



Oral History of Boyd Smith

Interviewed by:
Marguerite Gong Hancock

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Hancock: Welcome, Boyd Smith, to the Computer History Museum.

Smith: Thank you.

Hancock: Really thrilled to have you here to add your oral history to our collection. Today is December 18th, 2019, and I'll be interviewing you on behalf of the Museum. My name is Marguerite Gong Hancock, and I help lead the Exponential Center here. So, Boyd, as is tradition, I'd like to begin at the very beginning and ask you when and where you were born and if you could describe just a little bit about your family and your early years.

Smith: Okay. I was born in Oakland in 1940. We lived here for a few years, actually, two years, prior to the outbreak of World War II. My father was inducted into the military. He was an officer in the ROTC. He was given an assignment in China to be an American adviser to the Chinese Army. During the two and a half years he was gone, I lived with my mother and grandmother in Salt Lake City. When he returned, we moved back to Oakland. He took a job with Golden State Dairy and then the Lindsay Brothers Housing Development, which was the largest prefab-home builder on the West Coast at that time.

My father was raised in a ranching family. When his father died, my father decided he wanted to take advantage of all of the virgin timber that was on that property, so we moved back to Cedar City, Utah. He opened a business there. Incidentally, he had also homesteaded property up in the North Fork of the Virgin River. He went into business there. I spent a lot of great times with my father out in the country. In the process of his work, he injured his back very severely. He had one of the first spinal fusions. After that, he had to completely change his livelihood. So he went back and got his CPA, going to school at the University of Utah and also working in Las Vegas for the power company there, getting the experience he needed as an accountant to get his CPA. We then moved back to California. On the way back to California, my parents dropped me off at Zion National Park. I was 15, and I was an all-night janitor for 3 months making 27 cents an hour.

Hancock: Was that your first job?

Smith: Well, I had a job before that in a printing office. I was what they call a printer's devil.

Hancock: A printer's devil?

Smith: A printer's devil, yeah. They do odd jobs. It was a small printing office, a once-a-week newspaper, the *Iron County Record*. So, we came back here. I finished two years at Palo Alto High School, where I met my wife, Jill Johnson. We both went to the University of Utah. After graduating there, we moved back to Palo Alto. I was admitted to the Stanford Business School. I spent two years there. In 1964, I took a job at the International Center for the Advancement of Management Education at Stanford. I was there for two and a half years.

Hancock: I wonder if we could just pause there and go back just a little bit.

Smith: Okay.

Hancock: How did you decide to come back to the Bay Area and attend Stanford? What was your thinking about that big decision?

Smith: I felt like I needed to go to graduate school. I was an economics undergraduate at the University of Utah. I didn't think that fully prepared me for a successful career. So, I looked at either going to law school or business school, and after looking at them both, I decided I didn't want to be an attorney; I wanted to go into business. I didn't find a job I liked after, so I went to work for the Business School. That was an eye-opening experience for me, because I did a lot of traveling abroad, interviewing professors of management from the developing countries, bringing them to Stanford for special programs.

Hancock: That was very early on. Do you remember some of the countries that you went to during that time in that role?

Smith: Yes, I went to Thailand. I went to India. I spent a lot of time in India. At that time, East and West Pakistan, it's now called Bangladesh. I went to, what was it called, Ceylon? I forgot what that's called now, a large island at the bottom of India.

Hancock: Sri Lanka.

Smith: I went to Beirut, into Lebanon. I spent most of my time in India. And, now, I was gone 6 weeks. The next year, I decided if I was going to stay at Stanford, I should get a Ph.D. if I was going to stay in education. I didn't really want to do that, and so I was looking around for another job. In the meantime, they sent me around the world again. This time, I took Jill with me. We were gone another four-- a month. We came back. I had applied for the job of manager of real estate. I was not [given the job], but I was given the job of assistant manager of real estate. A classmate of mine took the job. He had some family issues. I got the job.

Hancock: That was fortuitous.

Smith: Yes, it was. Life is based on that, often.

Hancock: And what was it about real estate, because this was to become your lifelong work, in real estate. What, was there something specific that attracted you to that particular role at Stanford?

Smith: Well, in high school, I had a very close friendship with Richard Peery and his father was working for the Bank of America, and on the side he was doing commercial real estate. I talked to him one time about my career, and he suggested that I go into business for myself and that should be a goal of mine. And I think that's what pushed me in that direction.

Hancock: And so, you started in real estate for Stanford. And what were your roles? What was your job at the time?

Smith: I was the assistant manager of real estate for about 9 or 10 months, and then I became the manager, so let me just couple up those together.

Hancock: Okay.

Smith: I was responsible for the Stanford Industrial Park, the Shopping Center, the commercial office development on... I can't think of the name of the street now [Welch Rd.], next to the hospital, and also all the outside properties along gas leases [ph?]. I had a big job.

