-day and make the managerial decisions, and you be the visionary, go raise money, go rah-rah us in the community, go get the faculty excited, get the students excited, and do the vision thing. She couldn't let go of those reins, and it was too big for a person to do both. I think that would be my critique. It doesn't mean that she didn't do a fabulous job and did wonderful things, but I think the baton had to be passed to the future, and Dan Papp was that future.

TS: I see. So you're saying Dan took the lead on getting the Commons.

NR: He did. I had to bring it to his attention how slow the staff was. Everyone was scared. People were scared to have a mandatory food program because it had never happened before. "The faculty will be upset; the students will be upset; we'll lose students." Everyone was so scared. I said, "Okay, how are you going to feed the 912 students we have without kitchens? Guys, you're now 14,000 students. This is time to grow up. Let's have a cafeteria. Come on!" I don't know from cafeterias; I'm not in the food business; I'm not in the education business; but Dan did it great. We did the financial part; we did the design part; we got it built; and we did the money part; we did it all. But he had the vision of what that should become like the beginning of a culinary school, the green initiative, the quality of the food, the way students would be hired and worked. And I said, "Oh, my God!" I thought he was crazy. It just shows you when you don't know . . .

TS: They've been winning all kinds of awards.

NR: That's right. I said, "This is a little much." And he was right. He saw it; he had a vision; but it just wasn't my area of expertise. When it comes to housing, I knew exactly what I was doing, but when it came to food service, Dan got it.

TS: So when are we going to get the second Commons down in University Place?

NR: Well, I don't know; you'll have to ask him. I would have done it already. I would have built a bigger one the first time. I think it's time. Maybe next year we'll be able to work on that. Then when he became president, I was working on this assemblage on the east/south side of campus to put together all this land contiguous to the Continuing Education Building [KSU Center], which is the first project the foundation did—the only project they did without me. It was nine legal parcels, and if anyone knew we were buying them, all the values would go up, so we quietly created shell companies, and I was using brokers . . .

TS: Shell companies?

NR: Well, we'd create Smith Company LLC, you know, and all these companies to buy out the properties.

TS: So nobody knew it was the foundation buying the properties?

NR: That's right. Otherwise it creates its own value. I didn't have a vision for what we would do with it, but I saw what was happening at the university. We had now brought a couple of thousand housing units online; the university had graduated its first and second classes of students who lived and breathed on campus; so they were leaving with so much more spirit. I knew that we were growing by about 1,000 students or more a year. That went on for many years. So I think with 15,000 I said, "I think I can see us growing to 25,000 students in the next six, seven, or eight years, which is in fact what happened.

TS: That's where we are.

NR: So I said, "Where are we going to put them?" You look at the campus, and we've taken some things down now. We've built up but there wasn't a lot of land available. It's actually a pretty small campus for how large the university is. Actually, I think, if you look there's about 180 acres of state land, and now there's about 150 acres of foundation land—so almost half the university. We've almost doubled the footprint of our campus through private initiatives, none of which the state could support. Here were 88 acres. I said, "This is continuous to our existing facility on the east side of Chastain, and we're going to need it." I didn't see any other land. You have I-75 on one side, so we're blocked there. You had a subdivision on another side, and you're kind of blocked there, unless you wanted to go up and buy a whole subdivision. That would take the State to help us, and they weren't coming, not in '09. So I said, "Gee, I have this opportunity, but I need some leadership behind us to figure out how to do this." I presented it to Dr. Papp—it was one of my first meetings with him—and revealed what we were trying to do.

TS: Did you mean one of your first meetings as chair [of the KSU Foundation]?

NR: No, was I even chair yet?

TS: You became chair in 2007.

NR: I was chair then. So I presented it to Dan, and his face lit up like a Christmas tree. You saw his head turning, his ideas swirling. He listened intently. I rolled out a map. I showed him it all. He goes, "I know what I want to go there. I know what we can do." I said, "This is the greatest thing that's happened; let's go do it." That hasn't happened to me. I had to push everything through, and here to have a leader that grabs this—we became a great team.

TS: So he says this is going to be the Sports and Recreation Park?

