

Arizona Republic, The (Phoenix, AZ)

May 21, 2006

DONOR'S PLEDGE DRAWS SPOTLIGHT HIGH-WAGE JOBS ARE BISGROVE'S GOAL

Author: Craig Harris, The Arizona Republic

Edition: Final Chaser

Section: Business

Page: D1

Jerry Bisgrove, a burly, balding man with a heart as big as his frame, hunches forward in a leather chair in the Arizona Biltmore Resort & Spa lobby.

The 6-foot-4 multimillionaire has just delivered a speech about the state's virtues to a group of business leaders on a warm May afternoon. As he sips his Diet Pepsi, here comes the \$100 million question: Why would he pledge that amount of cash for a science foundation?

"I think it's real exciting," he said. "I get jazzed about it."

Since moving to Arizona 15 years ago, most of Bisgrove's millions have come from land development, primarily in the West Valley.

He hopes his money, made in the quintessential Arizona way, can provide seed money for a new economy by creating an incubator for high-wage jobs in the biosciences.

Those jobs, he believes, will create capital for his other passions: affordable housing and education.

Bisgrove is hardly a newcomer to philanthropy. Quietly, he already has given away nearly \$60 million through his Phoenix-based Stardust Charitable Group to support affordable housing, education, the needy, health care and science.

This, his biggest pledge -- \$100 million over four years -- would be the largest single private donation to the bioscience industry in Arizona and vaults him into the public spotlight.

It also stands to be his most controversial, and potentially contentious, pledge yet.

Bisgrove, 61, a small-town boy and devoted family man, never planned on being a philanthropist.

Born and raised in Auburn, an upstate New York community, Bisgrove was the youngest

of four children. His dad, John, ran a trucking company, while his mom, Irene, was a department-store clerk.

By the time he was 14, Bisgrove was immersed in the family business, Red Star Express Lines Inc., as a dock man. He eventually began driving the semi-trucks, but Bisgrove said his father wouldn't let him into the executive offices until he graduated from college.

Bisgrove, however, was more interested in becoming a priest. For six months he attended a seminary in Rochester, N.Y. After he realized that was not the vocation for him, he went to Niagara University, where he earned an economics degree in 1968.

After graduating, he found the family business wasn't so glamorous. He said the company had many economic challenges, and at times he butted heads with his father.

Eventually, the East Coast hauler became a huge success, and Bisgrove sold it in 1987 to TNT Limited of Sydney, Australia, for an undisclosed sum. At the time, Red Star was generating \$112 million annually in revenue, according to one published report. Bisgrove said when Canadian revenue was added, the amount increased to \$125 million.

As part of the sale, Bisgrove had to stay with the new firm for a year and supervise its trucking operations, but at the end of the 12 months the then-42-year-old had a boatload of money and needed something to do.

At first, Bisgrove said, he tried to make social changes in New Jersey, where his trucking company was based, but he said he became frustrated with the old-school political system and a deteriorating public infrastructure. While he disagreed at times with his father about business, he said his dad, who gave money to help distressed families, taught him to be generous.

Land baron

Looking for an easier place to orchestrate social change, Bisgrove came West. He moved to Paradise Valley in 1991 with his wife, Debi, and the following year he formed the Stardust Cos.

The goal was simple: The firm's real estate side would make money, and the charitable arm would give away the profits.

In 1993, Bisgrove began writing checks. Over time, money went for homes for Habitat for Humanity, clothes for poor children and camps for underprivileged kids. The Arizona Humane Society, Red Cross and local arts and cultural spots like the Arizona Science Center also benefited.

"I consider myself a social entrepreneur," Bisgrove said.

Bisgrove, who had bought land in Arizona in 1986 while he ran his trucking company,

began acquiring lots in the Buckeye area from private landowners in the early 1990s. He also bought land in other parts of Maricopa County from the Resolution Trust Corp., which was selling property owned by failed thrifts on the cheap.

By March 2004, the Stardust Cos. had acquired 15,400 acres in the West Valley, according to Chris Heeter, president of Stardust Development. The company also had 75 housing developments on 80,000 lots in the West Valley and other parts of Arizona, where Stardust owns land.

"We just kept being patient and purchasing the land," Heeter said. "No one caught on to what we were doing."

Heeter said Stardust currently has close to 10,800 acres still undeveloped in the Buckeye area, and Bisgrove donated about 6,700 of those to Stardust's foundation in September. At the time, that property was appraised at \$530 million, Heeter said.

"Once we turn it into cash, it will be a big benefit for the community," Heeter said. "Jerry's goal is to take that money and put it into various social venture-capital activities that will strengthen the community while he's still alive."

Bisgrove, who said he's made more than \$1 billion in his career, said he has no idea of his net worth.

"My net worth has nothing to do with money," he said. "It's my family, friends and my commitment to the community."

Gaining respect

Over the past few years, Bisgrove realized that being a Daddy Warbucks didn't do much good if those people he helped couldn't find high-paying jobs. Despite white-hot job growth, wages in the state are 7 percent lower than the U.S. average of \$39,354, according to a study by the W.P. Carey School of Business at Arizona State University.

Arizona, known for its growth-driven economy, now is among a growing number of states looking to improve its fortunes with bioscience.

