Oral History Interview

with

DEAN BROWNING

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By Michael R. Adamson

Adamson: Let's start with your background. According to Bob Law, both he and you attended a Continuing Education Conference at Purdue, and Charlie Pankow was the principal speaker. As he tells it, both of you spoke with Charlie and sat on either side of him at a lunch, and that both of you received job offers and came out to California for office visits. I'm not sure if it's at the same time. But both of you basically hired on at the same time, and both of you have been here ever since.

Browning: Correct.

Adamson: Is that the tale as it was—

Browning: Yes. No, I think it sounds about right. I mean, that was thirty-five years ago, thirty-four years ago, so it's kind of hard. It was in—oh, I'm guessing, but I think it was like February of 1974. That was the conference—'74 for sure, but February, March. In the process of talking to Charlie, he indicated that, "Well, if you ever want a job, let me know." Bob caught on. Bob got out in May, and I got out in August, so he started in June and I started in September of '74, so he's got me by three months.

Adamson: And I think he said both of you were in a master's program at the time.

Browning: Yes, at Purdue.

Adamson: So what impressed you initially about Charlie when you met him?

Browning: Well, Charlie himself was—what was really impressive, not having much of a chance to know the individual in a very short time like that, what was impressive to me was the work that they were doing, that Pankow was doing. I had a dual master's degree in construction management and structural engineering. I loved structural engineering, but I cut my teeth since I was fourteen building buildings. It's the thing I enjoyed more than anything else. It was always an internal struggle with me about, well, am I going to design them or build them, and what Charlie presented to me was an opportunity to do both. My god, it was like some light bulb went on, because what he was talking about was what—at that time he called them salvage jobs for the most part, but it's not quite true. But this was the pre-design/build, prior to what we now refer to as design/build. But the process is the same, and, of course, now we're talking about in '74.

Of course, Charlie started it much before that, and the reason he called them salvage jobs is it was not unusual to have a project that just didn't make budget or just didn't work right. And so he would come along, and he and his guys would come along, and they'd figure out a way to fix whatever it was that wasn't working properly, whether it would be cost, fit on the site, structural or whatever. And that's why it sort of got the

tag “salvage jobs,” frankly. But it was a case of the contractor getting involved with the design early on. Well, you know, I just described design/build as we know it today, but this was before anybody ever tagged it as “design/build” as I understand it.

But for me personally, which I think is the question I think you’re asking, here was a guy who was actually offering me a way out of my dilemma about am I going to go into construction or am I going to go into design, because through design/build you don’t physically do the design, but you’re certainly right in the middle of the design part of it, because you’re involved from day one.

Adamson: That’s interesting. At that point, what was your understanding of the history of Pankow Builders in its first decade to the point where you hired on?

Browning: Honestly, unlike today where a kid can get on a web page and find out everything, I probably had maybe one or two small brochures. But I was more interested in what we did, and I was also interested in the fact that it was in California. I grew up and was born and raised in the Fort Wayne area, went to Purdue, and up until I was about twenty-five years old, you could count the number of weeks that I was outside the state of Indiana and have a few fingers left over on one hand. So the idea of doing something different was extremely appealing to me, and so I would say I knew very little about it. Actually, looking back on it, I probably knew very little about the company. I was just excited with the idea of going to California and to do work that I felt kind of fit the mold, and I can tell you right now at that time in our history, I don’t think anybody else was

necessarily doing it this way. Now, that's probably not quite true, but I wasn't aware of anybody else, and so here was somebody offered me an opportunity to do that.

Adamson: Now, Charlie wasn't out on a recruiting mission when you met him?

Browning: No, no, he was there—well, you know he went to Purdue.

Adamson: Right.

Browning: Okay. So he was there as the speaker at that conference, and we just happened to run into him. It was interesting, my major professor, who kind of knew I was in this bit of a dilemma, told me, he says, "Look, there's a conference going on over at the conference center, and a guy's speaking that you really need to talk to." So it was actually one of my major professors who—I won't go so far as to say he insisted, but otherwise I probably would have never gotten over there if it hadn't been for him sort of telling me that I was going to go over there and having—you know, it was like one of those times in your life that kind of changed your life.

Adamson: Right. Did Charlie or other Pankow people make more formal recruiting missions to Purdue or was it most hiring done in such informal—

Browning: Well, it was my understanding that there was some going on, but honestly, I didn't know a great deal about the whole recruiting thing until years later when I found

myself sort of getting more involved with the middle management of the company. So I don't know. I really couldn't answer that question very well. I do know that there were at least two or three other Purdue graduates working for the company at the time I started. Of course, the most notorious is the Webcor guys. [1] Anyway, that's a whole other story.

Adamson: You indicated earlier that you and Bob, or at least those hired in 1974, were the last of the hiring cycle.

Browning: Yes, I think I said that to you the other day. When you look back, we did very little hiring after Bob and I. We did very little hiring from '74 to about '78. There was about three, four or five years there. Now, one or two things, either the ones we hired didn't stick around—I can't answer that question—or we just didn't have much of that. Understand, as a field engineer, that's not a world you're asked about. But it just seemed to me that we really did a lot more effort, and at Purdue, because if you look at a couple, three of the guys that we brought onboard out of West Lafayette in about '78, so there was a gap there, which actually worked out in both Bob and I's favor, at least my favor. I shouldn't speak for Bob. Because when a couple of projects came along in '78 and they kind of had doled out to all of the more expert guys in the company, I was standing there ready to take on a project, and they had enough faith in me that they gave me one. So I was actually a superintendent at a relatively young age, maybe as much as

[1] Webcor was founded in 1971 by William Wilson III with Ross Edwards and David Boyd. Boyd and Edwards left Pankow to join Wilson, who approached them while they worked on projects associated with the development of the Borel Estate in San Mateo, California. Today Webcor Builders is a general contractor based in San Mateo, with offices in San Francisco, Los Angeles, San Diego, and Hayward, California. It focuses on office and commercial construction. Its Silicon Valley clients have included Adobe, Electronic Arts, Oracle, Palm, Siebel, Sun, and Symantec. (From the Webcor Builders Web site, accessed 9 October 2008. See also the oral histories of Alan Murk [p. 59] and Lee Sandahl [pp. 40–1] in this series.)

anything because there was this sort of this gap for about three or four years there and that they needed somebody to run the thing, and so I was available. So the process opened up another door for me at a time when it gave me a chance to show that I was interested in doing these kinds of things.

Adamson: Let's go through your career position by position until you get to Hawaii. You started out, you said, as a field engineer.

Browning: Field engineer.

Adamson: That's the usual, is that right?

Browning: Yes, that's pretty much the starting point.

Adamson: For college graduates?

Browning: Yes.

Adamson: Were people hired in from outside the company at this time at all? Were there any people that had been brought in/out?

Browning: Oh, yes. I can't answer anything other than I'm sure there was.

Adamson: So what was your first project?

Browning: It was a parking structure at Walnut Creek, California, which is not very far from here, as a field engineer, a heck of a team, quite an eye-opener, extremely excited, and learned a great deal in a very short time. What it did was just make me more enthusiastic about the whole idea of, you know, going further into this. At that point, I really knew that getting out in the field was what I much preferred. So it was a good kickoff to everything that's happened since. It's a good first job.

Adamson: What other projects compared to people at that time where was it the case of just being put on whatever was the next project, or was there some design in where field engineers were put in different projects?

Browning: I suspect it more the latter, or the first one, whichever. Anyway, the bottom line is, "There's a hole that needs to be filled. Go do it."

Adamson: Whoever's available?