Hancock: That's a huge job. You were very young...

Smith: I was 25.

Hancock: ...to have such a big responsibility at the time.

Smith: It was. It was. It was a big responsibility, and I thrived under it. It was a very busy time in my life. I learned a lot. At the end of every day, I kept a very comprehensive log about everything I had got into, I had learned that day. When I left, I had a stack of papers that were almost two feet high.

Hancock: Two feet high?

Smith: Two feet high. Every day, I wrote things.

Hancock: As you think about your experiences there, maybe you could take us back to the beginning of, what was Stanford Industrial Park like at that time? That was very early.

Smith: Let me back up a little bit before that, because Stanford had a problem. They had a lot of land. They couldn't sell any of it. It had to be rented. So they had to put it to some kind of productive use, unless it was being used for academic purposes, else it was taxed by the county. And the tax became burdensome at that time, the property tax. And so, Stanford had a very detailed study done about how... studying how property could be used. It turned out it was bad agricultural land, and so there was a railroad spur that ran through Stanford at that time just on the edge. So, at that time, you had to have railway access if you were going to have manufacturing plants, so they opened up 50 acres. It now fronts on El Camino. They opened up 50 acres for an experimental industrial center there. And one thing led to another and it became successful and it grew into what it is today.

Hancock: Those early decisions turned out to be so important, not only for the University but for what has become Silicon Valley. Can you say more about the rationale and the strategy of the people who were shaping that, besides wanting to use land in an experiment? What was behind the experiment?

Smith: The idea was that there should be a place for the industrial application of some of the knowledge that was being generated and produced on the campus. For example, Dave Packard and Bill Hewlett were graduate students at Stanford under Frederick Terman. They started a company in their garage. It

was a successful company. They needed someplace close to their homes to have the plant, so they leased property at Stanford. The same thing happened with Varian. There were two Varian [brothers] ... they were both science professors at Stanford. They wanted to start a company. So, it was convenient for them to have a place where they could work and start a business associated with the campus that was close by where they were living and working so that they could go back and forth. And the same thing with graduate students who would be hired there on a temporary basis to work in their facility.

Hancock: So, in that time as the land was being developed, and Varian was the first tenant, I believe, at the time?

Smith: I think they were close to it, yeah.

Hancock: Yeah. What, were you involved in any of the decisions about allocation of land or the negotiations of who would be tenants, or what the cost would be, or any of those aspects? What were your responsibilities?

Smith: I was not involved initially. When I came to Stanford Real Estate Department, I was... I saw the Industrial Park as a beginning. At that time, Hewlett-Packard was located on the Park, in the Park. Syntex, which was a scientific company that invented the birth-control pill, also Stanford professors, was there. Varian was there. And Watkins-Johnson and another high-tech company was there. So, that was all in place at the time. There was still a lot of vacant land that had to be rented, but the genesis was there, and I think it had been established that they didn't need a railroad spur to have a high-tech company. So, eventually, the railroad spur was abandoned, but that was the initial impetus for the park.

Hancock: I didn't know about the railroad spur.

Smith: It's still there. If you go to McDonald's on El Camino, you'll notice behind it a strip of land. That's where the old railroad spur used to be going to Los Altos.

Hancock: So, that's what that little piece is! Interesting! <laughs> Who were some of the people that were the prime movers or decisions about the development of the Industrial Park and that you might have interacted with or that you worked with at Stanford?

Smith: Sure. I think the impetus and the idea was generated, basically, by Alf Brandin, Wallace Sterling, who was the president of Stanford at that time, and also Frederick Terman. But I think it was the business impetus of the thing was basically generated by Alf Brandin. They also used Colbert Coldwell, the founder of Coldwell Banker, as the consultant, because this, they were getting into an area they didn't know much about.

He also, incidentally, was one of the prime developers with the lead in the Stanford Shopping Center, but we're not talking about the Shopping Center. So, I think they discovered very early, once they started this idea of using surplus land for productive industrial and research capabilities, they discovered that it caught on and it was something that was needed and wanted. They also had a unique approach to

development. This was going to be an industrial development. You know, it used to be called the Stanford Industrial Park. We think of it now as the Stanford Research Park, but then, it was Industrial. They decided that it needed to be high, high quality. So, they controlled the architectural process very carefully, so someone couldn't build a very nice-looking building and then someone come in next to them and build a Quonset hut. They wanted beautiful buildings, beautiful landscaping, which was that was the unique concept at that time. It really wasn't happening. It wasn't happening anyplace else in the country as far as I know.

Hancock: What would be typical in other parts of the country? What was the architecture like?

Smith: Haphazard development, haphazard architecture, haphazard development, cheap buildings, minimal landscaping or no landscaping.

Hancock: As we look at the Park, we can see that the parking was behind the building. There's this beautiful emphasis on nature and landscaping and this, I would call, sensitivity to nature, but that was part of the...

