

Oral History Interview

with

RICK PANKOW

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Pasadena, Cal.

By Michael R. Adamson

Adamson: I understand that your grandfather worked in construction. Was it one of his hopes that your father would follow in his footsteps?

Pankow: I don't know that it was designed by my grandfather to have my father follow in his footsteps. I mean, obviously it happened. So I can't speak to that, but certainly my father, my grandfather was involved in construction a good portion of his life, and I can't help but believe that it influenced him.

Adamson: If you flip that around, did your father mention or refer to your grandfather as someone who inspired him?

Pankow: Definitely. My grandfather was definitely an inspiration to my dad. In fact, when he first came out, his first job in California was with, I forget the gentleman's first name, his last name was Barnes. It was an engineering company. He wanted to be a builder, not so much an engineer, but as the story's been told to me, my grandfather told my dad that he thought it was appropriate for him to get the foundations of engineering done, which he did with this company—Steve Barnes, I think it was Steve Barnes, that's

right—for about two years. After about two years, as he tells the story, he calls my grandfather back up and says, “I’ve spent two years in the salt mines. What do you think?”

He said, “I think it’s okay. Time to move on if you want,” which he did. Peter Kiewit was the company he went with right after Steve Barnes—he certainly appreciated what Steve did for him. My recollection is when there were parties, whether they’d be office parties or social gatherings at holidays and stuff, Steve was almost always invited, because my dad I think appreciated the fact that he gave him his start in California. And again, was the influence of my grandfather there? I think the answer is yes, by virtue of the fact that he checked with him to make sure that it was—he’d paid his dues to move on, and accordingly did so.

Adamson: How many years?

Pankow: I think it was two years he spent with that engineering firm.

Adamson: And then went on to Kiewit?

Pankow: Kiewit. Yes, I think I’ve got the chronology. I’ve got the chronology correct. Whether or not there was something in between Barnes and Kiewit I’m not sure, but Kiewit was certainly where he spent a lot of time, in fact, to my recollection all of his time prior to starting his own company.

Adamson: It's been suggested to me that your grandfather's career or situation as an employee, that is perhaps someone who is not in position to reap the fruits of all of his labor may have been a factor in your father's decision to step out on his own?

Pankow: Well, I think there's a couple of things that happened there. I think—My dad often told me that doing well financially was only a byproduct of what he did by enjoying, you know, the work he did and how he did it. I overheard him in conversations with friends of his as to why he did it, and I think it kind of ties in. It all makes sense. I mean, I'm oversimplifying it, but I think with Kiewit, where he was very successful, he ran the whole West Coast division, but I think he wanted to be a little more creative, and a little more bold with the building world, and I think he came to the conclusion the only way he could do it was to go on his own. I'm sure that wasn't the only factor, but I think it was a big factor. He talked about being able to have some creative license on several occasions. I overheard conversations for his explanation to us about why he started the company.

Adamson: It's also been suggested that he, like Hewlett and Packard, started his company out of his garage, and at one point your mother was secretary?

Pankow: Literally. That's accurate. We were living at 1003 Alta Pine in Altadena, California, and we had a basement that he had remodeled and fixed up, and that's where his office began, right there at home. In the garage, the entrance was the garage. The

basement was the office, but they entered and left through the door that went from the office to the garage to the street, and that's where they started it.

Adamson: How long did they stay in that situation?

Pankow: Gosh, I was only a kid. I'm going to say almost a year.

Adamson: Almost a year. And that was with how many people, do you recall?

Pankow: I think there were four or five there. He would tell me on many occasions that when he terminated with Kiewit there's a couple of guys that wanted to come with him, that were in the game plan to do so. The problem was, he started getting calls from guys that wanted to come over and there was no position for them. And they said, "Well, that doesn't matter. We want to go anyway."

And there's a few guys he said, "I can't even pay you."

And they said, "That doesn't matter, we want to come over." So it snowballed in that regard very quickly as far as getting personnel, human resources. That didn't seem to be a problem. The problem was being a neophyte on his own, he had to get jobs to be able to employ all these people, and that came pretty quickly.

Adamson: So the people who were working pro bono stuck around long enough to be employed?

Pankow: I don't know the exact financial arrangement my Dad had with these people. I just heard the conversations, as I explained it to you. But I mean, when he said that people called and were willing to come without the pay, I think my dad felt a little too responsible. "No, I can't ask you to do that." But when the opportunities arose, he certainly brought them over.

Adamson: Okay. So then he moved into the Altadena office that he stayed in?

Pankow: No. Before that they had an office on Walnut, a rented office. And they were there for several years, and then were able to procure the old post office I believe it was, in Altadena there, and that's where their headquarters had been for most of the duration.

Adamson: Was it a situation where they moved into a small part of the building and took over more and more, or did they just basically—

Pankow: They took over the whole building, and they had to renovate it, but they wanted to also keep this very majestic wood ceiling up there. They did a good job of it. You know, they fixed up kind of an old landmark in Altadena, made it usable. They did expand to an annex that was adjacent to it right next door, and they built a stairwell or a corridor that it attached to. They didn't do that much expansion. They didn't build the annex. They just simply found a way to link it. It was two floors, upstairs and downstairs, and very well done.

And later, as the company grew, they leased office space across the street from Webster's, from the Webster people, and they put the accounting department in there. So it did grow, but most of the non-accounting people were in the original Altadena building, and then the accounting was next door.

Adamson: So now that the company is here in Pasadena, is that building—

Pankow: They sold it. They had owned it, but they sold it. That was about, I'm going to say, four years ago, four or five years ago. They had outgrown it, in all honesty, and the reality is the location of the building was very convenient for my dad, but it wasn't real convenient for everybody else, and perhaps not so convenient for clients, because there are seven hills in Altadena there, and it's [snaps fingers], you know, you're fifteen minutes away from a freeway, at best. So it was a nice location, I think people enjoyed it once they were there. It was just getting there.

