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Through Renovation

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Facility Refurbishing: Getting Started

Tips for getting started and two case studies

By Wayne Woolsey

When a self-storage property begins to reach the decade mark, larger structural components generally need repair, repainting or replacement. While you'll have certain ongoing expenses from day one—general cleaning, landscaping, and dents and dings from vehicles—as your facility ages, you'll likely need to make other refurbishments. Not only can these capital expenses be more costly, they require more forethought. They can include:

- Re-roofing
- Siding or stucco repairs
- Repainting
- Driveway upgrades and replacement
- Security-camera upgrades and replacement
- Store-front glazing upgrades

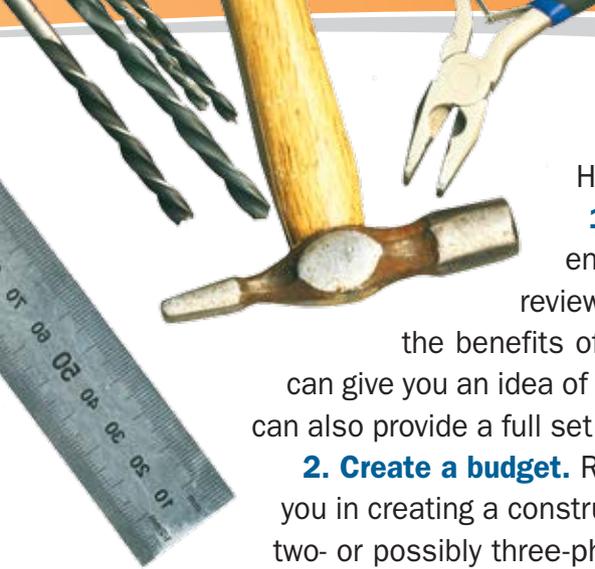
Other renovation projects can include the addition of new buildings or unit-mix changes. Most can be completed without any interruption to the facility's daily business needs.

Getting Started

When beginning any refurbishing project, you must first understand the existing structure and how it supports the walls and roof. It's great to have plans such as adding a grand bay door or windows, or converting 5-by-10 units into 20-by-20 commercial units for local contractors, but if the existing structure isn't designed for these changes, it could be impossible to complete or cost more than is justified by the potential benefits.

Renovation To-Do List

- Set short- and long-term goals
- Phase goals or upgrades
- Paint building
- Fix pavement: slurry seal, asphalt repair, new cement
- Repair units: mix changes, dry wall, metal walls
- Check functionality of electronic gate
- Gooseneck keypad for easy access
- Install bollards for damage control
- Replace roof
- Replace damaged gutters and downspouts
- Replace damaged exterior siding
- Add boat/RV storage to vacant/extra land on site
- Implement portable storage
- Remodel office and apartment
- Check/upgrade camera and security surveillance systems
- Buy new golf cart
- Stock tools for facility manager (minor repairs)
- Repair perimeter fencing and walls
- Address drainage problems
- Check parking-lot striping and spaces, including handicapped
- Maintain elevators and lifts



Here are two critical steps you should take before you start:

1. Hire professionals. Hire an architect and structural engineer or a building consultant to visit your property and review your concept plan. These consultants can advise you on the benefits of your project. After inspecting the property, a consultant can give you an idea of whether the job you're proposing is simple or complex. He can also provide a full set of plans, ready to submit to the city for required permits.

2. Create a budget. Review the renovation plans with a contractor who can aid you in creating a construction budget. From there, you can decide if this is a one-, two- or possibly three-phase project.

3 Steps to Rehabilitating an Older Site

By Linnea Appleby, www.limetreemanagement.com

AS NEW FACILITIES enter the increasingly competitive self-storage industry, it's critical that older sites find ways to maintain their edge. Location, great curb appeal and excellent front-line staff are what all sites strive for, but sometimes more is needed to contend with modern facilities that offer all the bells and whistles.