Smith: That was part of the original idea: let's build a commercial facility that is quality, that is appealing, that when you drive through it, you like what you see. It feels good from the inside out. It's a positive experience as you see it. And then, once you build one quality building and you control the architecture, all the architecture was controlled by the university. There was the university committee, composed of faculty and staff, on building and architecture, and a company couldn't build and get approval for a building unless they gone through that process. So they had faculty members on that that were critiquing and looking at the... And they also had a planning office that worked on that. So, it was very, it was meticulously organized and meticulously implemented and with the idea of quality all the way through. So, before, if you build something very nice, someone might build some crummy building next to you, so it took away from the attraction of the building.

Hancock: So, as tenants began to move into the park, then, would you believe that was important for the quality of companies and people that it was able to attract?

Smith: I think it was essential. I think that's the reason they came, because they had some barriers when they came to Stanford. They couldn't buy the land. When the Stanfords endowed the university with their farm, they put a provision in the founding grant that said that their land could never be sold. And so, or if it was sold, then the whole property, then the whole, all the land in the university, the buildings reverted to the Stanfords. So, the companies who came to Stanford had to realize they were not going to be able to buy the land. They were going to have to lease it.

Hancock: I'd like to return to Alf Brandin. He is somebody, I think, who was not known as well as Frederick Terman. Can you say more about what kind of a leader he was and his impact on you personally and also on the university?

Smith: Alf Brandin was a magnificent man. He was a character. He played football at Stanford. He was an All-American football player at Stanford. He was one of the Vow Boys. They vowed they would not be beaten by USC. He was a big, jolly Swede who had a great sense of humor, and a disarming man when you spoke with him. He was just... just a very unique person. He was honest as I've ever seen. He basically helped me understand that integrity was the foundation of business. As a young man coming into a field for the first time, you know, you're feeling your way. He made me understand that not only was it desirable, it was essential, because this is Stanford. We do things right. We do things above board. We are honest. We don't cut corners. Everything is right. But, yet, at the same time, he was just a whole load of fun. So, he was definitely my main mentor and the man I will always revere.

Hancock: That's a beautiful tribute to him. When we think about how the Park related to the University and the other land development that was going on, can you say more about that? The Industrial Park was just one piece of this larger group of development. You mentioned the Shopping Center and others. Can you--

Smith: And the Welch Road office building.

Hancock: The Welch Road. So, can you describe that larger context that Stanford was beginning to develop with its land and the larger community?

Smith: Well... once they started and discovered that there was a-- of course, the peninsula was growing at that time. People were building new schools, elementary schools. There was a growing population in this area. And they discovered there was a need for these attractive facilities. And so, one thing led to another with the, first of all, the Welch Road professional area, which was all office buildings. They would not allow an office building to be built in the Stanford Industrial Park at that time. If you wanted to build an office building, you built it on Welch Road.

The Shopping Center was developed as a...As I have mentioned, Colbert Coldwell used to sit on the [Board]. He was not a trustee, but he used to sit on the board when they discussed the Shopping Center. And so, the whole idea is that I think the university awakened was awakened to the idea that they had viable commercial property.

You have to remember that when I first moved here, this was the land of orchards. The Santa Clara Valley was one of the richest agricultural areas in the world. What's today Silicon Valley was then filled with orchards. I used to work for PG&E as a lineman, and I've been through all those orchards in Sunnyvale and San Jose and Redwood City. The whole area was filled with orchards.

Hancock: What was growing?

Smith: They grew apricots. They grew plums, and they grew peaches and fruit trees. It wasn't so much farming; it was orchards. Stanford didn't have that kind of land, but south of us, there was lots of it. There were thousands of acres of orchards and they were beautiful, particularly in the spring when all the blossoms were out.

Hancock: So, as you think about this time that you are coming, it was very, as you say, very early, and the real estate really stood out, this growing cluster of development, in contradistinction to the orchards all around. There was so much new job growth and new companies. Who were some of the other companies that were starting to come and build in the Bay Area at that time?

Smith: Do you mean companies that were building buildings or companies that were creating jobs, or, I mean, manufacturing companies?

Hancock: Manufacturing-- both, actually. So, it would be interesting to hear the job, the manufacturing companies and also those who were part of this real-estate growth and development.

Smith: Okay, well, I think that in terms of companies, originally, there were a lot of fruit packing plants. Again, this was an area of orchards, and so there was a lot of fruit being packed. That goes back prior to my time, but even then, there were lots of fruit, lots of it. Del Monte had a big facility. I think it was in Sunnyvale. It was a huge cannery. So... other large companies... I can't think of any right now. Maybe I will. Rinault & Handley was a major real estate company at that time. Peery Arrillaga got started very early, prior to my time. Tom Ford, who was an institution around here, he was the one. He was the first manager of real estate at Stanford, and then he built 3000 Sand Hill Road as a place specifically for venture-capital companies. He was very prominent in the area.