Adamson: I can appreciate that. So what traits do you think made your father a successful engineer and business person?

Pankow: I think he was more—a successful engineer? I mean, he had an engineering background. I think he was a successful builder is how I would term it. What made him that? Wow. That's, you know, a whole string of DNA qualities that could go on for some length of time. I mean, unequivocally the man was focused, and number two, he was doing something that he very much enjoyed. I think from a very young age he

always knew he wanted to go into this type of vocation. So having that, you know, I kind of envy him for that. You know, how many of us go to school and don't know what we want to be, and you know, I'll be a fireman when I grow up, and then when you grow up you're not going to be a fireman.

But I think all along my dad knew what he was going to do, and I think that just accentuated the unique focus he had anyway. And you put those two together—and he was a smart guy, there's no doubt about it. I mean, he had all the combinations working for him, and I think just for the love of what he did, and the focus, the smarts, and I think he was a good business guy, I mean, the combinations were just waiting to happen for a successful venture.

Adamson: When he stepped out and formed his own company, did he have to step away from the building aspect to run the company, or was he able to do both?

Pankow: Well, he had to do both, because he was bringing in the business, he was the ultimate signatory on any of the bids they made, and at the same time he had to run the company. In fact, I think that's one thing where—this is a personal opinion; I did talk to him about it on several occasions—where, you know, it's really interesting and I respect what happens, over years and years and years of running his own company it became successful, but he had to be more than just then a builder, a contractor guy, you know. He had to be a guy that ran a company. So it was like he had to learn to wear a new hat and manage the company, and manage the finances, and manage everything that's residually associated with running a company that you're in charge of.

And I think, you know, coming from a banking background, I see that transition where companies go from small companies, you know, family companies to real bona fide middle-market companies that are doing several hundred million dollars in business a year, that they don't make the transition. That's probably the most fatal area in business that I saw as a banker, so I could kind of appreciate it when I saw my dad handle it and do it quite well. So it certainly didn't happen right away, because he didn't have a lot of people to manage, but as the company grew, then it became more and more incumbent on him to be somebody who could run a company, as well as understand and run a business.

So definitely evolution, right. I learned a lot from him, just from talking on the management side, not the construction side. I was never really into construction, never carried much about engineering and stuff. I was always intrigued by the management side that he handled.

Adamson: So you talked to your grandfather about his work. You mentioned Notre Dame Stadium.

Pankow: Yeah. The funny thing was is he never talked much. He was a very quiet guy, old-school guy. You can ask me about it, I'll tell you, but I won't wave a flag about it. But when we finally got around to cornering him and talked about it, it was fascinating. He, as I recall it, he ran—it wasn't his company, but his company, he ran the job that built Notre Dame stadium in South Bend, and this was in the Knute Rockne era. And, in fact, every Friday afternoon Knute would come out and talk to my grandfather, see how



things were going, you know, because obviously if they're going to play in a brand-new stadium, the coach is going to be excited about it. They became friends. And like, wow, how many people do you know that are friends with Knute Rockne?

But it's like, you know, when I was talking with Dad he says—well, you've got to kind to talk and like pry it out of him. Once we got him, he was happy to talk about it, but he was the kind of guy that was just quiet. He didn't volunteer that information. But I think that was a part of his time that he enjoyed very much, you see, because when he talks about it, he talked about it going, so it was fun to hear that.

Adamson: Did he work with his company all his life, your grandfather, or was it something he did—

Pankow: I think the company he was with—that company he ended up retiring with, but I don't know. I'd have to qualify that for you, because I don't know how many different companies he worked for.

Adamson: But being a builder was always his profession?

Pankow: To my knowledge, yes.

Adamson: You suggested already that you talked to your father about his work. Are there particular stories that he liked to tell about projects that he was on?

Pankow: Well, this is one thing where he definitely got from his father, my dad has, is you had to ask him to get it. He just didn't sit and talk about stuff. I mean, he pretty much, and I think he did it for the right reasons, kept business and family separate. When he came home, you know, he was there with the family. He wasn't there to complain or rant and rave about business, and he didn't. But if you asked him about it, he would. So the question was, did I ask him the right questions to get enough insight as to all of his creativity in construction? The answer is unequivocally, no, I didn't, because I didn't know how to ask the right questions. But it wasn't that I wasn't interested. It's just that I think some of the stuff was a little over my head.

But I mean, I think the creativity part, which I alluded to earlier, is where I left it, it became apparent in a lot of reasons. I mean, they became the top design/build company in the country, and if they weren't the innovator of design/build, they were certainly one of its main champions. They would do it fixed cost. They would build a building. They'd sit down with you, bring in the architects, and basically before they started coming out of the ground, everybody agreed to, with the company's input, what was going to end up being there. That was one of the reasons they could, I think, guarantee costs, because they were involved on the outset in design, and he was very proud of that. That was very important, because it allowed him to do what he thought was important. That was, come in on budget, and come in on time, and they did that consistently.

Adamson: I think I'm rephrasing something I already asked you, but what did your father like best about his work?

Pankow: It's a good question. What did he like best? Gosh. This is a guy that just, I mean, he loved his work and he loved his company. It'd be easier to answer what he didn't like, and I'm not sure what he didn't like about it. I mean, he was in love with his company, and very proud of what he did. I have a hard time answering that question, because I don't know the answer.

Adamson: Fair enough. Did you ever go on tours of Pankow buildings either while they were being built, or after?

Pankow: Yes. In fact, in the summers while I was going to school at UCLA, I worked on them as laborers or carpenters. I got a temporary permit from the union for the three months I worked on them. So the answer is, not only did I see them but I worked on three of them, and saw others that he—when we'd visit him we'd go and look at them. So yes, I did.