NR: It didn't just happen like that. We first entertained having Arthur Blank come in and be part of it because we both didn't know how we'd put it together. How do you build nine fields and a stadium and a workout facility and roads and infrastructure at first? I didn't know the how. It would be a \$100 million project. How are we going to do that? So we said, "We need private funds." So we brought in Arthur Blank. It was great because we realized within a few months there was no way we could ever do a deal with them because they thought we were going to be the bank, and we wanted them to be the bank. We explained that we're not the State, even though we're a state institution. We're not like Cobb County today with the Braves stadium or the State and the City [of Atlanta] with the Falcons' new stadium. "We can't do that. We can't even pay our professors. We need your help." But what they did do was give us vision. They had a design of what they thought was to go in the land and what have you. That gave us a lot of ideas. I was able to go out using the [KSU] Foundation's balance sheet, no state funds, and get a loan to buy the land. We got a loan to build the first couple of fields, the field house, what they call the Owls Nest, and to build the stadium. We did it all with private funds. It was so risky because the State wasn't in anywhere.

TS: So you're saying that Arthur Blank was going to build his stadium right where it is now?

NR: He was going to build a soccer stadium, the MLS [Major League Soccer]. The team that he announced he's buying now he was going to buy then. He wanted to put the soccer stadium there and build a mega sports park along with it that he would allow us to use occasionally. They were very nice people; don't get me wrong. They had their needs, and we had ours, and it just didn't fit, but they were great people, and they gave us a lot of vision. The plan we ended up doing is very similar to the plan that they proposed. So they gave us a lot of great ideas.

TS: So when does T. Fitz Johnson and the women's professional soccer team [the Atlanta Beat] come in?

NR: Oh, they were an afterthought. They were not really important at all to the development. They were an anecdote. We made them important.

TS: He put about \$800,000 or so into the stadium project, didn't he?

NR: He put a million dollars into it, but it is a hundred million dollar project. It was not helpful. I mean, it didn't hurt.

TS: A hundred million dollar project to buy the 88 acres?

NR: To buy the land, to build nine fields, to build the running [track], to build the dam that the State required us to build, and to build the stadium.

TS: The State made you build the dam?

NR: Yes, we built the dam.

TS: That's right because there used to be a dam back there that they didn't even know existed.

NR: Right, and then all of a sudden we had to build this incredible dam that no one else in the world has, and we had to build this dam. So, yes, we just said, "Oh, it's great! You can get a million dollars in naming rights, and it is fun, and we want to promote women's sports, and we think that's great." But it was incidental to what we were doing. That was actually brilliant PR. It enhanced the coffers of the foundation and the university by a million dollars that we could use for scholarships and other things. So it was a great thing to do. I wish they had succeeded. I like the women's soccer program, the professional program, I wish it had succeeded, but even so it succeeded for us because we got a million dollars, and we got a couple of years of good publicity.

TS: So the land was about \$13 million if I remember correctly from Wes Wicker's interview [for the Nelson-Cobb farm]. Does that sound about right?

NR: I don't remember.

TS: How much did the stadium cost?

NR: The stadium is the greatest thing that could have happened at the right time because we borrowed the money at the low interest rates just before the crash, but we started building it in '09 during the crash. So we got the cheapest construction costs imaginable. I don't even remember what the price was, but I was shocked at how inexpensive it was.

TS: You know that figure I cited was actually for the 44 or so acres that was the Nelson-Cobb farm. Wes talked about how somebody was going to buy it, and then the deal fell through when the economy collapsed, but at least the owners had an offer on the table, so they were able to reduce their capital gains taxes by selling the farm to the KSU Foundation for about \$2.5 million less than the previous offer. But that was only half the 88 acres of the Sports and Recreation Park. So that's where all these shell companies come in?

NR: That's right. They were the last piece.

TS: So altogether the land may be \$30 million or . . .

NR: Something like that. The stadium was \$20-something million. You say, "That's all for a stadium?" It's a beautiful stadium! There was a lot of work that had to be done. We built it very quickly. We put it all together. We used smoke and mirrors to be candid. It took a lot of vision. Dan was fantastic in covering for us to make sure it got done. He had vision; he had leadership; he gave us all the tools we needed; he covered for us wherever we needed cover because we had to do a lot of bobbing and weaving to get it done. We got it done. It was a great day.