Hancock: So, against this time of great growth, there was also a time of political unrest.

Smith: Always. There's always been tension between Stanford and Palo Alto. They call it Town and Gown.

Hancock: <laughs> Town and Gown. Can you describe about some of those, some of your direct experience or what you were able to observe during those early years, just the '60s and the '70s?

Smith: Stanford was developing, but they were developing in property that wasn't within the city of Palo Alto. So, Palo Alto didn't like that, so there was a big annexation battle. They, Palo Alto, you probably know, doesn't control the main campus, but they wanted to control the, let's call it the commercial side of the campus. So, when I was there, the big, the big contest was between Syntex and... Syntex was just a company that wanted to build a facility on the Stanford Industrial Park, and Palo Alto didn't want them to do it. So, the issue has always been traffic, traffic and housing. It's still today. But it was very much in force at that particular time, constant back and forth between the city and Palo Alto, referendums and all kinds of conflict.

Hancock: So, you mentioned that you learned so much every day or accomplished so much that you would write your notes. During the nine years that you were in that role, what were some of the biggest challenges that you faced or some of the accomplishments that you are proud of that the university was working on with its real estate?

Smith: Stanford is surrounded by five cities and two counties. Each entity, each of those entities would like a piece of Stanford property. They would like to control it. And so, it was a very... very... difficult period of time. I spent almost three nights every single week for two or three years before city councils and planning commissions in the county, the two counties and the cities, basically trying to fight off their efforts to try and grab control of Stanford land. So, I spent a long time every single week on that, sometimes until 12 and 1 o'clock in the morning. So, it was a very difficult time. And the other thing that was going on at that particular time was the student and the area reaction to the Vietnam War.

There was tremendous turmoil on the campus. At times, there were hundreds of demonstrators on campus, breaking windows. The police were in full force. One night I was in... My office was in Encina Hall. There were people outside, hundreds of people, throwing rocks, breaking windows. We used to have to-- I used to have to come into work at 5 in the morning to be able to get past the students to get to my office.

Hancock: Sounds terrifying! It was very violent!

Smith: Oh, it was a very difficult time. They burned the president's office down. They broke all the windows in the Hoover Institution. I was part of the military-industrial complex, because I was in the real estate portion of the university. I was cartooned in *The Daily*. I had to continually write articles defending what the university was doing. It was a very busy time for me.

Hancock: So, as you look at that period of time, you accomplished so much in these relationships with the other cities and counties you mentioned. Is there anything that stands out in your mind as a particularly formative experience or accomplishment that you would like to highlight... in that time when you were with Stanford real estate?

Smith: I think just holding on. I can't think of any particular thing that the...

Hancock: That's fine. When you left, a lot had been developed and changed.

Smith: A lot had. That's right.

Hancock: And so, what was it like? You mentioned how it was, so early days, and almost a decade later, what had changed? What had developed or come to pass?

Smith: Well, on the campus itself, it was me. I had two secretaries. We did everything. After I left, there's 30 people that deal in the real estate department now, maybe more.

Hancock: <laughs> It took a lot of people to fill your shoes.

Smith: Well, I'm not sure about that, but they changed the whole management situation. Ernie Arbuckle, who was the dean of the business school, when I left, he said, "That's exactly what they're going to do, boy. They're going to hire a lot of people to replace you." So, I think I was holding up a lot at that time.

Hancock: And you then decided to strike out on your own. Is that right, with your own firm?

Smith: Yes, I decided to.

Hancock: With some partners?

Smith: I actually went in partnership with Jack Wheatley, who was a commercial builder at that time, and Richard Jacobsen, Jack's partner's son, and we started developing. I think what we did that was, that hadn't been done yet in the park, we started building spec buildings. In other words, you build a building. You don't have a tenant for it. That hadn't been done in the Stanford Industrial Park.

Hancock: Really? That was a new...?

Smith: That was a new, brand-new development.

Hancock: A new kind of approach. Interesting.

Smith: It was a totally different approach.

Hancock: It took risk capital, then.

Smith: Oh, yes.

Hancock: And how did that work to be able to float and not to have a purchaser ready who was...?

Smith: Well, you stick your neck out and hope for the best. And sometimes you have to wait a long time to... And, of course, it can be very hazardous. Initially, we went in partnership with the Coldwell Banker fund. They gathered money from institutional investors, and they helped finance part of our development. But since we could do it on our own, we did it on our own.

Hancock: To do that, you needed to know who your best prospective tenants would be, your purchasers or tenants. At the same time, industry was developing very, very rapidly. There were new industries and new technologies. How did you go about trying to understand how the business was going to... the business leaders were going to evolve, so you would know what to build and for whom?