While an older self-storage facility may be able to reduce rates and offer discounts in the short term, this tactic is a slippery slope that only serves to undercut your long-term success. It's easy to get caught up in day-to-day activities and not notice your site is aging right under your nose. A serious look at your investment may show that it's time for renovations.

One Step at a Time

Rehabilitating an older facility can seem daunting, especially when a site has suffered years of neglect. Don't be overwhelmed. Instead, break the process into three steps:

1 Evaluate your priorities. Not everything can be done at once. It took time for the facility to reach the condition it's in, and it will take time to bring it back. First, focus on items that may impact the safety of tenants and staff or reduce future liability. Then determine which tasks can positively impact income, add value or increase the life of your asset.

2 Organize the finances. Since you'll need additional resources to fund each project, collect bids and create a timeline to accomplish each item.

3 Manage the process. You'll encounter some speed bumps and road blocks along the way. Count on the fact that it will take longer and cost more money than you had hoped. It's a journey.

The challenges involved with a facility renovation project may be many. This type of project often requires cooperation and assistance from everyone—staff, tenants, neighbors and government officials. The phrase “It takes a village” may ring true.



Extra Space Storage in West Jordan, Utah, just prior to renovation.



The original Extra Space office.



The Extra Space exterior, framed and ready for its new store-front look.



The office renovation, with new windows, siding, canopies, walk paths and exterior paint.



The completed Extra Space project.

Case Study: A New Look for Extra Space

We recently completed renovation of an Extra Space Storage facility in West Jordan, Utah. The project included:

- A redesign of the office exterior
- New elevations including siding and canopies
- A build-out and remodel of the office interior
- New paving and parking-lot striping per new Americans With Disabilities Act requirements
- New gates, fences and operator upgrades

The project began with design plans for the exterior framing, new siding and roofing, wall canopies, and new store-front supports. First, we demolished and removed the existing mansards and old roof-trim materials. Then we prepared the exterior walls for the new façade framing system, which was designed to carry the new wall loads. Due to the elevation differences of this system, we installed new concrete footings.

The new framing system was framed to accommodate existing and new door and window locations. After installing and inspecting the framing, we added siding materials and faux doors, which help customers recognize the building as a self-storage facility. We ran electrical within the framing so new lighting could be installed. The renovation took an older facility and created a fresh, new look in line with other facilities in the Extra Space brand.

Case Study: A-American Adds Curb Appeal

The main focus of the renovation of A-American Storage in Reno, Nev., was to add new, pre-painted exterior wall siding to all building elevations. The existing T-type plywood siding that had been repainted and repaired begged replacement. The wood panels looked weathered and had started to warp and crack. The owners wanted a new, maintenance-free product.

The process to re-side a project like this can be a challenge. We had to find the existing wood-framing members behind the plywood siding to create a good structural attachment for the new sub-girt framing. Once we found the studs, we installed the new horizontal sub girts.

We used a .5-inch-deep hat section to minimize waterproofing challenges around the existing doorways and windows, which had to be reflashed and sealed. We also needed to minimize the additional width created by the hat section and siding. This project had a roof overhang that was just sufficient. Other refurbish projects may require a roof modification.

After the siding installation came all of the trim work and the gutter and downspout installation. The trim work was just as important as the siding work because we needed to ensure a waterproof building envelope. The trim also couldn't impede any doors or hallways or affect the opening and closing of existing doors or windows. The final touch was painted materials to match the facility's current color scheme.

Facility refurbishment may take more planning and capital, but the investment can be well worth it. Remember to seek expert advice before you begin to ensure your proposed project will net the rewards you seek.

ISS

Wayne Woolsey is principal for Kiwi II Construction Inc., a Murrieta, Calif.-based self-storage construction company. Kiwi II offers in-house engineering and design services, complete steel storage systems, pre-engineered buildings, boat/RV canopies or buildings, solar canopies, mezzanine and conversion systems. The company has sales teams in California, Colorado and Florida. For information, visit www.kiwiconstruction.com.