Browning: Whoever's, yes. Well, I think even today we don't try to put something just because there's a body standing there and there's a hole—that we necessarily think that's the right thing for them to go do. So, I mean, there has to be some understanding. But as a field engineer straight out of college, you're somewhat of an unknown entity. So there was a lot of support there that wasn't going to let me get very far out. The thing that I've

always enjoyed about the company is they will give you as much responsibility as you're willing to take or that you can show an aptitude for doing, and very few times have I ever been told, "You can't do that," if I just did it. So it kind of allows you to move forward as fast as you want.

In my case, since I was kind of a—you know, I didn't think anybody was ever going to tell me to stop. I mean, I just did whatever I wanted to. Well, not whatever I wanted to, but, I mean, I would just go do it. I appreciated that in the company, was that they weren't trying to pigeonhole you, they were letting you kind of find your own way and take on as much responsibility as you wanted to, and hopefully we haven't lost that. My desire in my present position is to make sure that that still exists today.

Adamson: Was what you learned as a field engineer dependent on a type of building you were constructing? As a follow-on, was there a conscious effort of putting people on different types of buildings?

Browning: My suspicion is no. I think that there is a philosophical understanding that that would be good, but I think within the company I don't know that we necessarily have that luxury. I think we as a company tend to want to get the work done, and if it works well with a guy's career, then that's fine. So honestly, some of it is kind of the luck of the draw, so to speak.

Adamson: So how long or how many projects were you on as a field engineer before you—

Browning: Well, I left Walnut Creek, I was actually only there about four months, five months, and went down to southern California and did a BEQ at Camp Pendleton and went from a field engineer to a project engineer on that job. But I started out as a field engineer with—Tom Verti was the project engineer on that project, and then became a project engineer after Tom left to go run his own project, and that was in ’75 and then ’76.

Adamson: BEQ stands for?

Browning: It’s a barracks at Camp Pendleton. Bachelor Enlisted Quarters, I think. If you’re around the military long enough, you start throwing those terms around and you forget that others probably don’t know what they mean.

Adamson: As a project engineer, becoming a project engineer during the project—

Browning: Yes. Like I said, after Tom left.

Adamson: Then you’re project engineer.

Browning: I was the project engineer on that job and then I moved back to [Northern California]. Okay, so now let’s start out. We were in northern California, went to southern California, back to northern California on a project at Milpitas Casting Yard,

and we made the precast panels for the AT&T Building on the corner of Folsom and Fourth Street. So we did all of it down in—it's [the] San Jose area of Milpitas. We made all the precast down there, and it's now a fancy shopping center, but when we were there it was a big yard.

I would say in the six months that I was in that yard, I learned more in that six months than any six months I have ever in my life. You really have a baptism under fire because you're having to crank a lot of stuff out. You're having to learn a lot, and I had a lot of good carpenters and laborers that sort of took me under their wing. I've always appreciated the craftspeople who are trying to help you learn, and in that job I really felt blessed. In that job, I had a guy by the name of Stan Daugherty, who was the superintendent, and it's the same thing; Stan was always trying to teach you something. It was a hectic six months, but, my god, what fun, you know. For somebody that just loves that direct work stuff, I mean, it couldn't have been more fun.

Adamson: This was a Pankow yard?

Browning: Yes. Well, yes, we rented the property, but, yes, it was set up as a Pankow yard.

Adamson: This was a precursor to [Mid-State Precast]?

Browning: Oh, many years later. Many years later. Don't forget, we used to do all of our own onsite precasting, or we would rent [land nearby and create a yard].

[Begin File 2]

Adamson: So you were saying that Pankow did jobsite casting, and this was a case of doing it off-site.

Browning: Yes, one of two things. I call it jobsite casting even though it may be off-site and we truck them in. The bottom line is we set up a yard, whether it's on-site part of the project, which is as frequently as we possibly can because it's obviously more cost-effective, or we rent a piece of property and create a yard and then move them in once we do. But in either case, this has been kind of one of the cornerstones of the company for years as a way to do more self-performed innovative work, fabricating our own forms and creating our own precast. Then, of course, later on that all sort of evolved into the whole concept of Mid-State Precast, but many, many years later.

Adamson: So the standard approach in the industry was at that time to do what?

Browning: Oh, there were lots of precasters, professional, outside, third-party, subcontractors, was, I would say, the more norm. We were somewhat. Then, of course, we're back to Charlie here because that was the way he felt about it, was that the more self-performed work we do, the better off we were. And precast was just another one of

those methods of doing more self-performed work. But a lot of what we built, we'd make the precast right on site.

Adamson: So for that project you were a project engineer at the yard and there was another project [engineer]?

Browning: Well, there was a project superintendent, there was a project engineer [in the yard], and then on the jobsite there was another superintendent and another project engineer, but that was on the jobsite. We were in the casting yard.

Adamson: Then the next stage is project superintendent, from project engineer?

Browning: Yes, let's see. I have to try to get my handle. Yeah, basically I would say that the next thing was a project in southern California at El Toro Marine Base, and they had a design/build EMNCO—Enlisted Man's Non-Commissioned Officers'—Club, must have been some kind of commission officers' club, and we had been the selected design/build competition. So now were moving back down to southern California at El Toro and we did that job. But that job, I was down there as a superintendent. So I went from field engineer to superintendent in '77, so that started in '77, so '74 to '77.

Adamson: And how many employees are in the firm at this point, do you know?

Browning: Yes, I would say that it's somewhere around a hundred.

Adamson: Somewhere around a hundred, total total?

Browning: Now, that's not union employees. That's our confidential employees.

Adamson: What was the business decision on whether to enter these design/build competitions? I know we'll get back to that in Hawaii, but just in general, as a rule, what was the determining factor?

Browning: The tactic, we have to feel like we have, for lack of a better word, which isn't a word I like, but we feel like we have to have an edge. There's got to be a reason why we think we're going [to be selected]. I mean, the first question is, if you're doing a design/build competition of any sort, the first question you've got to ask yourself is: How do they select the winner? And then based upon the answer, then you can kind of say, "Well, this makes sense, and I think we actually have an advantage here." And a lot of times our advantage is the fact that we're doing self-performed work at what we believe to be a very, very competitive price. But through the design process, it allows us to figure out how to do it in a more competitive way and, consequently, therefore that's our advantage. So you've got to look for two things. One, how's the selection made.

[Interruption]

Adamson: So then the criteria resulted in how often did Pankow do these design/build competitions?

Browning: Well that's an excellent question, and I don't know how to answer that. I would say that we are as a company, as a whole, looking at a design/build competition almost continuously. We're obviously not always successful. I mean even though we think we have an advantage doesn't mean we necessarily will have an advantage. But as far as out looking for an opportunity, I think we're always doing that. Working on one, again, I think if you looked at the entire company, I suspect we're always working on one and if you're looking at working on putting one together. Yes, this is pretty much a piece of our overall program and it's kind of hard to separate Pankow and design/build when you're talking about our culture.

Adamson: Are these buildings usually or always public sector buildings?

Browning: No.

Adamson: But you can have a design/build in private sector competition—

Browning: Yes, well don't forget there's two kinds of design/build. There's the competition where you're selected based upon [qualifications] and these are generally private sector projects, based upon what they think is your ability to perform the work, and you may get into the price, but not as much. On the public sector projects, they tend

to be a great deal more complex and the deliverables tend to be a lot more expensive and therefore complex. So the public sector design/build competitions are a lot more difficult just from what it takes to put them together. On the private sector, a lot of times you're selected based upon your qualifications. And of course you're probably going to put together some sort of preliminary schedule and estimate to give them an idea, and the criteria varies all over the place. But I would say that the private sector design/build work that we do has as much to do with relationships as it does almost anything else, or the relationships that you can build. I mean, every time I've done one of those, I may have had competition or I may not have; it varies. Public, of course you've got to have competition.