Smith: Well, you don't know for sure. You stick your neck out quite a long way. There's been a lot of developers go broke because they put out the risk capital and the opportunity didn't come. So, our job was to identify a good piece of property, to build an attractive building, and then to work with the brokers and companies to try and rent it. So, that's what we did. And in the period between 1980-- let's see, 1972 and 1986, 14 years, we developed 24 major properties, and they were all done in that same way. But, you know, we were lucky, because the demand was there. We never knew exactly where it was going to lead, who was going to be coming along willing to rent it, but we managed it carefully and... didn't sign any personal guarantees... but we never defaulted on any loan.

Hancock: That's no small feat.

Smith: Well, it was a job.

Hancock: As you think back at who, the people who spent their days and sometimes nights in your buildings because they were working for the companies that were there, can you name any of the companies that went into those 24 developments?

Smith: Sure, I can. Hewlett-Packard was a big one.

Hancock: And which property did you develop for HP?

Smith: Well, 1801 Page Mill was right on the corner of Foothill Expressway and Page Mill Road. That was the property. That's 10 acres right there. There was one building on that. It was built by Shockley himself, William Shockley. He had a company there called Clevite, and Clevite was sold to ITT, International Telephone & Telegraph. That's where the first semiconductors were built. They were trying to sell a property and they couldn't sell it, so we came in and arranged for a purchase of that property. The first thing we did was clean out all the old ovens that were in there to bake, baking the... the materials for making semiconductors. And... then we added another 100,000 feet to the property. So, that's where we first started.

Hancock: 1801?

Smith: And Hewlett-Packard was our first tenant.

Hancock: So, 1801 was your first property...

Smith: Right.

Hancock: ...and Hewlett-Packard was your first tenant. Is that right?

Smith: Yes, they were.

Hancock: So, let's, can we talk a little bit about Hewlett-Packard, then?

Smith: Sure.

Hancock: So, HP at that time, you mentioned Dave and Bill, who had met as classmates at Stanford, and then they located there. What was Hewlett-Packard? Was this their instrument business, or what were they working on when they moved into 1801? Do you know?

Smith: Well, in our property, they built, basically, a training lab. They had movie, they made movies, and so training movies. But they were building primarily... I think they built oscilloscopes and they built... a

number of different electronic components there. They actually would manufacture them on that site, not in our building but in their main building. They were-- again, it turned out to be the Stanford Industrial Park. They were actually building those components on that property. And they also had a foundry there.

Hancock: Really?

Smith: Yes.

Hancock: So, HP was there and...

Smith: Watkins-Johnson.

Hancock: Watkins. Were they in another one of your properties, or you were mentioning...?

Smith: No, they never leased from us. We leased to a company called Systems Control. We leased to a computer company. We leased to... Lockheed. Lockheed was a big. Lockheed was already in the park when I came, when I came on.

Hancock: It was a major employer at the time, wasn't it?

Smith: Absolutely major, and they still are, I think. They still-- they just rebuilt a new building there.

Hancock: And what property were they in that you had developed? Was it on that same, on Page Mill, or, no, they're in a different section, aren't they?

Smith: I can't remember.

Hancock: That's fine. The details are-- that's fine.

Smith: They were up on, they were up on, off of Arastradero Road. We built a property for them up there. The Electric Power Research Institute, this was a company that was funded by the utility companies throughout the country, and they were doing a lot of research for them. We leased to them. We leased to... the US Geological Survey. We leased to Steve Jobs when he left Apple and he formed another little company and eventually went back to Apple, but we, Steve was a tenant.

Hancock: So, was that NeXT? That little company was NeXT?

Smith: NeXT, yes, yes. We leased to NeXT.

Hancock: So, he was one of your tenants. Interesting.

Smith: Yes.

Hancock: So, where was that property? Do you remember that one?

Smith: That's off of... Coyote Road.

Hancock: So, who would negotiate with people like that?

Smith: I would.

Hancock: You would?

Smith: Yes. I did all the negotiating.

Hancock: And how, what would your approach be when you had-- these are risky companies where you just mentioned, for example, Steve Jobs starting a new company. He's leaving Apple, and it takes a great deal of to stick your neck out and to negotiate with somebody who is starting something new.

Smith: Well...

Hancock: What would be your approach?

Smith: ...Alf Brandin taught me something that I've always used. He said, "Never make a business transaction with someone where you can't change sides of the desk and feel good about it." In other words, be sure you can put yourself in the other person's shoes and feel good about the deal you're making. I've discovered in my own career that if you treat people honestly, 99 percent of the people will treat you honestly. So, yes, there's always risk... but you learn to manage the risk and as long _____ you can substitute someone, or you can work something out.

Hancock: So, you're just listing so many of the who's who of companies either that have grown big or had a powerful influence at the time and maybe have faded away or those that started and may not have made it. What are the other companies that you interacted with, and do you have any specific stories of them as tenants or people in your negotiation?