A-American Storage with the old roof and wall trims removed.



A-American Storage during renovation, with the horizontal wall girts ready for new siding to be attached.



The completed A-American project.

Does Your Facility Meet Current ADA Requirements?

By Scott Zucker, www.wzlegal.com

TITLE III OF THE AMERICANS WITH DISABILITIES ACT of 1990 (ADA) prohibits private entities from discriminating against individuals with disabilities and maintaining places of business that are not physically accessible. The Act requires places of public accommodation to remove architectural barriers that limit access or use of the public place. The term “public accommodation” in the ADA generally encompasses all private businesses that offer goods and services to the public, including self-storage facilities.

In 2010, the Department of Justice issued new Standards of Accessible Design. The Standards lay out accessibility design requirements for newly constructed and altered public accommodations and commercial facilities. Certain dates in the construction process determine which ADA standards—1991 or 2010—must be used. If the last or final building permit application for a new-construction or alterations project is certified before March 15, 2012, the business may comply with either set of standards. If physical construction starts after March 15, 2012, the business must use the 2010 standards.



What This Means to You

Although self-storage operators are currently subject to all ADA building-access regulations applicable to structures in general, the 2010 standards included space accessibility “scoping requirements” that apply specifically to self-storage buildings. The regulations are:

- **Scoping.** Five percent if the facility has fewer than 200 units, 10 units plus 2 percent if more than 200.
- **Dispersion.** Accessible units should be dispersed among “classes” of spaces provided. Since the term classes is undefined in the standards, it could mean either the size or type of unit such as climate-controlled. If there are more classes than the number of accessible units required, operators do not need to have additional accessible units just to have one in each class.

There also appears to be no need to disperse the accessible units among buildings in a multi-building facility. As with hotels, there appears to be no requirement to hold the unit back from rental solely for a disabled customer if other spaces are otherwise rented and the space is needed.

However, the requirements have created many questions with few clear answers. For example, are roll-up doors accessible? Is there a requirement as to the minimum force needed to open a self-storage door? Should doors open electrically (garage-door operations) or sideways? Should a ramp be placed over the concrete lip installed in the doorway, and must the lip not exceed a certain height?

Meet Requirements Now

Notwithstanding these many questions concerning the units themselves, storage operators should consider accessibility issues during facility construction or renovation. Now is the time to determine if your business meets compliance with areas such as entry-pad heights, parking spaces, ramps to offices, counter heights and restroom design.

Does Lack of Funding Have Your Renovation or Conversion at a Standstill?



Thousands of self storage facilities are in need of renovation in order to remain competitive, not to mention the stalled conversions and expansions that remain merely an architect's rendering. For many developers, the unavailability of upfront renovation funds has been a roadblock...until now.

Janus International has aligned with Self Storage Equipment Financing, a firm focused solely on providing financing terms for removable storage equipment such as doors, partitions, and even relocatable storage buildings. With attractive terms and interest rates, facility owners and developers can move forward with renovation and expansion plans that will generate greater rental revenue as well as increase the property value.

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Raising the Bar Through Renovation

A look at City Storage
in Chattanooga, Tenn.

By Amy Fuhlman

Today's self-storage market is more competitive than ever. A company may have a user-friendly website and excellent marketing tactics, but if a facility appears outdated, unsafe or simply uninviting, it's likely it will lose renters.

City Storage in Chattanooga, Tenn., is a perfect example of a facility that needed an overhaul to better compete in its market. Founder and managing partner Glen Nicotra saw potential in the fledgling facility, which is near a major shopping mall. As the accompanying photos reveal, the facility's curb appeal was less than encouraging, with outdated wood paneling and rusted, poorly functioning doors. The site had a few major obstacles to overcome:

- It was undercapitalized.
- It lacked adequate maintenance and necessary capital improvements to remain competitive.
- It had non-professional property management.