Adamson: Which projects were those?

Pankow: Ones that I worked on were all in Los Angeles, Sixth and Harvard; one in Orange County, that's not Los Angeles; and another one was on Lafayette Street in downtown L.A., though they were all office buildings. In those office buildings we would, you know, something that they kind of, I think, innovated or outright created. We would precast the panels and the columns right there on the site of the job, not in a

precast yard like they have now. The territory that we used to do the precasting typically became a parking lot. What we'd do is we'd precast panels, flooring, columns, and pull them out after the concrete set, and stack them up, and then maybe a week or two later we had enough. We'd in one day, boom, flip, a whole floor would go up. Just that quick. We'd create them and then put them—you'd see a floor would go up in a day. It was amazing. You know, it was all done right on location.

Another interesting concept he used was pre-stressing. I mean, it's not new. As somebody explained it to me, it's the technique they use is what made German pillboxes, bunkers so impenetrable, is that the concrete would be laid in a bed. Going through the middle of the bed where the concrete was poured over were these stressed cables about this thick [demonstrates]. I mean, pulled to tremendous, tremendous strength. In fact, if they ever blew the whistle you had to get out there, because if one snapped it was going to cut you in half like a hot knife going through butter.

In fact, I'll tell you a story about one of them did break. What happened, they poured the concrete down in these—in this hole like the size of half a football field. It would dry overnight, and then when they tried they would solder the cables. Then we'd just cut them off at the planks, but all that tension was still embedded in the concrete, and that's what gave it strength. Now, I'm sure I'm using layman's terms, because I'm not an engineer, but in essence that's what gave it this durability, and then that's what we used to create the floors and the columns. It was really incredible. I mean, just being on the job I probably learned more than I did talking to anybody about it. But somebody gave me that analogy, "Yeah, that's what the Germans used in World War II. That's why all our shells just bounced off their pillboxes, and ours blew to smithereens."

Adamson: And you said one snapped?

Pankow: Oh yeah. Like I said, they'd blow a whistle and everybody would get out of there. We're out of there and one of them did snap, and it just went through, I mean wood, metal, it just like a big wave, but it was over in five seconds, about sixty yards worth, and everything that was there was just gone, destroyed, wasted. It was quite a sight to see, but it wreaked a bit of havoc, too.

In fact, I'll give you another story. We had these two pins that went into these columns that were just beams, they were the beams through the building. It was probably about—I want to say about ten yards long, maybe a little shorter, but anyway tons of concrete. It was about this wide [demonstrates] and this high off the ground, and maybe twenty feet long, maybe thirty, I forget which, but they were huge. We put I-beams at each end, and the crane would come in with a hook and pick them up. He did this and he had it up, and he's lifting it to move it to a storage area where we stacked them, and one of the beams broke.

And the guy, boom, it all—see, because now it's just one big—I mean, when he came down he said, "I thought I was dead." The irony is the beam landed right smack dab on the superintendent's truck, right square in the middle where it was parked, destroyed that puppy. This poor guy thought he was going to die, but he survived. Nobody got hurt at the end of the day, other than I think scaring ten years of life out of him. My concern was I had hooked it up, and I thought, oh, my god, if something was

wrong in the deal there, they're going to be, you know, it doesn't matter your last name, they're going to be pissed.

Anyway, when they pulled it out, thank God, the beam, the hook was still on there and it had broken. But the part where you tried on was on there, and the tentacles had broken, so really what it was was a faulty, for lack of a better word, attachment by some manufacturer. Hey, the company went after them and sued them, and got their money replaced, but I needed that exoneration so that I could come to work the next day.

Adamson: Things give you pause. Things are snapping and breaking.

Pankow: Oh yes. Well, plus if somebody got hurt it'd be terrible.

Adamson: Did your father have a favorite project?

Pankow: Another good question. Have you ever seen the picture of Pankow City?

Adamson: Just this morning when I walked in.

Pankow: The artist has taken all the actual buildings and put it in a city. And I didn't—I can't say that I ever heard him say that, no. I can't remember him saying, "This is the one, my pride and joy." I've never heard him say that. That might be a good question for Dean. I don't know if he has.

Adamson: I should ask Dean. What is—do you have a favorite building? If you look at the montage—

Pankow: No, but I like, you know, the ones that I worked on are kind of favorites, because I worked on them for three months. They're kind of fun. They're certainly not the biggest buildings he built, but they're—

Adamson: You worked on them.

Pankow: Yeah. It's always kind of fun. And you know, by the end of the summer you're in great shape. You've earned some money, you're ready to go back to school. It makes school easy when you appreciate working on a construction job.

Adamson: I'm told that many of the company's Christmas parties and/or social events were held at your house. Can you tell us what they were like?

Pankow: Well, they were a lot of fun. They were crowded. If there was a downside, they were crowded. The house, I mean, obviously most recently the house in Altadena, the Rubio Street house is where he was able to entertain best, because it was a bigger house than the one where we lived in Alta Pine [Drive].

But they were, I mean, my dad, I'll tell you, you know, my dad, he knew how to entertain. He did a good job. I think people, if you'd ask them if they'd been to the party, they'd say they had a good time. They were very, very crowded, but you know, I

don't think anybody went away hungry or thirsty. But it was also a good time to see people that I didn't see, because obviously not being in the industry, they were friends of my dad, I grew up with them, and it was a great opportunity to see them, people that were subcontractors, former subcontractors, retirees, former employees, just they seemed like they were always there, and to me it was a good time to refresh memories and say hello. Sometimes it was the only opportunity to do that, until the next party.

Adamson: So your dad kept track of people after they left the company?