Adamson: So in four years you're a project superintendent, you're still in the field, how many projects did you have as a superintendent?

Browning: I did two. I did El Toro Marine Base, and then went up and did a HUD job in East Los Angeles, for Housing and Urban Development. It [Fairmount Terrace II] was a hundred-unit, six-story, one-bedroom senior citizens home and again, that was in East Los Angeles, which wasn't always the most fun place to be. Though I've got to tell you all and all, that worked out fine. The part that you would've thought would've been awkward really wasn't, I mean. Anyway, so that took me through from '77 to '78 at El Toro, and '78 and '79 I was at East L.A.

Then in 1980 they asked me to move to northern California in the San Francisco office, and technically from '80 to '84 I was a superintendent with one of those

interesting things next to your name called "waiting assignment." But the reality is I ended up being a project manager/sponsor, whatever you want to call it, in the San Francisco training for those four years, and then in '84 it became official as a project sponsor.

Adamson: According to the company newsletter, this building, 2101 Webster, was what would have been one of your first buildings as a project sponsor?[2]

Browning: Yeah, there were several others that I did in the early eighties, but I was in a supportive role for somebody else in what was very much involved with helping to put it together. This became my first—this one and the YMCA down the street became my first real, "Here, go do it. This one's yours."

Adamson: So taking either one of those as an illustration, what do you do as a project sponsor then?

Browning: Well, that one was kind of interesting in that Charlie owned the building at the time, and I've had one or two of those, but not very many. As a sponsor, you are responsible for putting the estimates together. But in that scenario, because Charlie was the owner, we were also responsible for all the design. Now, technically, it isn't a design/build project because the designers did work for Charlie. But obviously Charlie's not going to manage the designers, so we as projects managers and sponsors found

[2] "Project of the Quarter: 2101 Webster Street," *CPI News* 3 (Fall 1985). The company newsletter was published under several names from 1983 to 2001.

ourselves managing the designers and in some respects even acting as the developer. Though we did have a developer in-house, he didn't make it through the whole project, so we were very much responsible for working on the development side, the design side, and the construction side. So you talk about an interesting eye-opener. I had many arguments with myself, is what I used to tell people.

Adamson: I read in some article, or Charlie even may have said it, but maybe on the Web site, that part of the business model was never to have your own in-house designers, to use different architects or designers, depending on the project.

Browning: Correct.

Adamson: But have there been designers or firms that you've gone back to over and over again?

Browning: Oh, yes. We have a handful of—particularly structural engineers—that we've gone back to on numerous occasions just because they're comfortable with us and we're comfortable with them, they know how we work, we know how they work. I mean, it's the same thing that we've been talking about all along. It's the whole relationship thing. Once you get a team in place, it's kind of like why would you mess with a good thing? I'd say maybe a little less with architects, but definitely with designers and, more importantly—well, not more importantly, but equally as important—

is the whole mechanical, electrical, plumbing, sprinklers team, which are design builders. We depend very heavily on them.

Adamson: Bob Heisler's firm?

Browning: Right. He was one of them in the earlier years, yes.

Adamson: I'm going to step out from your career track for a second to jump to a question that I think can be answered here, that people get buildings like the Gateway Center or the Paramount or this building [2101 Webster], the list of structures that Pankow's built is aesthetically or architecturally impressive, yet I imagine that one could actually be innovative in terms of construction methods and techniques without building such striking buildings. So the question is, is constructing signature buildings part of Pankow's approach?

Browning: Let's put it to you this way. The challenge is doing just what you just said—is to find a method that not only gives you an economical and structurally significant solution, but one that people will enjoy looking at. We as engineers, if it was up to us—and I guess where I'm headed with this is the balance. We as engineers, if you leave it up to us, we would make the most efficient boxes you ever saw, and heaven help the person who has to look at it. So what you learn real fast when you're working in that atmosphere, especially if it's a design/build atmosphere, but since a lot of what you're talking about is sort of done through even a design-assist approach where the designer

works for the owner as opposed to us, you learn real fast that the last thing in the world you want to do is let any particular segment of the design take control. You want it to be an effort, a team effort, where everybody gets a say, everybody has to give and everybody has to take, but the bottom line is you never lose track of the fact that the building is the ultimate winner. The building has to contain all of the components, not just the ones that are financially the most cost-effective. But on the other hand, they also have to lease-up, and I think we've been rather successful at finding ways to take money and put it in the right spot.

One of the things that always irritated me is an architect who wanted to have these beautiful stairwells that were for emergency exit only, and I was always trying to figure out why are we doing this? I would make them efficient, make them cost-effective, but that's not where you put the money. That's kind of an extreme example, but that's my point. So figure out where you can get the aesthetic side, spend the money there, but try to find a system that you can use that allows you to have both. And you know what? That's the fun part. That's the fun part, is getting a team that pulls together and comes up with a very efficient—this building [2101 Webster], as an example, has an extremely high efficiency factor because we spent hours as a team rearranging and placing corridors and placing bathrooms and rearranging and coming up with systems, and the whole idea was to get this building to be as efficient, because the more efficient the building is, then there's less wasted space in your load factor. And yet you've got all the common space that is necessary in order for the building to function, which you can't charge lease rates for. You just got a whole lot larger denominator in your dollars per square foot of leaseable [space], so your lease amount drops as a result of having a more efficient

structure. So there's all kinds of ways to skin the cat. The fun thing is to look at all of them and make it a big jigsaw puzzle that ultimately can get you a very successful solution.

Adamson: Writing in the company newsletter—don't know the year, but I believe it was the early nineties—Dean Stephan stated that Pankow's major competitive advantage was, quote, "Its ability to deliver a high-quality project within a short period of time for an attractive predetermined price," unquote. And he went on to argue that the foundation of this ability was the firm's history of innovative construction techniques that save time and cost.[3] So let's take your work in the field, then we can move on to your time in the office. From your experience, how do the Pankow people, as Dean put it, enhance construction techniques which collectively allows the company to maintain its position of leadership in the industry?

Browning: You can almost take the answer I just gave you and say it over again, because the thing that I get very irritated with people about is there's no one magic wand that you wave and all of a sudden all of your problems go away or that's your solution. I get irritated with people who are saying, "Okay, what can I change to make this price work?" No, what hundred and fifty things do I get to change to make the price work or make the system work or whatever? Because it's a lot of steps.

So what Dean was basically saying is that, in my opinion, you're looking at the entire system and you're making little efficiencies. Like I said, I was talking about the bathroom in here a little bit ago. Every time I walk into the bathroom, I see that forty-

[3] Dean Stephan, "Working with 'The Best,'" *CPI News* 2 (Spring 1984).

five-degree wall, and it reminds me of all the effort we went to, because we made it a forty-five we were able to save a couple of square feet in each of the bathrooms. Well, there's twenty of them in this building then, and when I say two it's probably more than that, but the point is, it's a lot of little stuff that accumulates into the big efficiencies, and it's because you've got a whole group doing that. And we as leaders of that group need to make sure that everybody has a shot at it.

So honestly, I think the answer I gave earlier probably is still the right one, and I think that's what he's trying to say. If only one discipline, and, you know, this isn't a knock on architects, but if only one discipline has got control and we're only looking at one discipline, then only one discipline's ideas get to come through and everybody else's job is to follow that one as opposed to there being this even understanding going in the design process. I can show you examples even in this building of how things were done that one discipline didn't like, but in the long run it was the right solution. And we as team leaders in the design approach, whether it's design/assist or whether we have direct contractual obligations with the designers, need to be the ones who facilitate that.

