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Decades Ago, Columbia Refused to Pay Trump $400 Million

A quarter century ago, the university was looking to expand. It considered, and rejected, property owned by Donald Trump. He did not forget it.

More than two decades ago, Donald Trump tried to persuade Columbia University to expand its campus on land he owned. The school declined.Credit...Ruth Fremson/The New York Times

By Matthew Haag and Katherine Rosman

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Donald Trump was demanding $400 million from Columbia University.

When he did not get his way, he stormed out of a meeting with university trustees and later publicly castigated the university president as “a dummy” and “a total moron.”

That drama dates back 25 years.

Today, these two New York City institutions — the billionaire president of the United States and the 270-year-old Ivy League university that has cultivated 87 Nobel laureates — have been locked in an extraordinary clash involving free speech, academic freedom and the federal government’s role in funding higher education.

The first battle between Mr. Trump and Columbia involved the most New York of New York prizes. It was over a lucrative real estate deal, according to interviews with 17 real estate investors and former university administrators and insiders, as well as contemporaneous news articles.

Some former university officials are quietly wondering whether the ultimately unsuccessful property transaction sowed the seeds of Mr. Trump’s current focus on Columbia. His administration has demanded that the university turn over vast control of its policies and even curricular decisions in its effort to quell antisemitism on campus. It has also canceled federal grants and contracts at Columbia — valued at $400 million.

On Friday, Columbia conceded some of Mr. Trump’s demands regarding its protest policies, security practices and Middle Eastern studies department. The move alarmed some faculty members who worried that the university agreed to the changes in an effort to win back the full $400 million. The Trump Organization and the White House declined to comment.

In the previous dispute, Lee C. Bollinger, the former president of Columbia who eventually opted not to pursue the property owned by Mr. Trump, chose instead to expand the Columbia campus on land adjacent to the university. “I wanted for Columbia a much more ambitious project than the Trump property would permit, and one that would fit with the surrounding properties, that would blend in with the Morningside campus and the Harlem community,” he said in an interview.

The clash had its roots in the late 1990s, when Columbia was facing a common challenge in New York: Situated in one of the most expensive and congested cities in the world, it wanted more space. The federal government was supercharging the budget of the National Institutes of Health, and to compete with other universities for research grants, Columbia needed room to house more scientists and labs.

Expanding its footprint beyond its Morningside Heights campus into neighboring Harlem would be complicated. In 1968, the university began construction on a gymnasium in Morningside Park. The design, construction delays and limited access to Harlem residents resulted in “cries of segregation and racism,” according to a Columbia University Libraries exhibit. Tension between the university and community leaders in Harlem persisted for decades.

Columbia officials and trustees hoped to mend the relationship, but they knew they also needed to look for alternatives.

Enter Mr. Trump. Not yet a reality television star, he was then a brash real estate developer, with a love of tabloid press attention. He offered a home for a Columbia expansion, an undeveloped property on the Upper West Side between Lincoln Center and the Hudson River. It was known as Riverside South before he rebranded it Trump Place.

The property was at the southern tip of a much larger 77-acre site Mr. Trump had owned since the early 1970s, a former freight yard that was once the largest undeveloped parcel in Manhattan. In the early 1990s, Mr. Trump had made no progress in developing the site after amassing more than $800 million in debt, most at very high interest rates, and couldn't afford bank payments on the property.

But in 1994, two Hong Kong investors came to his rescue. They agreed to finance his vision of high-rise residences, with Mr. Trump remaining the public face of the project. He would also seek $350 million in federal subsidies.

Yet Mr. Trump was struggling to decide what to develop on the southern edge. He pursued buyers, including CBS. He boasted that the network was close to a deal for a 1.5 million-square-foot studio on the property.

But CBS eventually balked, deciding in early 1999 to stay put in its studios on West 57th Street.

A few months later, Mr. Trump was hyping the property every chance he could. "My father taught me everything I know, and he would understand what I'm about to say," Mr. Trump said at the wake of his father, Fred Trump. Then Mr. Trump touted his plans for Trump Place. "It's a wonderful project," he said.