Pankow: I would say 30 percent, maybe 40 percent, given the year, were not direct employees at the time they came, yeah, like I said. Some, of course, were never employees. There were subcontractors were consistently doing business with my father's company, but nonetheless, good people to see, some of the same people that we'd go on fishing trips with and whatnot. So, ah, no, I think these parties meant something different to everybody else, you know, but from my perspective it was a time to see some friendly old faces, and meet some new ones, too.

Adamson: So is it fair to say that your father saw his company as something akin to family, or another family, extension of family? Is that a good analogy of his relationship to the company?

Pankow: I think his—I think the company was almost a separate family, yes, for a lot of different reasons, a lot of practical reasons, and a lot of intangible reasons. You know,



what he did with the company, really only he could do and appreciate. I mean, even my mom, whereas she met everybody, couldn't appreciate all the technical details that weren't in the family. Certainly the kids, we didn't, other than working the construction jobs. You know, we worked for the company.

But at the same time, there was a commingling of friendships, when, like I said, we would go on fishing trips to Canada together with some of the guys from the company, and we'd go to football games with them, so there was some interaction. But, ah, when these guys came fishing or went to football games and stuff, you know, they weren't talking shop. They were basically talking football or fishing, depending on what they're doing. I mean, these guys weren't company robots. They were fun guys. They were good guys to be around, and I can see why they were successful. But I would say the company was not an extension of the family, but was, in fact, its own living, breathing entity, that had some cross-pollination, part of the closeness, I call it.

Adamson: So some of these guys went on vacation with you guys.

Pankow: We would. Yes, we'd do things together. I mean, Russ Osterman always had his New Year's Day football party, and hopefully Michigan was in the Rose Bowl, and, if they were, Russ was a tough guy to live with, because you had to hear about Michigan all day long. In fact, he used to have cookies there that had Ms on them for Michigan, and his wife Louise would make them. They were delicious sugar cookies with blue Ms on them, and if Russ got a little obnoxious, we'd just turn them upside down and say, "This

is for University of Washington, buddy. What are you talking about?” But you know, fun like that.

I mean, he went to Michigan and my dad went to the University of Purdue, and so they were big-ten rivals, so that was another issue, and, of course, they both played Notre Dame. That was another fun thing. But, I mean, in the era of Leroy Keyes and Griese, when Purdue won a lot of games back then, my dad enjoyed football. He was beating up Notre Dame, so. But, ah, some of these guys we’d go fishing with up in Canada, and again, everyone was up there having a good time, so yeah, there was—we got to meet a lot of the personnel by just doing fun things, and that was enjoyable.

Adamson: This is stepping back to your grandfather, but raising the issue of where people went to school, did your grandfather ever go—was he trained as an engineer, or did he just begin as a builder in the trades, and work into—

Pankow: I don’t know what his training was. I believe—we were talking about that last night; funny. I think he went to University of Illinois. My brother—dad’s brother went to the University of Indiana, and he went to Purdue, but what his training was, vocation or educationally, I don’t know what it was.

Adamson: From your point of view, what is your father’s professional legacy, looking back from today?

Pankow: Professional legacy? Well, I think he was not only successful, but—I mean, if he weren't successful, obviously that would dilute the legacy, despite the fact that he may have accomplished just as much. But I think the fact that he was successful made the legacy even a little more profound, because I think that some of the key ingredients are the creativity, and if they weren't successful it would kind of dilute the creativity. Like I said, the design-build, this precast yard they've got that probably you spoke to Dean about it, was an evolution of what I talked about when I worked on the jobs back in the seventies, and they have several patents, you know, concrete patents, big in the ACI.

And, ah, I think they were to take these concepts and put them together into a very successful company that had the discipline to basically, you know, I think, handle the competition, or recessionary times, whatever. It didn't seem to slow them down. And I think that focus, I think the company had the same focus my dad did. I think these guys bought into it and were equally as disciplined, and I think that's what made it a success. They were tough guys. They hung in there, and they knew what it took to get things done, and they used these disciplines and some of these creative concepts to execute the plan.

Did Dean speak to you about the—that earthquake patent they have?

Adamson: Yes. After the Northridge?

Pankow: Yes, in concert with the government and the University of Washington.

Adamson: Neil Hawkins, he mentioned from University of Washington.

Pankow: Right. In concert with the three. They don't have a patent on that, because it was co-sponsored with the government. But it's an expensive application to use, from what I understand, but more and more people are doing it. But as Rik Kunnath told me one day, he said, "When I tested it, it held like a Richter scale nine and a half, ten." So pretty impressive, if that were to get tested in a building that they built using that application, and there are buildings going up with it.

So I think that's another example of what they're involved in, and I don't mean to jump the gun or anything, but I think that's the Foundation. That's what really ties the Foundation to all this, because I think that's a big part of their mission is to perpetuate this type of creativity in a way that the industry can use. That doesn't really have that type of resource or focal point. I don't think it should be one place that industry goes to for these things. They just kind of grab out or shotgun approach. Wherever they can grab it, they use it, and hopefully the Foundation kind of can coalesce these ideas, and not just exclusively the Pankow Company, but to anybody in the trade that can benefit from it.

So it gives, I think, the industry a home base that to my knowledge doesn't exist. I mean, things like the ACI exist, don't get me wrong, the American Concrete Institute, but I think as far as doing anything they want within the trade, the Foundation's got that ability.

Adamson: Now, shifting a little bit into the type of company your father established, unlike a Bechtel, your father established a policy not to hire in family members into the

company. Do I have that right? And the broader question is, he never envisioned his company as a family firm that would be generational?

Pankow: No. I don't think he ever envisioned that. As far as policy to not have people work, I mean—

Adamson: You worked.

Pankow: Well, I mean, it was temporary. It was only a summer job. To be permanently employed, I don't know. I personally never had an interest in going into construction, so speaking of myself, if it exists it was academic to me, and I don't know—well, my younger brother ended up going into construction. I guess you'll have to ask him the question: Did he ever approach my dad about having a job there. But I think my dad's feeling was, certainly there would be no consideration given to you. I mean, if you want a job and this guy over here's a little bit better, he's a little bit better and he'd get the job. This is how it is.