Adamson: So you were a project sponsor in the mid-eighties on this building [2101 Webster] and on the YMCA. For the next five years, up until the point where you go to Hawaii, are you still in northern California?

Browning: Yes, I am, and I worked on a lot of things, a lot of smaller stuff. These two were obviously bigger. Probably I spent some time—wasn't my direct responsibility because I was working on these two jobs at the same time—on 303 Second Street, which

is another building over in San Francisco that we worked on. I did a couple of Kaiser parking structures and that sort of thing, but, yes, for all practical purposes, I was a northern California sponsor from ’80 to ’90, but from ’84 to ’90 I officially had the title.

Adamson: So in the fall of 1990, company newsletter announces your transfer to Honolulu to be senior project manager for the Aloha Tower Project.[4]

Browning: That’s correct.

Adamson: Then in April of 1993 there was a newspaper article that announced Pankow’s withdrawal from that project as general contractor.[5]

Browning: That’s correct.

Adamson: And what happened in between?

Browning: The project—I don’t know how familiar you are with what happened to Hawaii in about ’91, ’92, but the Japanese money dried up, and Aloha Tower was a rather ambitious, very, very significant—I think, ultimately we thought it was going to be worth somewhere around 600 million, and we’re talking about 1990 dollars, a very significant project that was fine as long as Itochu Bank had money. And its not that they didn’t have money, but all of a sudden there was a real change of heart in the whole Japanese world

[4] “New Faces/New Places,” *CP News* 9 (Fall 1990).
[5] Jerry Tune, “Aloha Tower Has New Contractor,” *Honolulu Star-Bulletin*, 16 April 1993.

financially and that all seemed to occur in about ’91, ’92, and so they tried to downsize the project.

One day Charlie walked in and said, “We’re going to walk away from it.” At the time I admit that a few people thought that was a mistake because there wasn’t exactly a whole lot of work going on in Hawaii, and this was one of them that was going to go forward. And as it turns out, looking back on it years later, he was right, because there were a lot of problems on that job.

Adamson: So the project went forward?

Browning: A very small phase of the overall big project did go forward and it was completed, but there were some problems associated with getting paid and getting the subs paid and everybody, change orders and a few other things. So there were some issues, and I think Charlie recognized that it was probably trying to be—I suspect he recognized that it was trying to be built on a shoestring, and he decided that we shouldn’t get involved. And we didn’t; we pulled out.

Adamson: So you came in at the end of a boom or—

Browning: Well, that’s a good question. The trouble with booms is that I don’t know when they start and when they stop. They’re a little bit like recessions. Right?

Adamson: Right.

Browning: You look back on it many decades later and you can kind of get an idea of when it started and stopped, but at the moment you're in it, I don't know that you can say that. We started seeing, I think, a lot of the Japanese money, and I say that because honestly that's where a lot of it was coming from, sort of was a big deal from about '86, '87, '88 through about '91, and then they started seeing it dry up. And consequently that had a major impact in what was going on in Hawaii at the time, so it was kind of the end of the boom. The problems with Hawaii is the highs are so high and the lows are so low and it runs on about, I would suspect, about a ten-year cycle. But they come up fast, they go high, and then they drop fast and they go low. We've been very fortunate to be able to ride a few of those waves. In about '91 it was becoming obvious that the finances that had been in place were starting to become less.

Adamson: If you went back—my understanding is that the late seventies there was another surge in business in Hawaii.

Browning: Probably, yes. I would say that, again, go back. If you look at that one, that one was over by seventy—well, that was a hard one to say. I'd say by '74, '75, that one was kind of gone. The next late surge pretty much was over by about '82, '84, somewhere in that, and then the next one was pretty much over by '91, '92. So that's what I was trying to say was that it's in that eight- to ten-year cycle.

Adamson: So the cycles in Hawaii, did they lag, lead, or have nothing to do with the mainland?

Browning: Well, you know, up until this last one, I would have said they lagged. Hawaii has historically lagged about two years and it, in fact, has been very valuable to the company because when the mainland starts to see some slowdown, Hawaii still is in the middle of its good times. So it has allowed us to help level off some of our overall workload. Many, many of us in the company at one time or another has spent time in Hawaii, because that's where the work is. So then we'd go over there, and the company has always historically sent people to where the work is, which is pretty normal for construction. So I would say that we as a company have actually taken advantage of the fact that there is this lag.

Now that I say that, this particular one, I don't know that we're ever going to be able to say that. It looks like this one is going to—it may be a little bit behind the mainland, but not as far behind. They're already starting to feel it over there. We started feeling the housing hit, what, six months or a year ago, say a year ago. It probably wasn't more than six months or so before they started feeling it too. So this one, this time the lag is not quite as beneficial to the company, or it doesn't seem to be. But again, you know, it's a little bit like a recession. After you've been through it, then you figure out you were in it. So ask me that question in five years, and I'll give you probably a better answer.

Adamson: Okay, I'll get back to you. So by the time you arrived in Honolulu, the reorganization of the company had taken place. Was Hawaii still operating as independently as it had been fifteen, twenty years earlier?

Browning: Probably not. There was some changes that went on in Hawaii in '91, '92 and it tended to be more of what you would see if you went over there today. Prior to '91, '92, it did kind of operate a lot more independently than it did after that. For a variety of reasons, we all—and the other part of it was, there was a handful of us from the mainland that by that time were over there, and we just did what we always did. And guess where we got our training from? So there was probably some of that also impacted what you see over there even today.

Adamson: How does, or did, doing business in Hawaii differ from doing business in California?

Browning: Cultural. Big, big, big difference. I grew up in the Midwest. If you wanted to have a discussion with somebody, it was kind of more in your face, if you will, for lack of a better word, and that's too strong but, you know, I'm trying to make a point. I learned real fast over there, the hard way, I will say, that you didn't do that because of the primarily Oriental impact of the culture over there, that in their world, if you did that, you both lost face. So I had to learn to calm that part of my personality. It was actually positive, because I would say that prior to going to Hawaii, I tended to be pretty blunt,

though if you asked the company today, they'd say I'm still pretty blunt. Actually in some respects it helped me out a lot to learn that it's not always the best solution.

Anyway, so I would say that when you're working in Hawaii, you've got to recognize the local presence. The thing that I would recommend to anybody more than anything else is go over there and become a part. The guys who don't sort of join in and smile, ask people about their families, ask people about their likes, and what do you do on the weekend. It's not just business. There's also a social aspect of it, and you will see that more in Hawaii than you will anywhere else, or at least where we work. California tends to be pretty brusque, I suspect nothing like New York, but that's only because I've never worked there, but I've certainly been around a few people. But just be friendly. It's interesting how fast the—probably some of the nicest people you'll ever want to be around are from over there. My wife and I really did enjoy the five years. I'd say the only thing that we didn't enjoy very much was—and a good example of what it was is that you are isolated. And I remember when my father passed away, and he's in Northeast Indiana, it was a real son of a gun getting back for his funeral. I mean it was a real, real challenge, not to mention the expense associated with last-minute buying plane tickets from Honolulu to Ft. Wayne, Indiana, and you did feel that. I mean, you did feel that. So, I mean, there is some of that.

But other than that, my kids grew up over there, so to speak, and I never felt uncomfortable having them ride the bus go into downtown anywhere, walk around anywhere. I always felt that was some of the safest places I ever felt like we ever lived was when we lived in Hawaii. There was a lot of great experiences. In fact, still feel that way when I go over there. Frequently I go over there now and still feel that way.

