

2007 SELF-STORAGE FACILITY OF THE YEAR

Specialty Storage Winner

CARGOBAY SELF STORAGE, CLOVIS, CALIFORNIA



By Tammy LeRoy

CargoBay Self Storage in Clovis, Calif., is much more than a storage facility that offers specialty storage. It is an entirely new, never-been-done-before concept: the marriage of a cutting-edge self-storage facility and a dynamic business center brought together to serve the eBay® and Internet business professional. CargoBay provides this new breed of business professionals with all the tools they need to run an eBay or Internet business from one place, offering customers a business office, storage, and packaging and shipping. This facility is an innovative prototype for a completely new model for self-storage.

Nestled in the heart of central California's San Joaquin Valley just north of State Route 168, CargoBay boasts the ability to provide a mixture of uses to the local community with a streamlined and utilitarian design that has versatile appeal. The facility occupies approximately five acres and is the anchor of a two-phase development called Portal Sierra Research and Technology Park—a 15-acre, mixed-use master plan that includes six research and development buildings that account for the remaining 10 acres.

The CargoBay concept is unique to both the self-storage and the research and development industries. It was conceived by Lawrence Ventures as a response to the tremendous growth of commercial activity associated with Internet commerce. San Clemente, Calif.-based Jordan Architects, Inc., as applicant for Clovis, Calif.-based Lawrence Ventures, responded to their request for a design concept that would satisfy the needs of this multifaceted idea.

The project's developer, Case Lawrence, principal of Lawrence Ventures, says the idea for the project was inspired by the self-storage industry, "We really liked the storage model—no lease, pay on a credit card—and we wanted to take it to the small businessperson," he says.



FACTS AT A GLANCE

Developer/Owner

Lawrence Ventures

Contractor

Brelle West Construction

Architect

Jordan Architects Inc.

Doors

Epic Doors

Interior Systems

Fannco Metal Components

Roof

Fannco Metal Components

Security System

PTI

Software

SiteLink by SMD Software, Inc.

Business Center

In front of the traditional self-storage buildings situated on the back part of a five-acre parcel is the CargoBay Business Center, which caters to e-based commerce, small businesses, and traveling sales representatives who capitalize on the executive and electronic services available to them. The business center comprises over 28,000 square feet of individual executive offices.

The offices are fully integrated with the latest in modern design as well as in-demand amenities such as IP telephone service, broadband Internet, voicemail, facsimile, and a professional business address. Centrally located among the offices are three conference rooms, a copy and mail room, "virtual office" workstations, restrooms, and a break room.

Also available is climate-controlled document storage with racks, boxes, and a special sorting area that includes a copier, scanner, and fax. The document storage is focused on small businesses,

legal, medical, and dental offices. "It's a middle of the road solution between typical self-storage document storage and Iron Mountain," says Lawrence. "We don't do all the transaction services but we rack out climate-controlled documents storage."

The business center also offers an array of other services such as its Shipping/Receiving & Postal Annex area. CargoBay has partnered with UPS™ to create a secure solution for receiving packages for businesses located within the center. UPS notifies businesses when packages arrive and CargoBay secures the packages in a locked, climate-controlled area until they are picked up.

For shipping packages, CargoBay once again combined brains with brawn in combining large areas for preparing packages for self-service shipping with all the shipping supplies needed. Tenants also have the option of full-service shipping. The addition of a postal annex with direct access to the shipping/cargo areas is just another aspect that makes the business center complete.

Other unexpected features include an eBay studio—a perfect solution for anyone selling items on the Internet. The eBay studio provides backdrops, tables, and mannequins to assist in photographing products. Cyber Café offers refreshments in a modern and relaxing atmosphere, offering a plasma television and broadband Internet access. Music is wired through a PA system throughout the facility. Lastly, the Retail Trading Post provides many of the supplies businesses need, from pens and paper to mugs and mailers. The Trading Post also carries boxes, tape, and other moving supplies.

Included also in the business center is 13,000 square feet of smaller, climate-controlled storage units, either 5-by-5 or 5-by-10. Companies needing more space rent larger units in the traditional storage buildings. "We're turning climate control into an industry standard as far as business storage," Lawrence says. "It's a niche product. We build the climate control right into our offices and business center so that we can provide your business with the cleaner, climate-controlled storage with 24-hour access."

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The facility leverages technology to offer 24-hour access to offices, storage, and shipping/receiving. Customers have both keypad access and swipe cards similar to an electronic fob. And customers can use their drivers' licenses or any card with a data strip to gain access.

