MINI-STORAGE MESSENGER 2002 FACILITY OF THE YEAR OVERALL WINNER

Amazing Spaces

SPRING, TEXAS





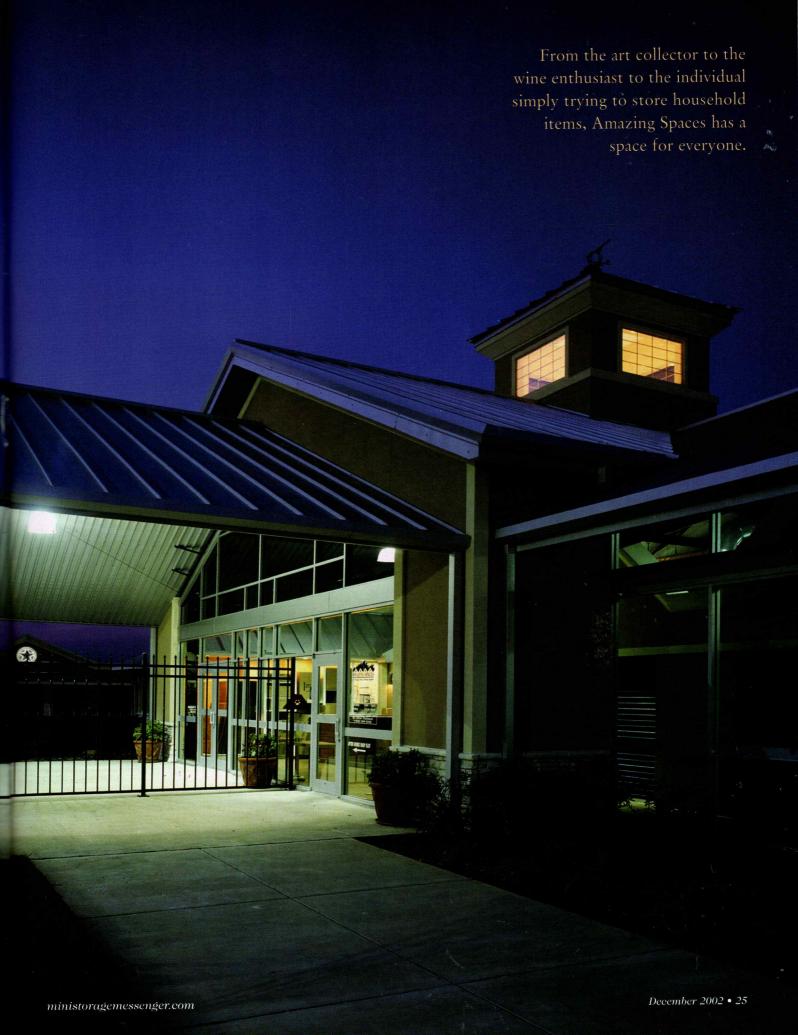


BY RHONDA PASCHAL — PHOTOGRAPHY BY RICK GARDENER

mazing Spaces in Spring, Texas is the brainchild of Kathy and Scott Tautenhahn. Opened in October of 2001, the Tautenhahns' vision for a self-storage facility in this upscale community known as Houston's prestigious Champions area was right on the money! From the art collector to the wine enthusiast to the individual simply trying to store household items, Amazing Spaces has a space for everyone. Situated on more than seven acres with 450 feet of frontage at the intersection of Louetta Road and Champions Drive, with a 5,200-square-foot showroom and leasing office, Amazing Spaces definitely commands a "Wow" response from its visitors. It's easy to see why this amazing facility has earned recognition as the Mini-Storage Messenger 2002 Facility of the Year Overall Winner.

The Tautenhahns' vision of what they wanted to offer at the Louetta Road facility was in many ways inspired by their first self-storage facility, which served as their learning ground. In essence, they took the best of what they had to offer at the first facility and incorporated it into the new one. "The first location was built in two phases with the first phase being built in 1997 and the second phase completed in December 1999," explains Scott. "That first self-storage property is located in Cy-Fair in the Jersey Village area of Houston. The Cy-Fair location was more or less a learning experience for us to figure out where our company [Tautenhahn Holdings] was heading. It is much smaller than the new location, but has many of the same security features and amenities that we expanded on at the Louetta Road location."

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During the first 18 months after the Cy-Fair facility opened, the Tautenhahns learned a lot about what kind of product storage customers wanted. This allowed

explains that Kathy and Scott are very innovative and sophisticated operators who are willing to take some risks. "They used the feasibility study to

"We showed them our feasibility study and convinced them that if we both built at the same time we would saturate the market."

