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UC San Francisco reels in \$125M donation

Win for Mission Bay hospital

San Francisco Business Times - by [Chris Rauber](#)

UCSF Medical Center has received a \$125 million gift, one of its largest ever, from philanthropist Charles Feeney to help make its planned \$1.7 billion women's, children's and cancer hospital at Mission Bay a reality.

But huge obstacles remain, given the deep economic downturn and UCSF's need to raise \$400 million more in donations — a big chunk of them by November 2010.

Feeney and his Atlantic Philanthropies had previously given UCSF \$145 million, including \$20 million for UCSF's Helen Diller Family Comprehensive Cancer Center and several gifts totaling \$125 million for its \$254 million Cardiovascular Research Institute at Mission Bay, now under construction.

The new gift brings the media-shy philanthropist's total contributions to UCSF to \$270 million — making Feeney and his foundation the largest supporters of UCSF since its founding 145 years ago.

"A gift like this becomes almost the cornerstone to financing the whole thing," Mark Laret, UCSF Medical Center's CEO, told the Business Times, adding that the medical center is "well over a third of the way" to reaching its \$600 million fund-raising goal.

The \$125 million gift requires a 100 percent match from other sources, and leaves the university needing to raise roughly two-thirds of the capital campaign's goal for the 289-bed Mission Bay hospital. Laret is "optimistic" that UCSF can raise the money, and says another, confidential gift this week moved it even closer to the goal.

But Laret acknowledges that UCSF faces a challenging November 2010 milestone — a University of California Regents meeting at which it is expected to document that it has received \$470 million in pledges for the new hospital. If that goal isn't reached by then, the regents could decide to delay or reconfigure the huge project.

If it goes forward, the project is expected to help create 328 new jobs in San Francisco this year, according to [University of California, San Francisco](#) officials, and up to 1,037 jobs at the peak of construction in 2013.

Despite the obstacles, philanthropy expert Sean Stannard-Stockton said a project like the Mission Bay hospital has appeal to likely donors. Stannard-Stockton, director of tactical philanthropy at Burlingame wealth management firm [Ensemble Capital Management](#) LLC, said a large donation from "a well-respected foundation like Atlantic Philanthropies should do a lot to encourage prospective donors" to match the gift.

Reg Kelly, the director of QB3 — the California Institute for Quantitative Biosciences — has known the philanthropist for six or seven years and says Feeney "likes people and institutions that think big and can get things done," a role UCSF fills since it has played a central role in filling out the Mission Bay biotechnology and biomedical research park.

Feeney "particularly likes Mission Bay," Kelly said, possibly because it's living up to Feeney's initial vision, more than 20 years ago, that it could become a vibrant part of San Francisco.

Feeney, the founder of [DFS Group](#), a chain of duty-free airport shops, developed an 865-unit apartment complex South of Market between 1986 and 1990, one of the area's first contemporary developments, and invested in a chain of athletic clubs with local ties.

UCSF officials say his latest gift is "the largest single grant ever made by Feeney or the foundation he created." Previously, UCSF Medical Center's largest gift was an anonymous \$25 million donation, also designated for the new Mission Bay hospital. UCSF's largest prior gifts, other than those from Feeney and Atlantic Philanthropies, were an anonymous \$150 million gift to the Helen Diller cancer center and a \$50 million commitment from [Genentech Inc.](#)

The new Mission Bay hospital should be open in 2014, Laret said. Site preparation is expected to start next spring, with construction to begin in late 2010.

Although UCSF officials believe Feeney's grant virtually guarantees that the new hospital will move forward, the official public tally is that UCSF has raised just \$205 million in donations so far — slightly more than one-third of its goal — and that 61 percent of that comes from Feeney's new contribution, which must be matched by other donors.

"We're hoping this will break the logjam" and get additional philanthropy flowing for the new hospital, Kelly said, and Laret admits



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"A gift like this becomes almost the cornerstone to financing," says Laret.

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“there’s no question that the economy’s had a chilling effect on the pace of our philanthropy” for the Mission Bay hospital.

Officials also say they’re cautiously optimistic additional state or federal funding will be available by the time construction is under way.

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