Even within his own administration, I got an e-mail three days before we were breaking ground on the stadium from inside the university—I'll leave the name out because I do admire the person—but he said, “I think we should stop the stadium. It's going too fast. Let's slow down and take another year to work this all out.” Well, once people have time to figure out why you shouldn't do something, that time is only going to hurt you. So I called him from then on, “Blank, let's slow down this program, blank.” That was his nickname. I had to overcome that, and some people in the Finance Department accused us of this and that because they didn't know the whole story. I had to write an email for them. It was before we had the provost [Ken Harmon] that we have, before we had a lot of the executive changes that we had. So we still had a lot of holdovers and people that weren't bought into the vision yet.

The university was going at two different speeds, slow and fast, but it was a great partnership. Dan and I were a great partnership. We were both the right people at the right time, I think. I'm not the right person today because the university took that giant leap forward, and now you have to consolidate, administrate, and manage, and that's not what I do. But at the time when we had to develop and think big and take chances, that was the time for me. So it was a great experience for me, but having Dan as the president made it such a pleasure, and we were a great team together.

TS: Yes. Great!

NR: Let me go back and take a step back and talk about non-real estate because one of the things that excited me about the real estate we did was we were making money. Not only did we provide a sorely needed infrastructure for the university—and it was damn attractive stuff too—I made sure we spent extra money to do it—and not only were we providing that revolutionary experience that took Kennesaw State from where it was to where it is today and where it's going to go—but the foundation started to become relevant from a financial point of view. The first thing Tommy Holder said was, “Let's demonstrate that relevance in some palpable way.” And he initiated the university's professor's awards.

TS: Right. Absolutely! He greatly increased the financing for the distinguished faculty awards and the publication awards.

NR: That's the first thing we did, maybe in 2004 or 2003, the year after we built the first housing [2003 for the KSU Foundation Prizes for Publication and 2004 for the KSU Foundation Distinguished Professor Award]. We started with \$50,000 the first year, I think, and now it's up to like a quarter of a million dollars a year, and we said no one else has that.

Then we started the Holocaust museum [in 2003] that we built inside the Continuing Ed Building [KSU Center]. There, I have to give Betty Siegel a lot of credit as well because when we had this idea and had the opportunity to lease the Anne Frank exhibit [*Anne Frank in the World, 1929-1945*], we went to Betty and she took out her personal check

book and wrote a check. She made a leadership gift, and I took out my checkbook, and I made a leadership gift. Tommy Holder did and we all did. But Tommy built it and he funded most of it for like a year or so until the foundation could pay him back.

TS: So that's how we go the Anne Frank.

NR: That's how we got the Anne Frank, which then morphed into the World War II and Holocaust museum [Museum of History and Holocaust Education], and then I'm not sure I can say this publicly, but [Bernard] Bernie Marcus then gave a huge grant to the university to foster the programming around that.

TS: That's public knowledge.

NR: Is that public knowledge?

TS: I wrote about it in my book [*Kennesaw State University: The First Fifty Years*, p. 371].

NR: I'll have to re-read that part.

TS: He gave \$590,000 in 2004 and another \$590,000 in 2010.

NR: And what he loves about what we've done is the way we doubled and tripled his investment by linking it to the facility that was already built and the university's money, and he likes that leverage. That's what we tried, so here is an incredible secondary benefit from that program. So we had the faculty awards. We had the Holocaust museum. Then our balance sheet improved so much that we could hire staff and do new programming, and we contributed, I think, a million and a half or two million to the university to fund the security, programs and everything else because of the housing on campus.

We've also built up our balance sheet so now we can go borrow money to do these things for the university. Our balance sheet and our bank business got us the donation from Fifth Third Bank to name the stadium, which we needed to start our football program. All these things mushroomed out of the first housing real estate projects. When we talked about how twelve years ago, when I joined, the foundation had \$6 million and had a deficit of a couple hundred thousand a year, now we have \$40 million, and we have surpluses.

That surplus isn't money we spend on parties. That's surplus that goes into our endowment and that we give back to the university. That surplus is used to fund the research grant position that Dr. Papp started that he said would pay itself back with all the grants that we get, and he was absolutely right. That was the money that we used to start the two foundation fellows where we hired our first research professors and their graduate students that the university couldn't afford to pay for. So we brought in our first chemistry and biology professors that have research qualifications. We had a stipend and hired their graduate students for them.