Smith: Well... there was a spinoff of Syntex, and I don't remember the name of the company now, that we negotiated with and couldn't reach an agreement with. I know there's just dozens of companies that I could mention. I'm trying to think of them. I can't. My mind has kind of gone blank. I'll think of them as I, once we go here.

Hancock: That's okay. One of the stories that we're telling here at the museum as we talk about the impact of the Digital Age is to, of course, tell the story of how Silicon Valley evolved. And we have so many of those technology pioneers and entrepreneurs here on record. And with you and others, we're trying to tell about the whole what we call ecosystem: the lawyers, the venture capitalists, you know, real estate. All these different people with a specific area of expertise came together to support and create this special place. Can you talk about how you as a real-estate developer thought about how you were

developing the land in a way that either was a complement or an enabler or might have been a competitor, but whatever the relationship was, with these emerging technology companies of Silicon Valley? What were you thinking as a real-estate developer?

Smith: Our philosophy was this: build a building, landscape it right, and maintain it, meticulously. So if one day the president of the company walks through the landscaping and it's in poor condition, he doesn't think to himself, "I think I'll move out." We want the company, we want the president of the company to realize, or the CEO, to realize that if he moves, his employees will want to stay there. So, we sought to build an attractive, appealing, long-lasting experience for the employees, inside the building and outside the building. Is that what you're talking about?

Hancock: Yes.

Smith: And to make a business deal with them that was, again, you could change sides with them on it, so that it was a-- I like a business transaction where everyone wins.

Hancock: So, it sounds like this consistency of this place is the appealing architecture and landscape, to have that across a whole area and across all of them with something that was new, you said, because it had been... at Stanford.

Smith: That was started at Stanford, and we continued that philosophy.

Hancock: And how wide a geography were your properties that you developed over the time that you were at WSJ?

Smith: We didn't go further than San Mateo. We built two ten-story buildings in San Mateo at Hwy 92 and Hwy 101. And we have Intuit and Sun Microsystems. That's another couple of companies that we have. And Google in Mountain View. So, we range from Mountain View into San Mateo.

Hancock: So, Intuit and Google, those are our neighbors here in Mountain View.

Smith: That's right.

Hancock: So, the Intuit headquarters, then, or the...?

Smith: The Intuit headquarters are in our buildings.

Hancock: In your buildings.

Smith: Right. We lease them 500,000 feet.

Hancock: And then, Google owns so much. I mean, there's Googles all over this area.

Smith: Right, well, we have, we don't lease a lot of buildings to Google, but we lease about 130,000 feet to them. And before that, it was Scott McNealy's company. What was that?

Hancock: Sun Microsystems.

Smith: Micro?

Hancock: Sun.

Smith: Sun Microsystems, we leased to him.

Hancock: How has it been, from your real-estate point of view, to have companies, Sun is a good example, that grew quickly, were strong, and then disappeared? You've lived in the boom and the bust of Silicon Valley.

Smith: And we've seen that happen, but I have been careful about who I lease to. I've wanted to be sure that they could pay the rent. And we went through a period where there was a lot of surplus property on the market. It used to be kind of a joke among real-estate developers: if I give a company a year or two years' free rent, will they still be around at the end of the lease?

Hancock: <laughs>

Smith: So, we had to be careful. We've had companies go broke on us.

Hancock: When you're making this judgment about who to lease to, what kind of due diligence did you do? Did you look at their businesses, their products, their industry? Was it gut? Was it more on the person, or how did you make those decisions?

Smith: Well, there are several different factors that go into it. One of them is you want to see their financial statements. Many of these companies aren't public, so you want to see their financial statements for the last two or three years. And then you kind of assess. You meet the people. I've met people who I decided I wouldn't lease to. I didn't think they were honest. I didn't think I could believe them. I wouldn't rent to them. Sometimes that was hard, because you really wanted to lease to some of these. You needed to do it. You needed to do it. But we didn't. So, it's a matter of... carefully analyzing what's available to analyze, and then you have this more difficult job of assessing their character and their personality and the nature of their business. For example, I've never leased to a game company. I haven't liked that. I probably missed a lot of opportunities, but I didn't like that business.

Hancock: And it sounds like you did invest in a lot of the hardware and software and biotech companies. Is that right?

Smith: We did. We leased to a number of those.

Hancock: And how about any of the services? Were you involved with lawyers or venture capital or any of those things, or more on the product side?

Smith: I did all of the negotiations myself. I didn't use attorneys for that. When you actually get into the development of a lease... You know, leases are 30 or 40 pages long sometimes, and so sometimes I needed an attorney to help me analyze a proposal from a tenant on a lease. But primarily, you get to the point where you can do it yourself. We wrote all of our own leases.

Hancock: That's amazing. And then, as you think about your tenants, you mentioned that Tom Ford built 3000 Sand Hill for venture capitalists. Did you also have tenants that were venture capitalists?

Smith: Yes, we have. We've had several different tenants. Right now, we have several of them.