By 2000, Mr. Trump had set his sights on a new partner: Columbia, which he had heard was looking for space. A development there would have been a departure for the university. It was more than two miles from Columbia's campus and relatively small, requiring it to be built up, with towering buildings.

Still, the idea captured the attention of several trustees and some top administrators. For more than a year, they discussed what could become of the land, mostly with officials at the Trump Organization and sometimes with Mr. Trump himself. Mr. Trump even coined a name for the potential development: "Columbia Prime."

But in negotiations, he frequently changed his demands, even as reports would appear in Mr. Trump's favored tabloid, The New York Post, claiming that Columbia was close to buying it.

In private, he tossed around numerous prices, topping out at $400 million, according to a Columbia official from that era, a figure that an anonymous source leaked to The Post a few times.

No matter the amount, Mr. Trump said to Columbia officials, the university would be getting such a great deal that it should also rename its business school the Donald J. Trump School of Business.

An administrator rebuffed Mr. Trump's request. The university does rename buildings, the person told him, noting that its engineering school had been recently named for a businessman who had donated $26 million. If Mr. Trump wished to make such a gift, the person said, there were other officials at Columbia who would be eager to meet. Mr. Trump did not make a donation.

As the discussions dragged on, many people from Columbia grew frustrated with their dealings with Mr. Trump. Still, the two sides set up a meeting in a Midtown Manhattan conference room with the intention of moving a transaction forward.

A few trustees and administrators arrived with a report prepared on their behalf by a real estate team at Goldman Sachs, which attended every meeting between Columbia officials and representatives of the Trump Organization. It outlined what the investment bank considered a fair value for the land.

Mr. Trump showed up late, was informed of the university's property analysis and became incensed.

Goldman Sachs had assigned a value in the range of $65 million to $90 million, according to a person who was in the room. In an attempt to soothe Mr. Trump, a trustee offered that the university would be willing to pay the top of the range.

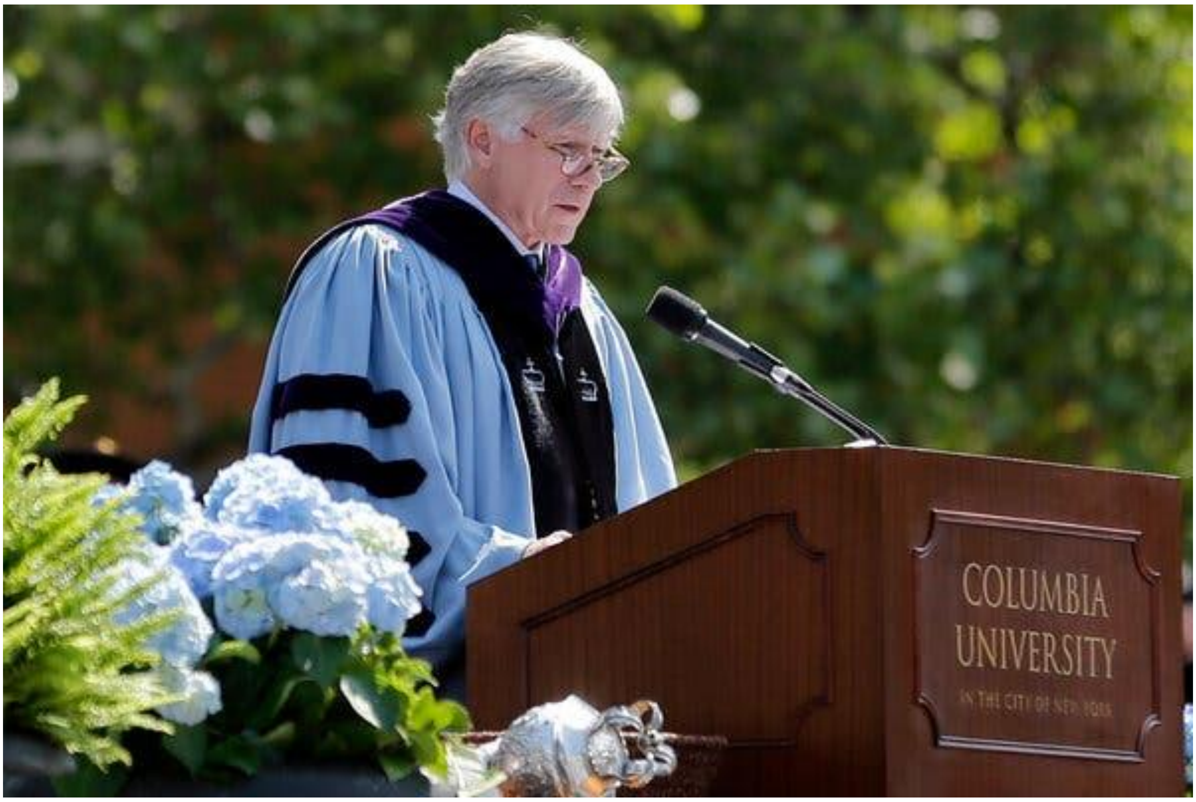
It didn't matter. A furious Mr. Trump walked out less than five minutes after the meeting had started.