All of this is like a snowball going downhill. Every turn it gets bigger and it gets faster. So we have just changed the whole dynamic in the foundation and changed the whole dynamic of the university. Today we have 24,000 students. When I started we had 11,000. When I started, 6,000 of them were not full-time matriculated students. Today maybe it's a thousand more. In effect, we've increased full-time matriculated students 350 percent in a decade. That's extraordinary. We went from a college to a university to a graduate program and now soon to be a Research II university and hopefully a Research I.

We're going to start a football team. It's going to be a great football team. We have a great facility. It's going to be so much fun. We have concerts now because of foundation facilities. We built the second amphitheater as well that's very popular. Everything we've added to campus has created a special feeling that it's not just a building. So many of the universities and the foundations just build a square box. Everything we did we tried to have form as well as function, and I'm just so excited about being able to participate in something really bigger than myself.

TS: Right. So why do you think the foundation has moved beyond your phase? Where is the foundation going?

NR: Well, we just did a great transaction. We bought BrandsMart [on Busbee Drive next to the KSU Center], something I started when I was chairman. It took two years to complete. Those parking spaces are pivotal. The land banking is absolutely important for the next phase of the university. Maybe in a year or it could be in a decade or two, but at some point someone's going to say, "Thank God someone had the leadership to buy that piece of property." But the building is so large it will have multiple functions.

We have land that's banked already. We have still some land left on campus. We have property on the south side of Chastain [Road]. I would like eventually to see us buy all of that land, and the Big Shanty Connector really becomes Campus Loop Road. That's my vision. We already own on the east side, now with BrandsMart, everything on Big Shanty until it crosses under I-75. When it goes under I-75, the KSU Foundation owns fourteen acres in that industrial park there now. I'd like to see us buy more of that, but that has to be done piecemeal. We have to absorb all the infrastructure that we have now. The Southern Poly merger requires hundreds of meetings that require handholding, that require cajoling, that require managerial skill. I don't have the patience for that. Not that I can't do it, but it's a slow, tedious, and important project, but that's not . . .

TS: Are we going to consolidate the foundations?

NR: That's on the agenda. It makes sense to me. If you have one university, you should have one foundation. Now we do have, even at Kennesaw State, a foundation board and then we have a business school board, and we have an arts board. It all reports up, so maybe there would be different boards and different foundations that were unique to the

engineering and architectural school that we don't have now, but in terms of the university as a whole there really needs to be one master.

TS: Absolutely. And you don't want to do that?

NR: Well, I do want to do it. I'm just not the right person to do it.

TS: If you say so.

NR: I say so.

TS: Okay.

NR: I'll help; I'll cheerlead; I'll jump up and down and do anything I can to help; but in terms of the mapping out the strategy, doing the day-to-day, the people that are there now are the right people. In addition, look what we were when I started. There were no employees. We had a bookkeeper. Now the foundation has dozens of employees. You have to manage all that too. I have a company to manage already. So it takes a different mindset, a different skill set. You've got to go back and create policies and procedures, and you have to have office infrastructure and who reports to whom and why is this person making more than that person. That's important, it's vitally important, to go back and backfill what has been built and then create a stronger infrastructure, so that it can then grow to the next level. But I'm just not that person. I served in an official capacity for over a decade, and I'm thrilled with what I did, but it's time for people who have a better skill set for what the mission is today, and they're doing a great job.

TS: Well, thank you for the interview today.

NR: I hope I didn't insult anyone, but here's the bottom line. Whether they were the right person at the right time or I disagreed or not, everybody approached their job out of love, and that's the thing I want you to take away. You may ask, "Well, Norm, if you were fought by the administration, you were fought by the Board of Regents, you were fought by your own executive committee—and over time, of course, people came along—why did you do it?" I liked everybody I disagreed with. They were good people. They taught me a hell of a lot. They made me better by disagreeing with me because I had to refine my ask and my vision to answer some really good probing questions. So that's really important. It was one of the greatest times of my life. I truly had a great time!

TS: Great! Thank you.

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