Due diligence found the property's 50 percent occupancy rate well below the market average, with most competitors offering similar product. Capital investment in curb appeal, features and benefits often deters developers from moving forward. However,



A view of the facility entrance prior to renovation.



The outdated wood façade of the rental office offered little attraction to renters.



A cluttered office was in need of a facelift.

Before

when acquired well below appraised value and in a market presenting the opportunity to lead among competitors, this facility was an ideal project for City Storage's value-add acquisition strategy. And this strategy called for renovation ... ASAP!

Beginning the Transformation

To determine what items would be refurbished, City Storage hired a professional assessment, taking into account the competitive market and the company's branding philosophies. The final analysis called for a comprehensive overhaul including:

- New roll-up doors
- Exterior paint
- New retail/leasing office
- Access control and camera surveillance
- Addition of a new climate-control building

Embarking on the renovation, the site's manager outlined specific goals to reach their desired effect on time and under budget. Above all, the property had to be transformed into a competitive, safe and attractive facility. They knew that without a dramatic change in curb appeal and top-of-the-line features, nearby facilities would take their business.

Recouping their investment was also a great concern, so they knew they had to deliver a facility that would allow them to increase occupancy and raise rental rates. Time is money, and their aggressive renovation was given a 120-day window for completion.

Working Around Existing Tenants

Half of the facility's units were occupied when Nicotra's team took possession. In the past, an occupied unit posed a real problem for facility owners looking to change out a door or upgrade a unit. Fortunately, a streamlined change-out program offered by City Storage's door manufacturer allowed tenants to stay put during renovation.

Before proceeding, Nicotra confirmed that existing tenant agreements allowed management to enter units for the purpose of maintenance or emergencies. During the turnkey change-out program, tenants' belongings were safely moved

Before



Worn roll-up doors were faded and poorly operational.

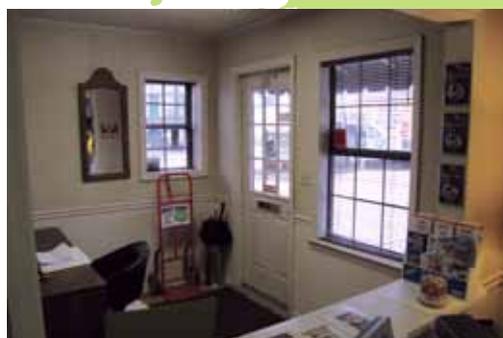


Roll-up doors were not uniform in color, adding to the tired look of the pre-renovated facility.

After



Fresh paint, oversized windows and exterior lighting present a safe and attractive office.



Fresh paint, oversized windows and exterior lighting present a safe and attractive office.

for the short time needed to replace each door—all under the watchful eye of a facility-hired security guard and a video camera. Items were logged and replaced after the process was complete.

It's more cost-effective to perform door replacements in bulk. As the door company had procedures in place to reduce liability during the change-out process, the City Storage renovation was off to a strong start.

After



A new lobby offers client seating and room for merchandising.



The renovated office boasts clean lines and ample white space.



New roll-up doors and exterior painting revitalize the curb appeal.

Making the Investment

Facility upgrades involve some upfront costs. These days, self-storage owners have the option to finance removable storage equipment with low down payments and attractive terms. Though this type of financing was not available during the City Storage project, the investment was certainly warranted, and the end result allowed the owners to meet their operational goals.

To further justify the investment, top-of-the-line materials often mean reduced claims and preferred insurance rates, all money-saving features important to City Storage. In fact, a major insurance firm currently offers up to a 20 percent discount to owners who renovate their facilities and install premium doors and components.

