

Dropbox has grand opening of China Basin offices

Casey Newton

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Amid growing competition for companies that manage users' digital lives, San Francisco startup Dropbox on Wednesday showed off brand-new offices in China Basin where it hopes to grow into a global powerhouse.

"I can't think of a better place in the world to start a company," said Dropbox CEO Drew Houston, who founded the company with Arash Ferdowsi in 2007. "We're really proud to put down roots here."

Dropbox has more than 50 million users, who use its service to store and synchronize files between a wide range of devices. Users get 2 gigabytes of storage for free and can pay for more space.

In October the company raised \$250 million at a reported valuation of \$4 billion. Houston has said it is already profitable.

But the company is under increasing pressure from technology giants like Apple, Microsoft and Amazon, which all offer free storage services. Google, whose Drive service was in development for more than five years, finally released it to the public Tuesday, offering users 5 gigabytes of free storage.

Mayor Ed Lee, who attended Wednesday's grand opening, acknowledged Dropbox's many competitors in an address to employees and reporters.

"You're part of a really competitive world right now," Lee said. "People are starting other entities that are competing with you because they know you've got a great model."

Houston said Wednesday that he has tried out Google's service but remained confident that Dropbox's growth would continue.

"I still feel really good about the stuff we're building," he said.

The new office occupies 87,000 square feet - "or two acres," Houston said - near Fourth and Berry streets. It represents a significant upgrade from the 12,000 square feet Dropbox's 100 employees occupied up until last month, when they moved in to the new space.

Local architects, designers and contractors built Dropbox's space, which includes a cafeteria, gym and conference room filled with Legos. In keeping with the flat hierarchies now fashionable in Internet startups, no one at the company has an office. Conference rooms are named after company in-jokes ("Bromance Chamber," "Breakup Room"), and one corner features a stuffed panda strapped to the back of a velociraptor sculpture.

One of the more popular spaces in the new office is its music room, Houston said. The room is filled with guitars, a piano and other instruments, and is home to regular jam sessions after the company's Friday all-hands meetings.

"The Dropbox band is coming together," Houston said.

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The Death of the PC

The days of paying for costly software upgrades are numbered. The PC will soon be obsolete. And *BusinessWeek* reports 70% of Americans are already using the technology that will replace it. Merrill Lynch calls it "a \$160 billion tsunami." Computing giants including IBM, Yahoo!, and Amazon are racing to be the first to cash in on this PC-killing revolution. Yet, a small group of little-known companies have a huge head start. Get the full details on these companies, and the technology that is destroying the PC, in a free video from The Motley Fool. Enter your email address below to view this stunning video.

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