I don't think he, ah—I think when he spoke of family companies and what had happened to them, I think his outside perspective of it was not very positive, because second-generation, you know, entrepreneurs, the second generation probably wouldn't even be called entrepreneurs, but second-generation companies I think tended to have a lot of flaws, in his opinion. I don't know if because of that he'd make it exclusionary, but I think he was certainly reluctant, because he'd certainly be cautious. Like I said, I never really talked with him that much about it, because I never had an interest in going into

construction. But I think the track record speaks for itself, to some degree. It didn't bother him whether or not we got involved, and he certainly didn't go out of his way to do that, only because he was busy building what he thought was the best company with the best people. And you know, frankly, I can't blame him.

Adamson: So he set up the company as a corporation.

Pankow: He set—well, maybe initially it was. In 1986 due to some tax ramifications—Tim Murphy would be a great person to answer this question for you—it became where they were allowed to set up master limited partnerships, I think that's what it still is. I think the G.P. might be a corporation, but basically the rest was a partnership. It's an employee-owned company, so it's privately held, and the employees buy units in this partnership, and that is how it's owned.

Adamson: Yes. I was just going off the *ENR* annual report—for the sixties and seventies it was always Charles Pankow, Inc., and then in the eighties—

Pankow: In '86 it changed, yes. So prior to that I'm sure it was a corporation, you're right.

Adamson: So you mentioned your brother Steve went into construction. Was it your father's hope that one of his children would go into construction, or was that just an indirect result of his, Steve's, interest in going in?

Pankow: In all fairness to my dad, he didn't push us in any direction. I mean he, ah, as disciplined as he was, and certainly growing up in the fifties and sixties, you know, we weren't any different than *Ozzie and Harriet*, you know, we were expected to do the right things, and if you didn't, you'd pay the price for it. But in the same breath, for a guy that, you know, ran his own company and ran a tight ship, in our personal life he was amazingly non-meddling. He didn't tell us what schools to go to. He absolutely expected us to go to college, but at that point, "You make your choice, and I expect you to go." Didn't meddle. Beyond that, what profession you wanted to go into was why he respected it all.

I think when Steve went into construction, I think it created a bond of common dialogue and things they could talk about, but I think they both enjoyed it thoroughly. Whether or not it was important for him to be in the company or not to be in the company, I think it was a little more academic. But I think Steve and my dad certainly had that rapport by having, you know, common industry ties and dialogue, and I think that was always I would say a pleasant surprise for my dad. But again, he's not one that would have pushed anybody into it, and he didn't. In all fairness to him, he didn't.

Adamson: So your brother Steve went to college and then just got a job at another construction company?

Pankow: He did, yup. Steve took engineering classes and stuff like that, so he was—prepped himself for it. So him going into the trade wasn't a total surprise. Now, whether or not Steve expected to work for my dad, you'd have to ask him.

Adamson: Fair enough. He hasn't started his own construction company?

Pankow: He has not.

Adamson: Maybe you can go through the other siblings, including yourself and what you've done, and how your father may have encouraged your interests once you expressed them.

Pankow: I've been in banking most of my life, Bank of America for twenty-five years, and, most recently, Comerica Bank, in the corporate-banking side. And, ah, like I said, my dad didn't push us in any direction. Now, I'll say one thing. I never got any sense of disappointment or resistance to anything I ever did. I mean, he was always very engaged. In fact, he did business with B of A. There were times through opportunities I would help him out, do stuff and talk to people in the bank who I knew, and work with him, give him some insight into how bankers think, because I think he thought they were pretty strange people.

In fact, when he was having a tassel [*sic*] with the old Crocker Bank he says, "Yeah, I walked in there and we were having a meeting, because we weren't seeing eye to eye on an issue, and eighteen of them were there, and one of me. I told myself, that's



about fair. That about evened it up. Takes about eighteen bankers to screw in a light bulb, so.” But he’d ask me, you know, certain things about nuances of the banking business that didn’t quite make sense to him, and I’d explain them the best I could, made some introductions for him at the bank, so you know, in that regard we had our rapport and industry bonds as well.

But as far as him discouraging or encouraging me, I think he was somebody who thought, you know, “Okay. My job is to give you the tools. I gave you an education, brought you up. Rick, go figure it out.” And, ad, that’s just the kind of thing that would happen, and I say it in a very positive way, a very positive way, because I think, you know, the sooner you take away the crutches, the better you’re able to walk, the sooner. I think he felt that way, too. That’s my personal opinion and, ah, but I don’t think Chip or Steve would disagree.

And Chip, basically his love was travel, and so he ran a wholesale travel business that primarily catered to religious groups going to the Middle East. So he’d take trips to Israel and the Middle East, I mean on a wholesale basis. He did that until, well, I don’t know, unfortunately 9/11 pretty much tanked that industry, but he was doing that for I think about ten years prior, and having a good run at it. I think my dad liked that, too. He’d set up trips for my dad, too, you know, so that everybody either directly or indirectly got involved with something that they did with their profession and then my dad’s.

Adamson: Your dad traveled a lot. Is that something he liked to do?

Pankow: He loved traveling. In fact, we kind of kidded about the fact that if he was near an airplane, it didn't matter where it was going, he was a pretty happy guy. He did like traveling, and he enjoyed flying, and I'm sure he had more frequent-flyer miles than anybody this side of the Mississippi. But no, he liked traveling and he took us on a lot of trips. I think he gave us a secondary—not a secondary, but a second education with all the traveling in different cultures he exposed us to. And I mean, I think sometimes we take that for granted, but when you look back on it, it was fantastic. I mean, what he did and what he showed us through traveling with us is phenomenal. We talk about it all the time, all the places we went with my dad. I mean, it's just something that stays with you forever.