As Bisgrove homed in on bioscience, his efforts quickly earned the respect of two influential Valley leaders.

Michael Crow, ASU president, this month honored Bisgrove with a medal of excellence for Bisgrove's social and economic efforts in metropolitan Phoenix.

"He invests in things that will make a difference," Crow said. "He is focused on what are the ingredients to make the community a better place...In 2006, quality of life is going to be linked to science."

Crow said what makes Bisgrove unique is he doesn't try to solve problems by himself.

"He's involved in getting everyone in on the problems," Crow said. "You have to get people to work together and push hard on things."

Dr. Jeffrey Trent, president and scientific director of the Translational Genomics Research Institute, said the bioscience and medical research campus in downtown Phoenix got off the ground in 2002 thanks to Bisgrove.

"TGen wouldn't be here today if Jerry had not been one of the first people to step in," Trent said. "What he agreed to do was back a loan for this new institution. We had no track record, no history and no banking relationships. He really stood in the gap."

Trent said Bisgrove is a different kind of philanthropist.

"Philanthropy typically is dedicated for a program like reading or something else for people to put their names on. What you are seeing here is he is going to provide a (financial) framework for all in biomedicine and bioscience across the state to prosper."

Family man

While Bisgrove loves giving away money, the true love of his life is his family.

Bisgrove, who was divorced, in 1986 began a five-year long-distance relationship with Debi, a construction lender in Charlotte, N.C. Debi had other suitors until her daughter, Niki, stepped in.

When Niki was 16, she said one of her mother's dates had come to the house and noticed two dozen roses had been delivered. When the man asked who sent the roses, Niki knew they were from Bisgrove and quickly said, "My mom's boyfriend."

Debi never went on that date, and Jerry and Debi were married in 1991.

"I hand-chose him for my mother," Niki Cocuzza, now 33, said proudly. "I ran two or three off."

Cocuzza and her brother, Kris Wall, said that while Bisgrove had two daughters from his first marriage, Christy Holdefehr and Megan Bisgrove, Bisgrove never treated them like stepchildren.

"He's my dad, and he's always said I'm his son," Wall said.

Wall said he's often surprised to learn how much Bisgrove has given away because it's not something his father talks about. He said he's excited that Bisgrove has earmarked part of his wealth to charity.

"If he gave me \$100 million, it doesn't make a difference in the world," Wall said. "If he gives \$100 million to the science foundation, it affects the community."

Bisgrove also is extremely generous when it comes to his family. He has taken 87 family members to Disney World, and two years ago for his wife's 50th birthday he surprised her by flying in singer Neil Sedaka to serenade her at a dinner party. He also has bought 14 Arabian horses for her.

"Jerry just adores her and wanted to give her the best birthday party," said Robin Milne, a family friend. "He had this elaborate scheme to get Neil to the Biltmore, and he comes in and starts singing Calendar Girl."

Debi Bisgrove calls her husband her hero.

"I could spend money on art or on horses," Bisgrove said. "But my wife loves the horses, and they make her smile."

Leveraging his cash

Bisgrove's \$100 million pledge to the Arizona Science Foundation hinges on the state ponying up even more money -- \$150 million over four years.

The House initially agreed, but the Republican-controlled Legislature's budget now has \$15 million set aside for the upcoming year with no future promises.

If the taxpayer contribution doesn't increase, what will Bisgrove do?

"I don't know what the next move in the chess game is, but I'm not going to lay down," Bisgrove said.

He makes no apologies for trying to leverage more money for his cause.

"There is a view that public money and private money should never be mixed," he said. "I don't share that view."

Those who know him say that's just the way he does business.

"Some incredible cure could be born out of the research he is dedicated to," said Ken Kendrick, a board member for TGen's foundation and managing partner of the Arizona Diamondbacks. "But he is focused that the state needs to put up money."

Jerry Bisgrove

Who: Philanthropist and chairman, chief executive of Stardust Cos.

Bio: 61 years old. Married to Debi. Four children and seven grandchildren.

Home: Paradise Valley.

Background: Former trucker and trucking executive. Land developer.

Hobbies: Giving away money and breeding Arabian horses.

Stories behind Stardust Cos.' Name

Where did Jerry Bisgrove get the name for his Stardust Cos.?

It depends on which story Bisgrove is telling.

His most well-known tale is that Stardust comes from the name of a mare he had as a child. The pony, Bisgrove said, had a white star on its forehead.

He also said the company's name is a spinoff from a family trucking business, Red Star Express Lines.

So, which one is it?

"It's a cross between the two," Bisgrove said.

Those close to Bisgrove aren't so sure how the moniker for his real estate development company and charity came about.

"I think he just liked the name, honestly," said Chris Heeter, president of Stardust Development. "He has given me about 20 different versions, but those two are the ones that come up."

Frankly, Heeter said, all that matters is the reputation of Stardust, regardless of how it got its name.

"People know what Stardust is in the home-building community, and we have a good reputation for doing what we say we will do," Heeter said. "The name has good recognition in the Phoenix marketplace."

-- Craig Harris

Copyright (c) The Arizona Republic. All rights reserved. Reproduced with the permission of Gannett Co., Inc. by NewsBank, inc.

Record Number: pho137783391