The university did not formally abandon a possible expansion on Mr. Trump's property until after Mr. Bollinger took over as president in 2002. At that time, Columbia had been considering two options: an expansion onto the Upper West Side plot or a move north into West Harlem, where Columbia had started to buy properties.

In his inaugural address, Mr. Bollinger spoke about the university's need to expand, calling the school a "great urban university" that is the "most constrained for space."

"This state of affairs, however, cannot last," he added. "To fulfill our responsibilities and aspirations, Columbia must expand significantly over the next decade. Whether we expand on the property we already own on Morningside Heights, Manhattanville, or Washington Heights, or whether we pursue a design of multiple campuses in the city, or beyond, is one of the most important questions we will face in the years ahead."

He evaluated the Trump option for a satellite campus and also began to have conversations about mending the fissure with Harlem's community leaders, and expanding westward, creating a contiguous footprint.



Lee C. Bollinger, shown in 2017, was Columbia's president when he turned down Mr. Trump's campus proposal, saying he wanted "a much more ambitious project than the Trump property would permit."Credit...Seth Wenig/Associated Press

He quickly determined that Harlem, not Donald Trump, was Columbia's future. "This is an opportunity in Manhattanville to create something of immense vitality and beauty," Mr. Bollinger told The Times in 2003. "This is not to just go in and throw up some buildings."

Mr. Trump's West Side property was eventually developed after the Hong Kong billionaires who owned a majority stake in it sold the entire site for $1.76 billion.

Yet Mr. Trump was outraged. He accused the investors of selling it for far less than what he could have. He sued them for $1 billion in damages. The case was dismissed, with the judge pointing out that the development had sold for $188 million more than its latest appraisal.

If he was underwhelmed by the success of the Riverside South, Mr. Trump had another asset that was appreciating: his own fame.

"The Apprentice" made its television debut in January 2004, and became an instant hit.

But Mr. Trump's mega-stardom did not make him forget about the failed deal with Columbia.

In 2010 — about eight years after Mr. Bollinger contacted Mr. Trump to tell him the school would be expanding into Harlem — two Columbia student journalists who had written a profile of the university president received in the mail a gold-embossed letter on thick paperstock from a displeased reader, Donald J. Trump.

He included a copy of a missive he had recently sent to Columbia's board of trustees, in which he called the Manhattanville campus "lousy" and Mr. Bollinger "a dummy."

"Columbia Prime was a great idea thought of by a great man, which ultimately fizzled due to poor leadership at Columbia," Mr. Trump wrote.

He signed it with a black marker and scribbled, "Bollinger is terrible!"

Mr. Trump also shared his indignation in an interview with The Wall Street Journal. "Years after the deal fell through," the newspaper said, "Trump is still irate. 'They could have had a beautiful campus, right behind Lincoln Center,'" Mr. Trump told the reporter and called Mr. Bollinger a "total moron."

Mr. Trump was perhaps staying true to principles outlined in "How To Get Rich," an advice book he co-wrote a few years after his deal with Columbia went sour.

One chapter is titled "Sometimes You Have to Hold a Grudge."