So in that regard, he was a professor. He showed us a lot, and you know what? He was a great guy to travel with, a great guy. This guy knew how to—he was a fun, fun guy. Went out with my dad, we had fun. I mean, my dad didn't bring any baggage with him when he was out traveling or having fun. That was it. There were no—there were no hidden agendas, just like, “Okay, here we are. Let's go have some fun,” and we did. We went fishing with him, we were to fish and have fun, and we did. I mean—there was—I can't think of a time where Dad said, “Want to go there and do this? I can make time for it. I could be there. I was there in a heartbeat.” Because it's just how he was. He was fun to be around, and it always ended up being something that we were happy we went, always. We talk about that, too, a lot.

Adamson: That's great. So how did your, stepping back to the company, the people in the company, how did your father encourage or mentor their careers?

Pankow: Well, certainly I would say—ironically, I know the original guys a little bit better, because they were living in our garage. But I think just the fact that they grew together and struggled together, and I think, you know, they were almost living on top of each other, I think that everybody’s strengths, you know, came into play. I’m sure their weaknesses did, too. So, and the fact that they, you know, grew from nothing, because it was tough. My dad would talk about, you know, he’d go to Union Bank and ask for a loan to do construction. They’d say, “Well, you’re not with Peter Kiewit anymore, are you?”

“No.” So it was tough. He got some no’s along the way. I use Union Bank as a bad example, because that’s the bank that actually said yes, and so, ah, let him get a start. It was a job in San Francisco. They would get in their car and they would drive up there on Sunday night, work up there and drive back down Friday night, you know, the family weekend. But they’re up and down. These guys were just, they wouldn’t take no for an answer.

So I think they were—I think mentoring them, I think the fact that he stepped out first and said, you know, “I’ll carry the torch,” they were happy with all of it, because they were tough guys, too, and they worked hard. It’s just amazing when you look back on it, just what happened. I think, you know, was that an era where it was easier to happen? I don’t know. I guess you could say it was, you know, less regulation, less this, less that. But in the same breath, you still had to be able to pull it off, so I give credit to the guys who did it. I think they did a great job.

Adamson: I think you answered this in the affirmative, but maybe you can elaborate on—at what point you perhaps took an interest in the ins and outs of the company, and sort of followed its activities, talked to your dad about it?

Pankow: Well, I mean, it was my dad's company, so I always had an innate interest in it. I mean, intrinsically you're interested in your father's activities. So I think that always went on, whether it was casually or seriously or whatever. I think that always went on. And it became more and more successful. And I won't kid you, people would ask, "Is Pankow, is that your parents' company or something?" And the answer obviously is yes, you didn't lie to people, so by virtue of the fact that I got asked that question, I think also I wanted to be better armed with what it's about, even though I was not in the company, it was an item of discussion often. It was not that I wanted to know anything intimate about the company, but I was always interested about generally what was going on, partially to satiate questions that I didn't really solicit, but in the same breath because they were of interest. So the combination of the two, I think, you know, natural circumstances kept me involved, or kept me interested, if that was your question.

Adamson: No, my point of reference is growing up in an auto town, so anytime there was a strike, anything that happened with the car factory was everybody's, you know, it affected everyone in the town, so you couldn't get away from it. Here you're building buildings in different locations.

Pankow: Well, the cranes are pretty high, and the sign's on it. People see them, so it does attract some attention, there's no doubt about that.

Adamson: You mentioned working on jobs in the summertime, and I really haven't pursued this with anyone, but the relations with the union, the builders, was that a direct relationship between the company, or is that pretty much between subcontractors and the people they hire?

Pankow: No. I mean, there were subcontractors on a job. I was hired by the company, but I had to join the union. All the—to my knowledge, my dad only does union work, and all the jobs I was on were union. I had to go in and join a union. Most cases—pretty easy. The superintendent would go down there, knew the union guys. I'd pay them a fee for a summer permit and go in to work.

Now, it was interesting. One year I couldn't get into the carpenters' union, which is where I did two of the three years. So I could only get in the laborers' union, which is not a problem, but a little different union. So we went where the superintendent took me down to a bar at ten in the morning, and, you know, the union boss is down there slugging them down. I had to give him cash for a hundred dollars. Back in the early seventies that was a lot of money, but that's what it took to get in, so that's how that got handled. But that was the union regulations, not ours. I just—But I had to have a union card to be on the job. The stewards wouldn't put up with that for very long.

Adamson: Shifting gears again a little bit, what charitable causes or philanthropic activities was your father associated?

Pankow: Numerous. I know, in fact, we just about a year ago went down to City of Hope and saw some of the stuff where he contributed to the City of Hope, but they had some little plaque out there and stuff. But we just went down there and talked to them, because I know he was pretty involved with it. He would—in fact, I think he did a lot of charitable events at the house in San Francisco. It was a very big house, and a lot of events went up there. A lot of them were for charity. City of Hope was one of them, but there were numerous other charities that he did things for.

He was also very loyal to his alma mater, Purdue, and he did benefits for them, and by using the house it gave whoever the beneficiaries were a very inexpensive format to have a very elaborate presentation. So, ah, what I could do is I could be a little more specific after the fact, and give you some information on that.

Adamson: Sure. What does your father's art collection mean to him, and the collecting of art itself?

Pankow: You know, that's another interesting aspect of his life. It was like we were talking about earlier, you know, my dad was always growing. As almost a spectator, I was always very impressed by all that. You know, he was a builder, started a company, then became a manager of—when I say manager, in the most liberal interpretation of a manager—when I say manager it's in a liberal sense where not only a financier, a human-

resources guy, everything. He understood everything about the company. Not that he did everything, but he understood it.