Hancock: So, you've had the whole, kind of a whole array of the different kinds of industries or players in the Valley as part of your tenants.

Smith: That's right. We have.

Hancock: So, you had that 14 years that you developed property and leased it, and what made you decide to end that chapter of your professional life?

Smith: <laughs>

Smith: I read a little statement made by the co-founder of General Motors. It said, "I got tired of making so much money that I realized I didn't need." I realized that money and the things that are driving it were starting to drive me. I was no longer driving them. And, basically, I remember in business school or in, actually, undergraduate work, I learned about the law of diminishing returns, which means, how many ice-cream cones can you eat?

Hancock: <laughs>

Smith: One would be great. Two, well, that's okay. Three, no, I'm not sure about that. Four, I'm going to start throwing up. I actually... I just did not see the point of continuing. You know, this is probably off-base here, but I did not see the point of continuing to just amass money. I didn't like it. So, I started doing public service.

Hancock: I'd like to talk to you about that for the museum record, but before we do that, I want to ask about your broader perspective, because you came at a time when the Valley was very young, in fact, before it was even named Silicon Valley and then you had a role in working with so many different companies and leaders to see the evolution of the Valley, the boom and bust cycle, the ups and downs, success and failure.

Smith: And there's been probably four or five of those booms and busts.

Hancock: Yes. So many people come to the museum asking, you know, is it the weather, is it, you know, the role of immigrants, is it, you know, the '49er, you know, risk-taking spirit that started with the Gold Rush? In your mind, what are some of the key factors that you see that have made Silicon Valley successful?

Smith: Well, I think, first of all, I think the weather is very important. Silicon Valley has a lot of problems right now-- traffic, housing-- but I think it will always be appealing because of the weather.

Smith: We talked earlier about why did William Shockley come to Palo Alto. He came to Palo Alto because of his mother. The integrated circuit was invented here. Frederick Terman was at Stanford. I think that the tech boom was created here partially by happenstance, but I think once it got going, it began to be a force of its own, driving itself. I think the spirit of entrepreneurship was, has always been strong here. It's been a place where entrepreneurs came because they thought they could hire the right people here. They were already here.

Smith: I guess those would be the main factors that I see.

Hancock: The Valley, of course, is, as many regions, is not a place of only positives. We've seen also some unintended consequences and some of the negative aspects. You mentioned housing and transportation. What are the things that might concern [you], if we were thinking about the vitality, the ongoing vitality of Silicon Valley for innovation and entrepreneurship? Are there other things that you think that are challenges that need to be addressed?

Smith: Well, I think the housing and transportation and the growing social problems that are rising right now are big issues going forward. I think our schools-- I'm talking about schools at the elementary, schools at the secondary-school level... Prosperity in and of itself, I think, contains within it the seeds of a problem, and I think we're seeing that. I think we're seeing the results of prosperity. And that would be one of my concerns about the future. Can we live with the prosperity? I've seen a lot of individuals during my lifetime who were very prosperous, but their very prosperity created a problem for them, created a dissolution of family, dissolution of basic standards, the things that Alf Brandin taught me when I first.... He didn't teach them to me. He made me feel secure in being able to exercise in business my own morals and attitudes. I think when you get away from those things, you run into a problem.

Hancock: What do you think about institutions like, cultural institutions like a museum or schools? You've been so involved with Stanford as a university. Do you have any advice or things that you think that these kinds of institutions can play for the community here or broadly?

Smith: Well, I think the museum itself is opening up to people the idea-- let's just take people who walk through here for the first time. Maybe they're young persons in high school. Maybe they're someone from outside the area. Maybe they're someone from a foreign country. I think the museum shows them what can be done. So, I think that's good. As we talked about earlier...

Smith: Just the tech part of our society by itself is not sufficient. It doesn't teach people. It can teach them how to get a job, but it can't teach them how to be happy. It can't teach them how to be fulfilled. It can't teach them how to flourish in their lives. There has to be another element, and, I don't know, I'm not sure the museum can do that. Or maybe even should do that. But I think that's the bigger picture.

Hancock: It is, and we certainly are talking about technology and how it can help humanity move forward and thinking in a more wholistic way that's very human and people-centered, technology as a tool that people shape and that people can use. And so, thinking about how it fits together with health and the arts and the media and, you know, history and all those other disciplines is a part of the museum's growing mission now.

Smith: Good!

Hancock: <laughs> Well, let's go back to 198-... was it '84 or '86 when you decided to devote yourself to, more to public service?

Smith: It was 1986.

Hancock: Okay, 1986. You made this really important decision to stop focusing on money and to focus more on public service. Can you talk about some of the areas that you've, the passions and areas of work that you've worked on in public service?

Smith: I wanted to be involved in the, let's say, lifting people. And the first place I went was the YMCA, the local YMCA, and then in the larger YMCA going from Redwood City to Mountain View. I then got involved with the Senior Coordinating Council-- it's now called Avenidas-- with the Children's Health Council, with the Lucile Packard Children's Hospital, with the Hoover Institution.