Adamson: So after Aloha Tower, where did you go project-wise?

Browning: Well, probably the biggest single thing that we did over there, I was involved a little bit but not a lot with—oh, shoot, the big tower across from Allure. Oh, it'll come to me in a minute. [Ed.: It was the Waikiki Landmark.] But anyway, I worked a little bit on that, and there were a couple of residentials, but the thing that I'm probably most proud of when I was over there was the UH [University of Hawaii] Arena. It was a ten-thousand seat, basically a basketball arena, but it was a volleyball and it was a special events arena so it was designed for other things, and it was a design/build competition.

Was able to spend a great deal of time teaching DAGS, Department of Accounting and General Services, how to do design/build. I got to get to know those fellows really, really well, and they were constantly calling me up and said, "Okay, if you were going to do—," because they were in the process of trying to set up design/build within their organization, which is old hat over there now; everybody does it. But at that time it was always fascinating to me, when we first went over to Hawaii in 1990, you'd pick up any trade magazine and the word "design/build" wasn't in any advertisements. When we left there in '95, you'd pick up any trade magazine, the word "design/build" was in everybody's trade magazines, and it was just all through the whole thing. So we saw a real revolution in Honolulu, or Hawaii, during that time, especially in the government, and don't forget also the military, which is a very big presence over there, who has always been on the forefront of design/build. That was when they really started

dumping a lot of money into Hawaii on their bases and they are a very big proponent of design/build, so you saw a lot of it over there.

Adamson: So not just your own projects, but you promoted design/build more generally in the design community.

Browning: Yes. I spoke for a few ASCE [events], and, yeah, there for a while I seemed to be [busy], especially when we finished the Arena, which was one of their first extremely successful design/build projects with a tremendous amount of exposure. And then, of course, right after that, then the next big project that they did was the $200 million convention center in Honolulu, which we went after and wasn't successful, but we went after. In fact, was asked on more than one occasion, "How would you put this together?" Though they had a design/build team, professionals from the mainland that they were using, so they didn't need my help very much. But every once in a while I'd get a call, "Hey, I'm just trying to bounce this off of somebody. What do you think? This is what I'm hearing. What do you think?"

"Yeah, that sounds pretty good." It was a good team, so they knew what they were doing.

Adamson: There's a 1993 article in *Pacific Business News* that I believe quoted you, or at least cited you in talking about the Events Center at the University of Hawaii, saying that Pankow used a, quote, "unique precast concrete technique to save time and money."[6]

[6] Christine Rodrigo, "Precast Concrete Cuts Costs," *Pacific Business News*, 23 August 1993, A6.

Browning: Yes, that's correct.

Adamson: Can you elaborate on what that was?

Browning: Well, it was a stack-cast solution, precast, on-site precast. Got to go back to what I said earlier about, you know. Arenas are basically made up of what we call bents, which is the vertical elements, and then a ring beam, which is the horizontal on top of them. We made all of that precast sitting on the ground in a stack-cast right on the slab on grade and literally it's like a modified tilt-up project, if you will, and put them in sockets, casted them in, lifted up the rings, and we were done. We went from nothing in the air to the entire structure in the air in fifteen days or something like that.

Then we put on an aluminum dome on top of it, which was kind of unique in that it was a big mast up through the center, and they built the dome standing on the ground and as the mast would pull up the dome, they would put another layer on, pulled up the dome, put another layer on, put on the dome, finally lifted it all up, put the last layer on, brought it back down and set it on top of the ring beam, and that was the roof. We were done. I'm exaggerating. I mean, there was obviously more to it than that, but the point is that the structural skeleton for the project was primarily built on the ground and stood up for the entire thing.

Adamson: The Waikiki Landmark was literally a landmark project. I think I've read more articles about that project than any others.[7]

[7] See, for instance, "Hawaii in Development: Charles Pankow: A Landmark Project," *Hawaii Contractor* (Spring 1993): 44–5; Michelle R. Thompson, "Waikiki Landmark Comes On Line," *Pacific Business News*,

Browning: Yes, well, in fact, that Landmark's the project I was trying to remember a little bit ago. I didn't have a great deal to do with that, just a little bit. At the time, they didn't have an operations manager in Hawaii, and so I sort of filled in that role a little bit. But, yeah, I would say that that's extremely unique, and if you're driving in Waikiki, it's kind of like the gateway. I always think of that as sort of the gateway to Waikiki. So it's kind of hard to miss this upside-down "U" building, you know?

Adamson: The construction challenge I read about in *Building Design & Construction* had to do with matching up the soil, the two towers were settled differently to make sure that the bridge across was aligned.[8]

Browning: When we first started the project—we could go back to Charlie's original salvage approach right, if you will—we were asked to take a look at the job and it was, something, if I remember correctly, 10 million over. They had 97 million to build it, and it came in at 107 million or something like that. The guys that were working on it at the time took a look at it, and they had this underground basement sitting next to the Ala Wai. So basically, it's a little bit like holding back the ocean, the Ala Wai is just an extension of the ocean, so to speak, not quite, but you know what I'm saying, and we were going to go several feet under it.

The first question the guys asked was, "Why are you guys doing that?"

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22 February 1993, 33A; Maria Torres, "Waikiki Landmark Achieves a Hawaii First," *Building Industry* (August 1992); Gordon Wright, "Twin-Tower Condo Provides a Gateway to Waikiki," *Building Design & Construction* 34 (December 1993): 46–8.

[8] Wright, "Twin-Tower Condo Provides a Gateway to Waikiki."

"Well, that's your storage room," or some such comment, I forget what it was.

So they went in and redesigned the foundation system, pulling the storage out, went up into the garage, found a place for the additional storage, someplace where it wasn't so expensive, and there was a few other changes. But the bottom line is—again, I go back to the salvage thing—was able to bring it in for the kind of money they had, signed the contract, and started construction.

But you're right, the big challenge on that project was to make sure that the vertical and horizontal control was such that when it was time to tie the two buildings back together at the top, I'm not sure what floor it is, but it's the twenty-seventh or something like that, they'd better doggone well be right. And then hoisting the components necessary to tie it all back together again, which we had two cranes on the job, one on each tower. Actually, I think we had three cranes on the job, and just the whole management of that was pretty significant. Like I said, I only had a much less involvement with that project and the details, but there's many individuals in the company today—well, Jeff Doke, just down the hallway here, who was the project engineer on the project, can probably go into tremendous detail about everything I just said. But as you can imagine, it was pretty significant with what the efforts the guys put together. But what I was probably most proud of on the project was finding what really turned out to be virtually no impact to the overall functionality and beauty of the building and yet found a way to financially make it affordable.

Adamson: Now you mentioned the convention center. There was a 1994 article in *Building Design & Construction* that discussed the design/build competition as being, in this case, controversial.[9]

Browning: Well, when you're the loser, it's controversial, right? [laughs] When you didn't get it—I shouldn't call it the loser; that's too strong.

Adamson: Well, without mentioning Pankow, I believe for some reason the way it was decided who won or something, my general question is what makes design/build, these public competitions, controversial, or what can make them controversial, not to just the people who don't win, but to the other interests, other people.