And now he expanded his own personal horizon with art. He got very, very involved in it. He did the icon collection, which were predominantly Russian icons, but he also had a very extensive Oriental art collection, an antiquities collection that was predominantly Egyptian and Greek and Roman. But I mean just by getting involved with these things, I mean just you're researching it, you're educating yourself, and it was inevitable. You couldn't help but not be interested. You'd see these things, you would ask questions. And what it would mean to him, I think it was just a personal satisfaction of having the appreciation of, you know, historically what people did and what they created, and he just got into it, and he loved it. That's all I can tell you. He never said much about, "I have to have this piece, or have to have that piece." That's not kind of how he was, but at least not around me.

But he would take the collection and he would like send it to Purdue or other people that let it tour around, but basically it was down south in the house in San Francisco, and just fantastic stuff, I've got to tell you, just fantastic stuff. You'd appreciate it. You couldn't help but appreciate it.

Adamson: Dean Stephan suggested that your father absolutely loved San Francisco. Is that one of the reasons why his art collection was up there?

Pankow: Two reasons. That's one of them. The other reason was the house was big enough to hold it. I mean, this—the house up there was called Le Petit Trianon, emulated

after the Trianon in France, and it had—I can't remember how much square feet it was. Jeez, I should know these things. But it was at least 8,000 square feet, maybe even considerably more. But the fact of the matter was that it had three floors, an atrium around it, and a lot of big rooms. It was a place where he could display the artwork. It gave him a format to have the art seen.

And he did like San Francisco, yes. He had a good time up there. He liked the town. Despite his quirks, he liked the town. He just thought it was a very energetic, live town. He never got involved with politics there. I think that would drive him batty. But in the same breath, he coped with it and dealt with it. I think he just thought the town had a personality and a culture and a liveliness to it that was just unique, and when we were up there going out with him, he'd show us different places. I could see that he did enjoy it, so the answer to your question is yes, plus the size.

Adamson: I think Dean said that at the first job that the company did when he started his own company was Broadway and MacArthur Center in Oakland.

Pankow: I think that's right.

Adamson: Was that his introduction to the Bay Area, or had he been up there before?

Pankow: Well, I think via Kiewit he'd been up there before, but for the Pankow Company I think that was his first, and they did a lot of work up there. Initially they did a lot of work for the telephone company. They built a lot of their buildings in the city, as



well as in the East Bay, and it just expanded from there. But I think San Francisco was a very good client and friend for my dad as things started out. Hawaii came down the chute later, and they did a ton of work in Hawaii as well, but where they had the office is where they had the work. San Francisco—they were always busy. Hawaii was always busy, and actually, Southern California was probably the weakest of the three sisters.

Adamson: It was a while before they actually opened up a San Francisco office. Was your dad commuting a lot up and down?

Pankow: Well, in the embryonic stages of the company they couldn't afford two offices, but as things got going, they had an office in San Francisco not too late in the game.

[The San Francisco office opened in 1965 at 690 Beach Street.] In fact, first the office they had there I think for a dozen years—you know where the cable car is at Fisherman's Wharf, that brick building?

Adamson: Yes.

Pankow: They actually had the corner spot of that brick building. In a lot of old movies about San Francisco you can see the company's name there, so that's where they were for a long time, and then when it got condemned or people were evicted because they had to get it shored up, so everybody had to leave.

Adamson: What art pieces, what pieces from the art collection remain with the family or the Foundation?

Pankow: Well, none. I mean, there were some pieces that were not part of a trust, where it was in turn donated to the Foundation, because that's the seed money for the Foundation was liquidation of the art collection. So there are some pieces that are at my mom's home that were her personal stuff is still there, and some items that were across the way at 3810, the smaller house, that was not part of it either. But the lion's share of it has been sold.

Adamson: I understand your father never really retired. Can you elaborate on what he did in his—

Pankow: Well, you knew he wouldn't. There was no idea—he wasn't going to retire. But he did start spending more time, I think, traveling with my mom and stuff, which was nice to see. I think he was getting a little more hands off, because he had guys that could step in and run the show. The current successors, Tom Verti and Rik Kunnath, you know, they're doing a great job, and they were there with my dad. In fact, Tom Verti and I played Little League baseball together. Kid was a slugger. But it allowed him to, and I think he also recognized the fact that the company had to run without him, so I think he became more disengaged, but never to the point where he didn't know what was going on all the time. But would he retire? No. Never saw it in the cards.

Adamson: The Foundation's website states that your father set up the Foundation for the purpose of advancing innovations in building design and construction. Was setting up such a foundation for these purposes something he had planned to do a very long time?

Pankow: I think the original plan was to do it through the University of Purdue, and for mostly logistical reasons and political reasons, not with Purdue so much, but with, you know, San Francisco and having business there, it became untenable to have all this run through Purdue. I think he wanted to maintain the house for their benefit in San Francisco, and that met the local resistance, so I think he came to the conclusion that probably the best thing to do would be to simply create a foundation, fund it with assets that would have otherwise maybe gone to the university, and, in fact, went to the Foundation, because the Foundation doesn't need artwork, it needs money. So the artwork became a means to an end as far as creating a foundation for these purposes.

So it went through some evolutionary thinking. I mean, there were different processes going on that I think caused him to go forward two steps and back one, maybe left one or two, but ultimately ending up in this foundation, which I think, you know, is probably very appropriate, because, you know, it's the brainchild of the Pankow Company, started by the Pankow Company and by my dad, and serves the industry that he loved. So I think it was kind of a nice culmination of a lot of events and vision, a little frustration in other avenues.

Adamson: So you said that the Foundation was funded by the sale of the artwork predominantly?

Pankow: Yeah.

Adamson: Did this occur at the end of your father's life, or after?

Pankow: Yes, after.