Hancock: You've been on the boards for those, many of those, haven't you?

Smith: Yes, I have been in all of them.

Hancock: Leading in all those boards.

Smith: I was chairman of the board of a lot of them.

Hancock: Yes.

Smith: My church has been a very, a very large portion of my time. It's taken a lot of my time. And I think that my church gives me a broader perspective on life than just earning a living. And I have really enjoyed being in the community serving with other people who had different ideas than I did. I've learned a lot from people who don't see the world like I do. So, that's been very broadening for me, very satisfying and fulfilling. And, as you know, my wife has been involved with... or I say we founded a school 35 years ago in East Palo Alto called Beechwood. That happened after I decided I did not want to continue just making

money. That's when we founded Beechwood. And there was, the idea was that the average child deserves a superior education. So, we funded that and still do. We pay 90 percent of all the costs.

Hancock: That's impacted so many students' lives, I'll bet.

Smith: It has been. It has been a very positive thing. And then, she also worked in that same community at a completely different level. I think the decision I made to, just say wrest myself away from just an economic focus in my life has been the greatest single blessing of my life. It's given me a purpose. It's fulfilled me, and it's allowed me to do a little bit towards lifting other people.

Hancock: Well, you've been involved with so many people in touching them in deep ways. As you think about how you measure your life-- professionally, personally, family, service-- what are some of the ways that you measure your life?

Smith: Well, you have to start with family. We have 20 grandchildren, 5 children, 3 great-grandchildren now. It's very satisfying to see them develop in their own... going their different directions, living different places. I like that. I'm pleased that I have served where I have served in these various positions I've already mentioned. It's been a worthwhile thing for me. Like I said, I've, not only have I served, but I've also learned. So, I like the broadness of my life.

Hancock: I asked earlier if you were to try to distill your hard-won insights into one word of advice for a young person, what would that word be? And could you tell us a story or why you would choose that word? I mean, you wrote it down on a board.

Smith: Why I chose the word "risk"?

Hancock: Risk, yes.

Smith: After I had been a father for a while... and learned a few things, I taught, I told my children-- this is after, you know, maybe after I had been a father for 20 years-- I said, "You're entitled to 100,000 mistakes in life. Start making them. Try not to make the big ones. But reach out there and try things, and when you're not sure, do it anyway." In other words, risk. Be willing to make mistakes. You learn from them. Try to avoid the big mistakes, because they'll hurt you badly, perhaps. So, I never really tied that two together with the word "risk," but that's exactly what I'm saying here, I think, in different ways. So, try things. Be willing to fail. Realize that failure is often the step toward success of something else. So, don't hold back.

Hancock: You're a great example of that, Boyd. Since this is for the museum collection, it will be here. Are there any other comments you'd like to make, any other stories you'd like to share or insights as we... before we close?

Smith: Yes. When I was 28 years old, I was working for the Stanford real estate company, real estate department, and I started keeping a journal, a journal of thought, not a journal of details like I had bacon and eggs for breakfast, but a journal based upon the thoughts I heard from other people, the things I

read, and the things I thought myself. I've kept that journal all my life, since 1968. I've discovered that we ourselves are our very best teacher. If we're open to listen to others but then just making our decision ourselves, we are our best teacher. So, my journal has been the avenue of which I've taught myself. As I've made observations, as I have... read things, seen, heard things, I've written them down. And that's been the best teacher I've had all my life. And that's why I'd encourage every person to keep a personal journal of their thoughts.

Hancock: That's good advice. Anything else?

Smith: That's a simple thing. I also like, you know, it goes together. I have 160 pages of quotes that I've been keeping since I was 20. And you can learn a lot from other people. So... that's really kind of part of teaching yourself, I think, but it's the quotations and the thoughts and writing them down and then going back and reading them occasionally.

Hancock: That's amazing. You wouldn't by chance remember any of those, would you?

Smith: The quotes?

Hancock: Mm-hmm.

Smith: Victor Hugo: "The delight we inspire in others has this enchanting peculiarity that, far from being diminished like every other reflection, they return to us more radiant than ever."

Smith: *Les Misérables*.

Hancock: I think that's a perfect way to end, unless there's any...

Smith: <laughs>

Hancock: <laughs>

Smith: Did you get that whole thing?

Hancock: I did.

Smith: Okay.

Hancock: I did. If you have another one, that's what your life, that's what your life... symbolizes exactly, that quote.

Smith: That's the first one that comes to my mind.

Hancock: Wonderful. Thank you, Boyd, so much.

Smith: Thank you.

Hancock: It's a pleasure to have you, to talk with you and to add your story and insights to our museum collection. Thank you.

Smith: Thank you, Marguerite.

END OF THE INTERVIEW