City Storage also remodeled the leasing office and installed access-control and surveillance systems as well as brought on a professional management firm. Existing tenants raved about the revamped property, stating it was well done and well overdue! The curb appeal led new prospects to see what City Storage had to offer. More tangible rewards came about from the renovation including:

- The occupancy rate increased more than 10 percent within 6 months.
- The rental rates for current customers increased 8 percent to 10 percent immediately, with new tenants being charged a rate to meet or exceed the local competition.
- The facility enjoyed stronger referrals from existing customers who experienced the improvements.
- The site serves as a model project for future value-add acquisitions.

Renovation Advice

Nicotra, who is also a partner in Self Storage Equipment Financing LLC, which provides a financing option for self-storage operators wishing to improve or expand their facility, shared a few suggestions for any owner looking to make this leap:

- Go with the most qualified, professional vendors possible.
- It's easy to over-analyze, so just "get off the fence."
- Beware of over-investment relative to competition and the rate customers will pay for an improvement in a given market.
- Avoid reaching for too much debt to fund improvements based upon pro forma results supporting the investment.
- Explore equipment financing as a funding option for renovation.

Refurbishment is a big step that requires a detailed plan of action. Done properly, the rewards are well worth the input and can place your facility at the top of the competitive rental market. By choosing experienced vendors, you'll reap the rewards from the onset. **ISS**

Amy Fuhlman manages the marketing communications programs for Janus International, a door and component manufacturer based in Temple, Ga. For information, visit www.janusintl.com.

Upgrading to Green

MANY SELF-STORAGE OPERATORS are now turning to green products and applications when it's time to make upgrades at their facility. From solar panels to eco-friendly lighting, sustainable products can lead to better-run facilities and long-term savings. Here are just a few examples of the many ways operators are adding sustainable elements to their operations.

Solar. By far the biggest green initiative, solar panels have become a go-to for operators looking to add a green element. Solar technology has evolved and is now more affordable and available. In addition, there are government rebates and tax credits available to offset the cost of installation. In some states, facility owners can even sell excess power the facility generates back to the power company and make a profit.

Cool roofs. Another cost-effective element that can be added to rooftops is "cool" systems or white paint. Cool paints or panels have a special pigment that reflects solar radiation by at least 25 percent. Metal roofs coated with PVDF-based resin can achieve solar reflectance of more than 25 percent, reducing energy consumption by up to 40 percent as part of a total system design.

Lighting. Although a necessity for safety and security, lighting also comes with a big price tag. Operators are upgrading to more energy-efficient lighting, using lower wattage bulbs and adding motion sensors to control when and how long lights are on.

Water retention. Capturing water runoff is a smart way for operators to reduce water consumption and irrigate facility landscaping. There are a number of systems available at different price points to fit just about any need.



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 CONTROLLER Jennifer Janos
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PUBLISHED BY VIRGO PUBLISHING LLC
 3300 N Central Ave., Suite 300, Phoenix, AZ 85012
 Phone 480.990.1101 • Fax 480.990.0819
 Website: www.vpico.com

GROUP PUBLISHER
 Troy Bix • tbix@vpico.com
 480.990.1101, ext. 1118

EDITORIAL DIRECTOR
 Teri L. Lanza • tlanza@vpico.com
 480.990.1101, ext. 1213

EDITOR
 Amy Campbell • acampbell@vpico.com
 480.990.1101, ext. 1422

ONLINE CONTENT EDITOR
 Tony Jones • tjones@vpico.com
 480.990.1101, ext. 1261

MARKETING MANAGER
 Judy Blanchard

ADMINISTRATIVE ASSISTANT
 Debbie Pirkey

EXECUTIVE DIRECTOR, MEDIA OPERATIONS
 Danielle Dunlap

PROGRAM MANAGER
 Kristin LaBarbera

ART DIRECTOR, BUSINESS SOLUTIONS
 Angela Wright

ADVERTISING ART DIRECTOR
 Matt Couter

REPRINTS & LIST RENTALS MANAGER
 Jennifer Thompson • jthompson@vpico.com
 480.990.1101 ext. 1170