Adamson: So the Foundation didn't get started till—

Pankow: The Foundation was set up. Obviously he set it up, but it really, really didn't get rolling until then, no. Because obviously he'd want to enjoy the artwork while he was around, but yeah.

Adamson: So with Purdue University he was funding their programs prior to that?

Pankow: He was—He'd given Purdue money. He'd help in certain situations, and I think at one time he wanted Purdue to be involved with the house in San Francisco. But like I said, for political and local reasons, they just couldn't get it off the ground. And they were fighting an uphill battle, so I think it kind of changed the direction of things. To make it—To oversimplify things, I think the Foundation was the solution to it.

And also, I think, the Foundation, again like I said, it kind of—this is my opinion. The Foundation kind of had its own fresh start. It didn't have the bureaucracy of a university to go through, and all. You know, hurdles [unclear], certain patrons to satisfy.

The Foundation now had a mission. They were starting fresh, no prior obligations, no strings attached. And again, my personal opinion, I think that these guys because of that are off and running faster, quicker, and whereas they had to create some of their own parameters because they're starting new, that probably is a bit of a challenge for them. But I think they've gotten out of the box very well, and, in the same breath, are able to do a lot more, because they don't have any strings attached. So I think whether by design or by happenstance, it's working out good.

Adamson: I've heard other people mention the University of Detroit. Is there a connection to that university with your father, or is that other people in the Pankow family?

Pankow: Must be other people.

Adamson: Maybe someone else went there. I've reached the end of my questions, and I'm sure you asking yourself questions could have come up with a lot more things to say, so if there's anything more you want to discuss, or something to bring up, let's, ah, we can do so now.

Pankow: No, those are good questions, actually, very good questions. But when you talked about there being a corporation or a master limited partnership, you know, they were being successful, but they weren't anything near what they were today. It may be of some interest to you as to speaking of the focus of my dad, he did tell me a story. He

says, “You know, Rick, a guy came up to me and said, ‘I’ll pay you money for a majority interest in your company.’”

Adamson: Who was this?

Pankow: Probably a guy in another company or something. I think it was another company. And according to my dad it was a lucrative offer, because it gave him a reason to pause and think about it. He said, “But at the end of the day I just couldn’t do it.” He says, “The reason I left the first place—would have changed everything. The reason I left was to run my own company, have my own thoughts implemented, and use our own creativity, do what we want. If I sold to somebody else, yeah, I could be financially comfortable,” he said, “but then the whole purpose is gone. So I said no to that.” I believe at the time he was trying to give me an example of something I was going through, but nonetheless I recall him having that episode in his life.

Again, something that maybe Dean told you that I think is interesting, seeing as I went to UCLA and he [my father] went to Purdue. His high school baseball—not basketball coach, because this guy coached basketball and baseball—was Johnny Wooden.

Adamson: Your father’s?

Pankow: My father’s baseball coach in high school at Central High was Johnny Wooden, so we always have that connection.

Adamson: That's a good one.

Pankow: In fact, I'll tell you a quick story that speaks to his loyalty and sense of humor, and we can leave it at that. My younger brother donated a kidney to my dad about ten, twelve years ago, and the operation was successful. And they say sometimes when that happens you pick up some of the, you know, traits of the donee [*sic*]. Well, my dad never liked chocolate, but my brother did, and ever since the liver [kidney] transplant, my dad's just been nuts about chocolate. And I kind of kidded him, because my brother's also a big UCLA fan. So I asked him, I said, "Well, you've heard [about the DNA connection]?"

He says, "Yeah." He says, "I know."

I said, "Well, do you think that as part of that DNA transfer, now you'll become a UCLA fan?" because he's such an avid Purdue fan.

And he looked at me and he said, "Rick, it was a liver [kidney] transplant, not a brain transplant." So I thought that was pretty funny.

Adamson: I've come up with one more question, since you've mentioned—

Pankow: Absolutely. Shoot.

Adamson: This gets back to the business. Dean Stephan mentioned captive projects, I think a couple in the Northwest, and maybe Hawaii, where your dad and maybe Russ

Osterman and maybe George Hutton were actually the developer-owners as well as the builders.

Pankow: They did a few projects like that, yes.

Adamson: How did that—Do you have anything you could add to how those came about and how that was different than just building, for your father?

Pankow: I wasn't party to any, you know, the negotiations or how they set it up. In hindsight, kind of like Dean's point, they got involved in some development projects, and I really don't know how successful they were. My sense is they did it on several occasions, so they must have come across with some success. But for me to give you any substantial details, I'm sorry. I know he did an office building in San Jose where they developed it, and after the depreciation ran out they sold it. They did very, very well there. And they did some projects in Hawaii that were very similar to that, some condominium developments. They were involved, they developed and built it and sold it. I think they did very well. That's just my observation. I don't have any empirical data to give you on that. If I did I would; I just don't know.

Adamson: And digging back just to the start of the company, when your father started the company it's my understanding from Dean that he got work pretty quickly, but did he ever have to borrow money upfront, or had he saved money to start up the company, or is that part of the process?



Pankow: He used his, what's the word, I'm thinking like a retirement plan.

Adamson: IRAs or whatever they had, pensions?

Pankow: Whatever they had. I don't think they were subject to penalty back then, because I remember him saying that he had to wait a certain period of time before he had access to that. So he used company savings for that—that he had with Kiewit. Of course, they would borrow for projects. I mean, these jobs were financed just as project financing, so the answer is yes, he had to borrow. I think they had to borrow for—I would suspect they may probably borrow today, just as a matter of practice, whether they need the money or not. But he definitely had to borrow. Like I told you, Union Bank gave him his first break to finance the project up in the Bay Area, so without financing it would have been impossible. That's my observation.

Adamson: Thank you for your time.

Pankow: Pleasure. Nice talking with you; nice meeting you.

[End of interview]