

Business

Setting Up a Storefront

by Patty McDaniel

I started my remodeling business in 1987. For the first six years we worked out of a home office. The space was small and the company was invisible, but the rent couldn't have been cheaper.

In 1993 we moved to leased space, where we stayed for the next 14 years. This arrangement offered many advantages. The rent was reasonable — only \$1,500 a month for 1,600 square feet of office space and 1,800 square feet of warehouse space — and the location was central to our market area. Although the building was nondescript inside and out, it was located in a small commercial strip on *the* main highway for our area. Visibility was orders of magnitude better than it had been at our home office. But our landlord had visions of redeveloping the property and, starting in 2004, put us on a month-to-month lease.

In retrospect, this was the nudge we probably needed. We had outgrown the space, and it was really time for us

to move anyway. Our volume — we do a mix of remodeling and new-construction projects — had ballooned from \$1.3

million to more than \$5 million during the nearly decade and a half we'd been renting the building. And the office's "shotgun" layout was awkward, with no conference room and no private areas for our seven staff members.

So we began a search for a new home, preferably one with warehouse and office space, plenty of parking, highway frontage, and a location central to our market area. When it became apparent that nothing for lease met our needs, we started looking for places for sale.

Buying the Property

After a long search, we purchased a property in late 2005 for the low, low price of only \$800,000. (In 2008, a similar property up the street sold for \$1 million.) We got everything on our wish list except the highway frontage. Well, almost everything — we have enough parking, but not *plenty* of it. And inside, we have more than 5,000 square feet, divided between warehouse and office space.

On the advice of my accountant, the property is owned not by the construction company but by a separate LLC, of which I am a majority partner (there are two other partners). The construction company pays the LLC rent at market rates, which covers the mortgage and maintenance on the building.

Remodeling the Building

My staff and I put together a program for the space and worked with architect Mark McInturff to develop the design. We wanted offices for six full-time and one part-time staff as well as a conference room, a training room for field staff, and warehouse space for equipment and material storage. Our goal was twofold: to create a dynamic and satisfying workspace, and to project a dignified presence that would showcase the company's design sense, capabilities, craftsmanship, and attention to detail. Energy efficiency was a key component.



From an existing warehouse that some developers might have torn down, Boardwalk Builders created a smartly detailed, energy-efficient office.



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The interior includes bright, open offices (above) and a client conference room that showcases the company's achievements (right).



Based on a simple “back-of-envelope” estimating process, we concluded that remodeling costs would probably be around \$200,000. (In the end, they turned out to be more like \$400,000.) The bank appraised the building at \$1,150,000 post-remodel and loaned the LLC \$1,125,000.

Constraints. The project presented several challenges. First, because metal buildings are engineered for maximum structural efficiency, we had to provide structural supports — footings, steel reinforcements, and the like — for all the new loads, including the second floor we were adding on the inside.

Second, zoning limited the work to the

existing structure's footprint and height. Fitting our two-story office space into what had been a single-story volume without raising the roof required some design tricks. To maintain a spacious, airy feeling, we used open-web steel floor joists, allowing the first-floor walls to be 8 feet tall with a perceived ceiling height of 9 feet. And we used skylights, interior windows, and through-floor openings to pull daylight into the building's core.

We also ran up against fire-code restrictions. Our original design called for the two floors to share a light well, but the fire marshal required that this opening be closed. To comply — and yet preserve

our original design intent — we enclosed the space with glass.

Aesthetics and practicality. The project is located in a 90-mph wind zone. Rather than clutter the building's appearance with storm shutters, we used impact-resistant glass in the windows to meet the code requirements.

Inside, we left the existing concrete slab exposed as the finish floor. We feel that this speaks to the building's prior use as a car-repair shop and calls attention to the improvements we made (all the new footings are a different color than the original floor).

By using spray foam insulation, efficient hvac systems, skylights, and primarily fluorescent lighting, we were able to reduce operating costs to less than what we'd been paying in our previous, much smaller office.

The building is considerably nicer than our old digs. Just as we'd hoped, it serves as both a comfortable workplace and a credible demonstration of our capabilities. The exposed structural elements — high-lighted with color — let us talk

about being a company that puts things together; the exterior's mahogany skin — chosen for its warm, comfortable color — represents our relationship-building approach to business. The offices are bright and airy and support employee productivity and satisfaction. And the relationship between the office and warehouse spaces allows front and back access to the warehouse via overhead garage doors, creating efficient access to equipment and material.

Reaping the Rewards

When the remodel was complete, we had a grand opening party for clients. We

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entered a couple of design competitions and won prizes. Several folks have commented that the office “suits us.” Everyone — including architects — seems impressed. We use pictures of the space in some of our ads.

During construction we worried that we would outgrow the building before we moved in, but the collapse of the economy has deferred that problem. Our volume peaked in 2006 and we expect it’ll be several more years before we need to add any staff members. With the tough sales environment, we definitely feel the burden of the higher rent. On the other hand, it’s the perfect time to have a home base that showcases our skill and confidence.

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What could have been a confining hallway instead reaches vertically to a second-story landing and the sky beyond (left). An open staircase, enclosed by glass to meet fire code, connects the two floors (below).