Browning: I think I said it earlier. How do you win? What's the selection process? That's question number one. And number two, okay, you've got this selection process, you've got this ace group that you've put together to do the evaluation. Are they [the selection committee] going to be listened to? Or is some school board or some other government group going to just say, "Well, you know, we're just going to do what we want to anyway"? So that's part of it. I mean, the bottom line is any advisory group is just that, they're an advisory group. So you always run the risk that politics is somehow going to get involved in the selection process, instead of it being as pure as you would hope it to be. And I'd say that's probably the more difficult. And I'm not even saying that's what happened at the convention center. I actually think that now many years later

[9] "Design/Build Competition Sparks Controversy," *Building Design & Construction* 35 (November 1994): 9–10.

after some of the wounds have sort of healed over a little bit, because that was six months out of my life, an extremely, extremely intense six months, and really thought we had absolutely the right solution. Otherwise, why were you doing it if you didn't believe that? But looking back on it now, whether I agree or disagree with the final decision, I would say the process probably was as fair as it could be in the public sector.

They said they were going to follow the advisory group, and I know a lot of the members of the advisory group, and they've all assured me a hundred times that what they decided was what was decided and then finally awarded. And you really can't ask for anything more than that, that for the most part, they did as good a job as possible of keeping the politics out of the decision process. That still doesn't mean I'm not upset that we didn't win. That was a lot, a lot, a lot of effort for that project.

Adamson: Well, I imagine that's one of the calculations going in is the cost of preparing the proposal.

Browning: You surely would think so, wouldn't you? I think sometimes euphoria of the competition sort of trumps everything else.

Adamson: Is that right? All right. One more question. . . .

Browning: If you're not an optimist in this business, you're not in this business.

Adamson: I can appreciate the competitiveness.

Browning: So you're definitely going to win, right? Of course you're going to win.

Adamson: One more question before we return to the mainland, and this again is from—I believe it's *Pacific Business News*, but it might have been a different trade journal article from 1995, reported that the owners of Honolulu Park Place had sued Pankow for various reasons related to the quality of construction after the fact.[10] Is that any—

Browning: There was some issues, as I understand it, having to do with some things that needed fixing, and instead of letting us go in there and fix them, which we were fully prepared to do, they decided to—this "fight instead of switch" kind of attitude, and created sort of a controversial—no, that's not the word I want. They decided that they wanted to approach it more in the legal aspect instead of a way that resolved the issue, and it took quite some time before somebody finally woke up to the fact that this isn't getting anything done, and eventually better heads prevailed and we were allowed to go in and fix the damn thing the way it should have been done in the first place, which frequently is the case.

I mean, honestly, the scenario I just gave you isn't all that much different than why it's very awkward to do condos and why a lot of people won't do condos, is because you're dealing with a ton of different personalities, and somebody always thinks that there's a better solution instead of finding the repair solution. And we've always felt that it was cheaper to fix it than it was to fight it. But if you're not allowed to get in there,

[10] Jay McWilliams, "Honolulu Park Place Sues Contractor," *Pacific Business News*, 21 August 1995, 22.

then it's kind of hard to do that, and there was some of that. I won't say that's all of it, but I'd say that was some of it.

Adamson: So 1995 you returned to the mainland.

Browning: Yes.

Adamson: In what capacity?

Browning: Well, basically the same, but at that point in my career we were in the midst of Mission Bay, so I spent a lot of time over the next couple of years helping the guys at Catellus do the Mission Bay, set up the EIRs and all the others, the constructability and cost estimates and that sort of thing for the entire Mission Bay area, and, you know, what would you do here and how would you do this. So I helped with the soils report and just anytime there was a need. I spent a lot of time doing that, and we chased a bunch of other things, too, so it was a lot of things.

But what also was happening in that time frame was me trying to figure out where I wanted to go with my career, because by that time I had been a project manager, sponsor, project exec, whatever you want to call them, going on twenty years, fifteen years, something like that, almost twenty. So, I mean, there was a lot of things that were going on, but I was also trying to figure out what I wanted to do, too, did I want to continue doing this or something. In fact, it wasn't too long after that that I was

approached about taking over the Oakland office for PSPL [Pankow Special Projects, Ltd.], which I did.

Adamson: And that year was?

Browning: I'm guessing, but I think it was 1999 or 2000, it's in that neighborhood, and did that for one year, enjoyed it, ran the PSPL Oakland office, and then a year later, and I want to say 2001 or something like that, I was asked to go back to CPBL [Charles Pankow Builders, Ltd.] and head up the operations department for CPBL.

Adamson: And that's your present—

Browning: No. I did that for about three years, four years, and then I went back to PSPL and headed up that operations department, which for the most part is what I'm still doing.

Adamson: So since you've returned, just generally speaking, what are the challenges and opportunities for the company have been in the last decade or so?

Browning: Well, I think from a PSPL point of view, the challenges has been the growth. We've gone from—well, I don't know, I think the first year they did something like 10 or 15 million dollars worth of work, and this last year we did 115 million dollars worth of work in what amounts to about thirteen years. So, it's about a 16 percent growth each year if you wanted to average that out. So just trying to make sure that you're doing the

best you can, and exploring and hiring. You went from a handful of employees to I think we've got something like ninety or so, plus all the union people today. So hiring good people, finding the right jobs, establishing the right level of risk, all of that stuff, which, of course, Dick [Walterhouse] did a spectacular job in being the leader in all of that. My hope was to help him with the boots on the ground, so to speak, part of it, which is what I did, so it's more of a management thing.

Adamson: I asked Dick this, Dean [Stephan] mentioned to me or suggested that special projects, when it was set up in the mid-nineties, was basically what carried the company for a while because there wasn't a lot of work in the [building division].

Browning: There were a couple of years where we certainly were able to add to the bottom line and make it a more profitable company, and it allowed us to get through some slow times. If you go back thirty, forty years ago, we were what I would call a base building contractor, a large contractor, and we believed in that wholeheartedly. Then in about early nineties while I was in Hawaii, and over here Dick and Rik [Kunnath] and Wally Naylor, who I understand you're going to talk to later, all kind of started waking up to the fact that instead of just walking out the door and not building out some of these spaces after we build the office buildings, maybe we out to stick around and maybe do some more work, we finally woke up to the fact that that could be a division, and profitable.

I think the success of that, we could talk about it for hours, about what led to it or what didn't lead to it, but I think the key to the success of that personally was the fact that

PSPL and CPBL had been kept separately. There's a lot of companies that tried to do what we'll call special projects and then the base building, but they tend to be the same company, just two groups, but there's still the crossover, so one day you're being asked to do a small job, the next day you're being asked to do a big job. We learned a long time ago, and hopefully never lose the fact that the kind of mentality, thought process, approach, culture—and culture's probably not the right word, but all greatly depends upon it's different for those two entities, and if you try to marry them to the point where they're all being managed under one umbrella, you will find that it probably won't work well, but if you separate them from a management point of view, then each of those managers in each group is going to approach it as to what is best for that group, not what is best for the combination, and the combination doesn't work.

So I would say the success of that and the thing that has made it a success is that we recognize the individuality of the two groups and allowed each individual in each group to flourish as they see fit, as opposed to sort of being dictated by a standard that works well for one but not the other and vice versa.

Adamson: So the traditional base building, when you turn it over, what is the—

Browning: Core and shell. It's called core and shell.

Adamson: And who finishes the interior?

Browning: Well, generally speaking, there's two groups of individuals that come in. It's not unusual if it's an office building—well, first of all, if it's a condo or an apartment or residential, chances are the general contractor finishes everything. So where a lot of this difference comes from is in the commercial sector, and if you've got a retail center and you've rented it to a group like Gap, like we talked about earlier, they tend to have their own group that they ship around the country. So, consequently, all Gap stores tend to look alike. So there's that group of general contractors that will come in and build it. Or if you've got a project like this building [2101 Webster], for instance, the ownership of the building could have a base building general contractor that they use to build everything or the tenant can sometimes go get [another contractor]. This all depends upon the tenant agreement, what the owner and the tenant agreed on, so there is no one solution.