The CargoBay Business Center brings together a synergetic suite of services to the small businessperson. Clients can choose a fully furnished executive office with no lease or a virtual office with a business mailing address and access to the eBay studio, conference room, shipping and receiving area, and other services. The facility also offers "hot desking," in which clients can rent a cubicle space for around \$150 per month to use as needed; they occupy any cubicle available at the time. They are given their own telephone number, voice mail, and access to wireless Internet and other amenities.

With CargoBay's many functions, a standard self-storage software package would not suffice. Raleigh, N.C.-based SMD Software, makers of Sitelink, worked with the company to extend the self-storage model to small businesses. The result was a specialized CargoBay software product the developer hopes to take advantage of at additional sites in the future.

A Storage Supercenter

In addition to its upscale business center, CargoBay is also a "storage super center" providing over 100,000 square feet of self-storage to its customers, with over 1,000 units ranging from 25 to 425 square feet. Storage buildings are located behind the business center and require coded access. The interior storage system was provided by Fannco Metal Components.

Fortress-style perimeter units line the rear parcel on three sides with three storage buildings in the center—two of them two-story. For access to upper-story units, CargoBay makes use of the two-story ramp concept. This ramp design allows the facility to function as a single-level facility while allowing the developer to maximize rentable square feet. The ramp eliminates the need for elevators, providing direct drive-up access to roll-up doors on the second floor.

The facility harbors a safe, secure environment. CargoBay has incorporated an advanced, security system by PTI. The system includes 24/7 video monitoring, individually alarmed units, and CargoBay's private-labeled cylinder door locks. An A-Phone Intercom system is installed throughout the entire property as an additional security asset.

"It's got every possible access control and security feature built—everything from soup to nuts that's available in the industry," says Chris Plasari, business development manager with Scottsdale, Ariz.-based PTI. "In the receiving area, there are sliding glass doors with keypads to enter the control climate control storage area, which is primarily for pharmaceutical reps."

These sliding glass doors separate the common office area from the storage area. Packages are received automatically into a climate-controlled cage. All security features utilize PTI's access control systems. Video cameras with DVRs are placed throughout the property. Keypad access is required for separate floors, or customers must use swipe cards with photo ID to access floors and secured areas. With all of its rich features, CargoBay truly is a storage supercenter.

Development Challenges

As impressive as the finished product is, the project wasn't without challenges. "Our biggest challenge was with financing," Lawrence says. "We were creating a new product. We've come up with a really disruptive storage concept focused on small business. The problem was explaining to investors what we were doing. The typical storage guys didn't get it, and we ended up going with local banks with which we had developed a relationship. It was tough." Now, he says investors are beating down the doors because of how fast the facility is leasing up.

There were also challenges with a local competitor whose model, according to Lawrence, is to try to keep all competitors out of the market. Special concessions CargoBay got from the city, from which the land was purchased, was the basis of a lawsuit. The city liked the concept because of the opportunities for tax revenue,



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but the competitor protested some incentives CargoBay received, claiming it was unfair treatment. Lawrence, believes the city was acting in its own best interest. "We turned a typical self-storage facility into a business incubator, and cities love that," he says. "We have 75 businesses running out of our facility."

Once these issues were resolved and the financing lined up, another unexpected obstacle appeared: the appraisal took seven months. "They just didn't know what to do with us," Lawrence explains. "Because it was a new animal, no one knew how to appraise it. That really delayed the project. Typical storage appraisers didn't quite know what to make of it and typical office appraisers didn't either. There were no comps at all. We were held up in the entitlements and

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—Bruce Jordan, President, Jordan Architects

appraisal, and from the time we started until we opened, it was two years."

Designing The Prototype

Coming up with a terrific concept is one thing, but creating a working model is another. "There was no prototype to look at because this had never been done before," says Bruce Jordan, president of San Clemente, Calif.-based Jordan Architects, who designed the layout. "We started from scratch. My designers and I sat down and worked through several different scenarios on how the building would work and how the flow of activities would occur to optimize this concept. We had to scratch our heads and walk through it because it hadn't been done before."

Jordan now calls it "a hugely successful concept" with a great workflow. "The idea is, you come in and see large customer service counters and the managers are right there. You don't wander around the building looking for people. The flow goes from there." The gate used by storage customers is behind the business center, so these customers don't intrude on activities at the business center.

The materials used in construction were conventional but used in a bold way. To give an architectural focal point to the entry, Jordan designed the CargoBay tower that is the main visual feature. The facility has approximately 40 parking spaces. Since it is located within a business park area, Jordan says the landscaping requirements were fairly easy to achieve. The front of the facility is very visible, while landscaping screens the sides and back of the property.

