

Housing the Families of America's Wounded Soldiers

**An Interview with Kenneth Fisher,
Partner – Management, Leasing, and New Ventures, Fisher Brothers, and Chairman, Fisher House Foundation**

EDITORS' NOTE Ken Fisher is responsible for managing, marketing, and leasing a portfolio of more than six million square feet of Fisher Brothers-owned Class A real estate in midtown Manhattan. He is a member of the Board of Directors of the Intrepid Museum Foundation. He is also a member of the Real Estate Board of New York's Board of Governors. Fisher supports the Association for the Help of Retarded Children, New York's Finest Foundation, American ORT, the Israel Cancer Research Fund, and the Association to Benefit Children.



Kenneth Fisher

COMPANY BRIEF Fisher Brothers was founded in 1915 by Martin Fisher, who was joined by brothers Larry and Zachary Fisher. Over the next several decades, Fisher Brothers built residential properties in Brooklyn, Queens, Long Island, Riverdale, Mount Vernon, and later Manhattan. Fisher Brothers began building commercial buildings in the mid-'50s. Midtown tower construction and ownership came to exceed eight million square feet of Class A office space. Fisher Brothers (www.fisherbrothers.com) re-wrote its business plan in the mid-'70s, adopting a new strategy that called for selling off its residential properties, continuing to develop and manage commercial real estate investments, and diversifying its investment portfolio into non-real estate sectors. With the decision to capitalize on the firm's capabilities as a builder and manager, the partnership formed Plaza Construction Company in 1986 and Sandhurst Associates in 1992 to provide on-site management for other building owners.

Fisher Brothers has emerged as a highly diversified financial investment force. Assets currently under management exceed \$4 billion, with a substantial portion strategically invested in a broad spectrum of financial markets and ventures, including opportunistic overnight investments in treasuries and repos, as well as building refinancings and construction loans. Today, the firm is led by partners Arnold, Kenneth, Steven, and Winston Fisher, and each assumes primary responsibility for a different aspect of the business.

When you look back to 1990 and the creation of Fisher House Foundation, what need did you see at that time, and how has this evolved into such a massive organization?

Twenty years ago, when Fisher House was formed, Zach Fisher had just finished acquiring the Intrepid and moving it to New York. He didn't serve in the military because of a construction accident that damaged his knee. So he was looking for something else he could do.

He was made aware of a situation where Pauline Trost, the wife of the then Chief of Naval Operations Admiral Trost, went to visit Bethesda, Maryland and saw a soldier sleeping in his car. She knocked on his window and he told her his wife was in the hospital and he could not afford a hotel room.

She called Zach and told him about it, and Zach immediately mobilized. In the early days of Fisher House, the need was nowhere what it is today.

During the first Gulf war, the need was one or two houses a year for the kind of things that we see in the civilian life like cancer, problem pregnancies, or training accidents.

The beginnings of the foundation were basically Zach dipping into his pocket and building these houses by himself. In those days, the houses were about 5,000 feet and six rooms. The need was negligible but there was still a need, because there was no free base housing for families who had someone in a base hospital. So it was almost as though you were sleeping in a hotel. The Department of Defense (DOD) houses did have a \$10 per day charge. But the need was nowhere near what it is today.

So Zach would build one or two Fisher Houses a year. The first one was opened by then President George H.W. Bush. Zach was one of his Points of Light, and then came Walter Reed shortly thereafter, then Brooke Army Medical Center, and then one at Fort Lewis up at Madigan.

So it was a small mom-and-pop deal.

How are you handling the need now that it has become so broad?

Obviously, everything changed after 9/11, and at that point, I was Vice Chairman and my father was running it. In 2003, I became Chairman.

At that point, Fisher House was becoming known, but only in the small military family circle. But we knew that there was this gap and we knew that if the foundation was going to make a difference, they would need to ramp up and respond to the events of 9/11.

We immediately fast-tracked a house at Landstuhl in Germany because that is usually the first stop if a soldier is wounded.

People realized that, no matter what you feel about war or your government, these men and women are not policy makers – they're volunteering to do something that many of us don't want to do. So we got a lot of support from the American public and some support from Congress.

I knew when I assumed the Chairmanship, the need was going to continue to grow, both for the DOD and the VA. So I decided to run it like a business; it wasn't going to be a typical foundation. There was no way to tell how much money I was going to get in a single day or year. So in running it like a business, it was streamlined.

And now, as complicated as it has become, Fisher House itself is beautiful in its simplicity.

How critical was it to get the government involved?

Critical. At the time I got involved, there were 24 houses, but the number was going to drastically move up.

This public/private partnership was the only way this could work if I was going to continue to have the impact I wanted to have for a simple reason: I'm working with limited funds. Congress gives us a grant, but it's less than 5 percent of our overall capital program. So I'm heavily dependent on donations to build more Fisher Houses.

So we decided to build the houses and get them to whatever branch of the military they serve or to the VA. Once I finish the house, the VA or DOD assumes ownership. They staff it and maintain it in perpetuity. I don't have to raise money for the maintenance of the house and the salaries – that falls under the government's purview.

We're approaching 50 houses now. We never would have had that outreach had we not had this partnership.

In terms of development and locations, is the focus global, and how do you decide where to build?

It is a global focus, but there is a method to this madness. We work with the Surgeon General and the VA, and they tell us where houses are needed the most.

The people that donate see these houses making the difference with the metrics they have. Donors are like shareholders – the houses and the metrics and the people that they've helped is the dividend. ●