Rarely does the same guys that built the structure, the guys who build out the tenant improvement work, again, I go back to what I said earlier, is a different approach, and it's very difficult for a guy who does one to do the other. So it's not unusual, you have the small general contractors and you have the large general contractors, and you see that across the board. And there certainly are those that are capable of doing both, but in my opinion, there's not a whole lot that are capable of doing both well. I think we do both well, and I think we do both well because we recognize there's a difference.

Adamson: So the present organization, theoretically, the shell and core people could build a building, leave, and the special projects people could come in and—

Browning: That would be certainly a good solution, except what typically ends up happening is you generally start the interior finishes before the core and shell guys are done, and putting multiple generals in one area can be a problem. Well, if we're the ones that are coming in there, it's not multiple generals, it's a sister company, and we have no problems working in the same space. So it also allows the owner an opportunity to get a more coherent final package, too, that overlaps with the core and shell, which is also positive.

Adamson: Now, you mentioned this, during your time in Hawaii you've made speeches, you gave talks at various professional meetings. Is this something you've done throughout your career?

Browning: I would say, yes. Yes. I don't seem to be doing as much of it today as I used to do, but I certainly do. My term as president of the American Concrete Institute local chapter was just up, so I was that for a year and, of course, you're getting up every meeting and talking. I've talked at Design/Build Institute a few times. I've been asked to come in and talk on some other things.

I'd say that when design/build was just getting started, or becoming more popular in the late eighties and then in Hawaii in the nineties and then maybe the late nineties, because of the fact that I was involved in so many of those kinds of projects, I probably did more of it during that time than I've done in the last eight to ten years. And part of it is, is because my direct involvement on the projects now is so much less. There's a lot of guys out there that are handling the projects. My job now is to get a comfort level that

things are going okay. So I don't have quite the same direct involvement. And a lot of the conversations and a lot of the speeches I gave were on projects that I did. Well, right now I'm not building anything in my present position, so that's part of it, too.

Adamson: I'm getting your take on design/build and how it's gained acceptance over time. Trade journals such as *ENR* and *Building Design & Construction* began discussing design/build, or as they called it in the seventies, design/construct for a while. But as late the mid-eighties, they were recording that design/build was no more than 10 or 15 percent total of nonresidential construction. But as of 2006, its percentage had increased to as much as 40 percent and was increasing.

Browning: I'm surprised it's that low. I would've guessed more like 50, but, okay, I understand.

Adamson: So my first question is why is the approach taking so long, relatively speaking, to gain acceptance and then, secondarily, what did Pankow the firm do or what was its contribution to promoting its acceptance?

Browning: Well, first of all, the construction industry as a whole—and, yes, I guess you can say it starts there—is very slow at making changes. I mean, you could almost say with some certainty, other than the fact that back then you used a thousand people and today you use a crane, it's not changed a whole lot since the pyramids. In fact, I'm not so sure that they weren't more innovative building the pyramids than they are today building

a high-rise building. We as an industry haven't changed a great deal, and there's a lot of, you know, "If it ain't broke, don't fix it. I've been doing it this way for umpteen years, I mean forever. Now you're trying to tell me I'm doing it wrong?"

I remember when I was in college and taking a course in construction management, and I think back on this, and when was that, gosh, the Dark Ages, forty-some years ago, and I think back on what a prof told me. Why it stuck, I'll never know, but it did. He said construction industry is at best 45 percent efficient. You've got a lot of room for improvement. And every time I look at the way we do things and improve things, I realize that he's probably not very far off, because built into the design, bid, build scenario is a ton of inefficiencies, which is, of course, what he was drawing from, because there's a lack of coordination. I mean, that's the biggest problem is it's a lack of proper documentation, lack of coordinated documentation, a lack of understanding the products that are out there in the marketplace, understanding materials. So a lot of what we do, we learn about as we build it, as opposed to knowing about it ahead of time.

Well, one of the things that I've always enjoyed about design/build is that it allows you to bring professionals, subcontractors, designers into the mix at a very, very early time in the project's life and bring that expertise. If you get a lot of people knowing a little bit about a lot of things or a little bit about each one and you bring that together, you've got a heck of a team. It's a little bit like a jury. I think that somebody made a comment one time that a jury is far superior to the sum of the individuals, and I always think of a design/build team as kind of like a jury. The collective efforts of the group is far superior to the sum of the individuals' efforts, because it creates sparks, and sparks start fires, and fires are innovative and that kind of thing. Pankow's been very much

ahead of that. Then, of course, on top of all of this—and it's a long drug-out way for me to head to where I really wanted to go—was, you know, your first thought would be, "Okay, so you've got this figured out, fellas?"

"Yeah, yeah, I think so."

"So why aren't you keeping it to yourself?"

"No, no, we decided to go out and help be one of the founding of Design/Build Institute of America."

So a lot of people have asked us, "Why were you so willing to be so involved with that?" It's, I guess, because we feel so strong about it that we feel that the more acceptance it is, then the chances are the more people realize the value of it, the more there is acceptance. The bigger the pie, the more chances are that we're going to have a bigger slice of it, because it takes education.

I go back to the fact that the industry as a whole is very hard to change. Well, it's a lot easier for an owner to go to a group of investors and say, "Hey, everybody's doing design/build today. It's very successful," than it is for an owner to go to a bunch of investors and say, "You know, there's this one company over here who seems to have it figured out. I want to go with them. But I've never heard of design/build," you know. So the more the word gets out, the more people are involved with it, I think it becomes more successful, and I think that's the main reason why design/build.

The analogy that I've used with others, it's a little bit like Apple and Microsoft. Apple decided to keep all of their code internal. Microsoft just up and threw the doors open. Now, in the eighties, which one took off and the other one sort of became stuck,

you know? So the more people that are involved, I think the more likelihood that it becomes successful, and so that's part of the thought process.

I also remember there was another individual in the Design/Build Institute who made the comments. Somebody asked him the same question and they kind of says, "You don't understand. I can tell them all day long how to do it. That doesn't mean they've got the culture to do it." And that's part of it, too. You've got to have guys that think along that line.

Adamson: So even at 50 percent, 60 percent, there's still room for expansion?

Browning: Oh, there certainly is. It's not 100, is it?

Adamson: It's not 100. Is there any obstacle that would stand in the way of reaching 100?

Browning: Yes. There's always the skepticism that you're being cheated. Design/build will never work without trust, and I will not recommend to anybody to go into a design/build job—I don't care whether the designer, the contractor, the owner, whatever—if there's any sense of skepticism, any sense that you're being cheated or you even think you're being cheated, or that "I have to see everything." Without that level of trust that everybody is working together and that it's a team approach and that the final product will ultimately be the best value, if you don't have that, you shouldn't go down this road.

Well, to think that everybody's going to agree with that is ridiculous. That will never happen, in my opinion. I could joke about it 100 percent, but it'll never happen. And, too, there's still a bunch of designers out there who believe that their creative freedom is restricted by this process, and in some respects they may not be wrong if you've got the wrong team. So, you know, there's some abuses there. It was like anything else. So that part of it.

And third, honestly—there's kind of a—I remember back when I first started in the industry, most buildings were built by developers, and these were guys who, I swear, they were more like Mississippi gamblers than they were, you know, and you don't see that today. You see REITs, you see all kinds of regulations, you see a lot of things that will prohibit it from ever going that way, because there's still this trust and it's in some respects the way the government has set things up. That's not a word that they throw around much, so, consequently, that's the case. And there's also some state laws that are still getting in the way. Not all the states have joined in. Then there's always this design/build wall on some state, but when you read it you go, "Well, yeah, but you threw in all these restrictions. Oh, wait a minute. That's not design/build."