Jordan is particularly pleased with the two-story ramp designs, adding that his company was a pioneer of the method years ago. Efficiency, he says, is its best aspect. "Normally, a two-story self-storage building gets 75 to 77 percent efficiency when you factor in stairs, elevators, and internal hallways," Jordan says. "A ramp

building has an efficiency of about 88 percent." He says the two solutions may cost about the same, but the greatest benefit of the ramp solution is that owners don't have to discount second-floor units.

The business center interior features high-style décor with a modern industrial look. Lorrie Lorenz of Chambers Lorenz Design Associates of Fresno, Calif., says her team wanted to create a casual, new wave feel. The interior features a contemporary mix of wood and metal accents and 16-foot open ceilings painted black with exposed duct work. Orange pendant lights and drop lighting with perforated metal panels add sparkle to the dark ceiling while highlighting key areas.

Artwork throughout the facility consists of bold industrial, black and white photographs accentuated with ambient lighting. The framed monochrome photos are further accented when placed on plum or apple green accent walls. One of the most striking interior design features is the bold, contemporary lettering that identifies various work areas. The office area features stained concrete floors in rustic, golden-brown and art deco-style furniture.

Construction Details

To build CargoBay, two variances were requested to allow for the project's size and design. One variance would allow for additional square footage in the Business Center, and the other addressed the FAR (Floor Area Ratio) and building size. These issues were notably small considering that at one time, the City of Clovis denied the project, which they deemed "not an employment generating type use."

Once the variances were obtained, Lawrence says the team encountered only the typical construction challenges of staying on budget and taking longer to complete than they hoped. "We were building right at the beginning of fluctuations in the cost of steel and concrete and other construction materials," he explains. Nevertheless, CargoBay succeeded and serves as a perfect example of the goals that can be attained with proper follow-through of an idea.

The facility's self-storage buildings are constructed of sturdy, concrete masonry block perimeter walls, corrugated metal interior panels, and standing seam metal roofing. The business center's exterior walls are constructed of metal stud framing with a painted stucco finish. The center's built-up roof with steel column supports is a structural system that allows for a greater span and an open feel. This type of construction also provides a more flexible interior design and the ability to install several windows.

Kevin Fanning, president of Brellé West Construction of Clovis, Calif., says the project was challenging because it incorporates so many aspects, but he was pleased at how well the team worked together. "When it was done, it all tied together very well," he says.

The business center's pickup and delivery area, which features 16-foot roll-up doors, is recessed into the building so trucks don't block the driveway. The area required insulation because the entire building is climate-controlled.

Fanning also notes that with two multilevel self-storage buildings, the ramp method was much more economical because it saved the cost of one elevator. The outside walls on the perimeter storage were raised three feet above the

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roof to provide a fortress look with towers at the corners. "For us, it was really a joy to build," Fanning says. "It wasn't just a metal building up against a block wall. It's one of the neatest projects we've ever done."

Marketing And Lease-Up

One thing about CargoBay that makes an immediate impression is its distinctive contemporary signage throughout the facility. The signage and branding were designed by a professional marketing group.


Although conventional marketing efforts such as newspaper inserts and door hangers were used, Lawrence says probably more effective than anything else was free publicity they received in newspaper articles reporting on the project's appealing new concept. The company also conducted studies finding that AM radio was the right medium for reaching the desired business clientele. Indeed, Lawrence found it a very successful medium.

"We got lucky because [conservative talk show host] Sean Hannity, who really liked the concept of what we could do for the small businessperson, agreed to do a few spots for us. He subsidized us a bit and really made us a deal," says Lawrence, adding that the facility is currently advertised on cable television, which is also proving successful.

It's obvious that something is going right with CargoBay's marketing efforts. By early October, occupancy overall had reached over 50 percent, and the offices were filled within two months.

Lawrence is expecting stabilization within 12 months. "We've turned the residential/commercial unit mix upside down," he says. "We have about 80 percent commercial customers and 20 percent residential. We have five more sites coming, and after a lot of trial and error, we've discovered the secret sauce as far as unit mix to support [a high commercial mix] even further."

Lawrence is going full steam ahead with the CargoBay concept. Two facilities in Phoenix, Ariz., one in Traverse Mountain, Utah, one in San Luis Obispo, Calif., and one in Fresno, Calif., are currently in the works. In fact, CargoBay is now a separate company.

"Our plan is to take this concept national, and we have franchise inquiries from all over the country," Lawrence says. If the Clovis prototype is any indication, this is a specialty storage idea that's time has come. 




Tammy LeRoy is Editor of *Self-Storage Now* and Associate Editor of *Mini-Storage Messenger*.

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