

# Investor takes office complex from 'ugly' to desirable location

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**CLEARWATER** — When Guy Waters first decided to move part of his wholesale insurance operations into Belcher Commons in December 2003, the office suite he chose "was a disaster." It had been vacant for several years, and a vagrant had taken up residence. In an open area, golf balls had been shot into the drywall.

Just four months later, Arcis Investments Inc. of Tampa took over the property from DCS Real Estate, and it's been the difference between night and day.

Arcis "took hold and made it into a diamond," said Waters, senior executive VP of Clearwater Underwriters.

Dr. Gregory Dokka, a Clearwater chiropractor, has a similar tale to tell. About a year ago Dokka was looking to relocate his office and checked out Belcher Commons. "The place didn't look good," he recalled. "It was literally drive in, drive out. The way they (the buildings) looked from the parking lot was totally unacceptable."

When a real estate agent later advised him to take a look at Belcher Commons, Dokka's first reaction was, "forget it. It's ugly."

Today Dokka is another one of the tenants at the office park at the intersection of Belcher Road, Cleveland Avenue and Main Avenue.



Burdge

The office park spans 7 acres, with 112,000 square feet of office space spread among 16 buildings. Bruce Burdge, a principal at Arcis Investments, said he was attracted to the property because of the high-visibility location. He also was impressed with the construction, which was done by A.G. Spanos.

"I thought the bones were very good," Burdge said. "This very much fit into our strike zone of the kind of fixer-uppers that we like."

The biggest problem, Burdge said, was that the "property had suffered from severe neglect and absentee ownership."

Arcis spent \$4.5 million acquiring the property and almost \$1 million more on renovations. That included redoing the HVAC system, repairing the leaking roof,

repainting, repaving the parking lot and upgrading the electrical work.

Some of the office suites had been vacant for up to four years, and leaking roofs had damaged carpets, Burdge said.

The renovations also involved tearing out plants that grew into the eaves of the buildings. "It was very unsightly," Burdge said.

A \$50,000 irrigation system and \$100,000 worth of new plants were added, as well as brick pavers and fountains in the open areas.

When Arcis took over the property in April 2004, about 45 percent of the space was occupied, but some tenants did not have leases. Some paid their rents late, or not in full.

So the first step was enforcing leases and clearing out tenants that didn't pay or "were not the caliber of what we wanted to bring the property to," such as low-end telemarketers, Burdge said.

The new leases raised rates by 40 percent to 60 percent, pushing prices up to \$14.25 a square foot, plus electricity, he said.

Arcis also has worked with commercial real estate brokers to change the image of the property. Previously, brokers weren't always paid in a timely fashion, and tenants' needs weren't always addressed, Burdge said.

Brokers now are paid a 4-percent commission if one of their clients leases an office suite at Belcher Commons, he said.

Now about 50 percent of the office suites are occupied, and space ranging from about 225 to 11,000 square feet is available.

One of those who has increased his presence is Waters of Clearwater Underwriters. The company originally had a 1,600-square-foot satellite office at Belcher Commons. Today it has consolidated three locations at the property, occupying 7,000 square feet of space.

Waters said it's about 1,500 to 1,800 square feet more than he currently needs, "but I wanted to kind of be able to grow into my clothes."

Waters said he opted to move all of Clearwater Underwriters' operations to Belcher Commons because of Arcis' eye to detail, and renovations of the larger office space were completed to specification and on the date requested.

Burdge "took us very seriously. I think that's what I liked about him," Waters said.