So I go back to what I said a little bit ago. When you read the documents, how do you get selected? What makes sense? Do you have the right team? Is the owner and the designers on board? Is there a level of trust? If you've got the right elements, it's a very successful project. It can't help but be. But if you're missing any of that, I won't say it's impossible, but it certainly makes it a lot harder.

[Begin File 3]

Adamson: So today from your perch high atop top management, can you explain how the various Pankow businesses and offices fit together, business-wise, organizationally, in 2008?

Browning: Yes. I would say they feed off of each other. That's probably the best way to go. What's been fascinating to me is how one company gets a lead, establishes a relationship with an owner, establishes a relationship with a designer, whatever, and then all of a sudden, with that owner or that designer, along comes another project that doesn't quite fit that person or that company's [expertise]—or even geographically. Then there's the immediate, "Well, yeah, we can do that. Let me call the guy that handles that side of the thing." So there's an immediate handoff, but outside of Pankow it looks seamless, and that's our goal. Within Pankow, it's a significant change, because it's being handed off to a different group. But a lot of times that relationship that was started with one individual doesn't come to a stop, I mean obviously, and somebody else pick it up. Then they maintain that relationship. That's still their client. So we try to keep it as seamless as possible, even though there has been within the companies a pretty significant handoff. Then, eventually, the new person that got handed this other project will gain the same kind of relationship or a similar relationship and so now they both have it, have that trust that I was looking for.

I'd say that's one of our very strong—there's a difference, but there's a lot of similarities, and the similarities is in our ability to maintain the same culture, the same ethical standards, the same overall scheduling, cost control, all of that, but with different

procedures, and therefore, we can meld the procedures with the needs of the project and maintain, and a strong feel of service—driven by service. As I tell my guys, "If you're not service-driven, then you're just like every other general contractor, and all we're going to do is be treated like every other general contractor."

Adamson: So is promotion or marketing and business development, above Charles Pankow Builders and Special Projects, or do they each—

Browning: Well, actually, in all the offices, we share that. It's a shared experience. There's one individual in each of the offices, one in northern, one in southern, and in some respects, there's the same thing in Hawaii. But the point is, that individual's task is shared by both companies.

Adamson: Okay. Very good. To finish up, just a couple questions back to Charlie as an individual, builder, businessman, entrepreneur, what have you. And if I'm being redundant, I apologize ahead of time. But what traits made Charlie a successful businessman and builder? What put him out ahead of people?

Browning: Charlie seemed to have a real instinct as to what was going on and what was going to happen. There were a couple occasions when he walked in and said, "Oh, by the way, we're going to walk away from this project," and, of course, we were devastated. Certainly Aloha Tower is one of them. Then, you know, two, three years later, you look back and, god, he was right. How did he know that? Now, resources, ear to the ground,

or just an ungodly or unbelievable ability for his instincts, I can't answer that. All I know is that it seemed to be there. And people wanted to follow him, so I guess you could say that his ability to motivate the individuals was definitely there.

But the thing when you got to know Charlie was his intensity. He was so focused. I mean, he believed so much in the company and its survival and the benefit of the company to the point where it became his most important—it seemed to me, one of his most important things. He wanted to see the company be successful. He wanted us to be successful and give us the freedom to try things. Somebody asked me, "Why are you still here?" I think it's sort of the crux of what you're asking, and it's because we tended to be, and Charlie tended to be, more goal-driven and not so much task-driven. In other words, "I want you to go build that building and, oh, by the way, be successful." Right. Of course, that kind of goes with that. How you did that, that was up to you, and there was a lot of support and also an understanding and a recognition, at least I always felt, that you were expected to try new things, and failure was okay, because, you know, not everything is going to be a tremendous success. You were expected to go out and try new things and see how they worked, because chances are, as a group, I think we were far more successful than our failures. But the failures were okay because you learned something from that, too. I think in the world some of the best inventions have come from failures. Well, that was kind of the idea where I've been—I've chatted with others that said, "You know, gosh, if you tried something and you fell on your face, then, my god, heaven help you." Well, that was not the atmosphere that I grew up under around here. I mean, you were damned right expected to go try something new. In fact, I will suggest to you that if you weren't trying something new and weren't taking some risks,

then you weren't probably going to go anywhere, because he [Charlie] just didn't see that as being success. So it gave us freedom that I very much enjoyed and took advantage of. I go back to what I said a little earlier. I was always one who, you know, if you want me to stop, you've got to tell me. Otherwise, I'm going. I think that for the most part, that kind of makes up a lot of us.

Adamson: So you've been around for the transition in leadership at the top of the firm from since—well, Charlie never retired, so I guess—

Browning: Since his passing.

Adamson: —since his passing. Well, on the face of it, you managed it successfully, but how is it different now and how did you manage the transition to life without Charlie?

Browning: Well, first of all, you would have to ask the six general partners who actually did it, if you want any more details. But I would say that it was handled about as seamlessly as it could be. I don't see a great deal different today about our culture than I did when Charlie was living. Our ethics—a lot of the things that I consider to be the important things of the company, our desire to explore and all that sort of stuff, I don't see that to be of great deal difference today. What, if there's anything, that's different, but I don't even know how to mention this as being different, and that's the procedures. But they were evolving. Whether Charlie was alive or passed away, how we were going to do things, our product types, who we were going to pursue, our innovations, we're

going to go forward anyway. So, in my opinion, those kinds of things are just the progression of an industry that's moving forward, as it should, and growing. But the more important things, and, again, the culture that he left us with, as far as I understand, that hasn't changed, and that's what makes us anyway.

Adamson: You're confident that once you and Dick and all the people who have been around twenty-five, thirty years are retired, that this culture will be sustained?

Browning: It's fascinating you ask me, because that was a question—I have a young man who I have been trying to recruit into a different position. He's with the company, but he's in a different position, and which means that he's got to make some decisions on his part on what he wants to do, and then he was just asking me that question, because that's his biggest concern, you know. "I trust you guys. I've been around you. I know you. I have no doubts that everything you say is going to happen, because that's who you are. But what about the [next generation]?"

I said, "Well, that's a good question." My opinion is that a lot of the people that we are putting into the leadership role are being placed there because they share the same opinions that we do, and they've been around a long time. There's a lot of people in this company that have been around a long time, and many of them started straight out of college. Some of them, you know, call them clones, if you want to, I guess, and, in fact, that's in some respects not even a flattering comment. But the point I'm trying to make is that there's a lot of similarity in their thinking and with the past.

You can sit here and talk about the fact that there's another generation coming, but the next one's actually the third generation, not the second. Charlie was kind of the leftover of the first. But the lion's share of the guys who started this company with Charlie in '63 really left the company in the early nineties, so we've already gone through one of these, and I sit here today and tell you that in '63, '91, or 2008, the important things are still there. So, you know, it's just the next generation. So, yes, I feel pretty comfortable that what we inherited, and I feel that way, I feel like it was passed to me and my job is to pass it to the next generation, and better than I received it, which is what—you know, that's growth. I'm convinced the next generation will do just as well and maintain the same core values.

Adamson: That's great. I've basically reached the end of my questions. Is there anything else you want to say or—

Browning: No. You did a pretty fair job of putting everything out there.

Adamson: I thank you for your time. I appreciate it.

Browning: Yes. It worked out.

[End of interview]