-Kathy Tautenhahn, Owner, Amazing Spaces

the couple to incorporate numerous ideas into their next project. "We are firm believers in only building what the market area will demand," says Kathy. "When we chose the site for this new concept store, we were looking for a site that all of our ideas would fit into—most of our new ideas and designs are 'market specific' to this high-income area. In other words the wine storage, elaborate peaks and décor, and the overly extravagant leasing office will not work in every market area."

Turning Challenges Into Benefits

While the Tautenhahns had a slew of design ideas for their new project, they did encounter several challenges—none of which stopped them from delivering a product that everyone involved in was proud to be associated with.

"Our first major challenge was finding a location that would support our new ideas," says Scott. "We wanted to find a location that was in a high traffic area with high visibility and frontage, and demographics that would support an upper end project. We also wanted a site with little or no undeveloped land...and if there was any, it needed to be priced high enough to discourage the average investor from building across the street."

Thanks to Houston's lack of zoning, the area is a highly competitive market for self-storage. After finding what they thought was the perfect location, the Tautenhahns had to act fast because less than two miles from their prospective site a sign popped up indicating that a new self-storage property was coming.

"The Tautenhahns learned that someone else had purchased some property near theirs and were also planning to build a storage facility," says Sigel Roush, owner of Capacity Development, based in Highland Park, Ill., the company that did the site feasibility study and unit mix for both Amazing Spaces locations. He educate these [competitors] and convince them not to proceed with their plan to build a self-storage facility."

According to Kathy, one of the first things they did was convince their competitors that she and Scott were completely committed to moving forward with building Amazing Spaces. "We were a lot further along than they were, which helped," she says. "They were starting to look into building a facility and put up their sign at a time when we had just spent several months dealing with a pipeline easement issue on our property to make sure that we could build."

Part of the problem with two self-storage facilities being built so close together stemmed from the lack of zoning in Houston. "There are no specific guidelines for self-storage," Kathy says, explaining that when you go in to get your permits, you can list the project under any one of several categories. "Because of that, you can both be applying for a permit and completely miss one another."

In the end, Scott and Kathy collaborated with the owners of the other property, who ultimately chose to utilize their site for a different use. "We showed them our feasibility study and convinced them that if we both built at the same time we would saturate the market."

This was only one of the many challenges they faced. The pipeline easement issue was another. "A 50-foot pipeline runs right through the front of the property," says Clark Edgecomb, president of Houston-based Edgecomb & Associates, Inc., who was the project's architect. The pipeline easement made it impossible for anyone to build on the front of the property. "Initially, the fear was that

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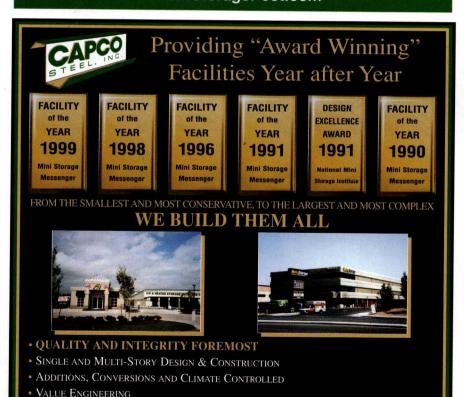
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the facility would be set back too far to be seen." Not to be stopped, Edgecomb and the Tautenhahns found a way around it.

"We determined that even though we could not build on this huge easement, we could cross it with driveways as long as the pipeline company approved our design and plans," says Scott. "It took a little extra planning and time, but what we ended up with was a product that forced us to set back the buildings leaving the entire frontage for landscaping and great visibility.'

Edgecomb agrees that this turned out to be a plus. "By putting the bulk of the property behind the pipeline, the [storage] buildings have a better presence," he says. "At the same time, the property's design also enhances the appearance of the front office area, along with the peaks, the wrought iron, nighttime illumination and other architectural elements that help set the property off."

Even the facility's landscaping benefited from this obstacle that potentially could have killed the project. Keeping in mind that they were building in an upscale area surrounded by million dollar homes, the Tautenhahns looked to experts when it came to designing this frontage area that couldn't be built on. "We were left with almost an acre and a half that needed to be dressed up to our standards," says Kathy. "So we consulted a landscape architect to help us come up with a design that would harmonize with the surrounding area."

Attached to each door is a custom-designed plague emblazoned with the Amazing Spaces logo and the storage unit number.

Amazing Spaces Indeed

The end product? An "amazing" facility that offers 111,705 square feet of rentable storage. In addition to 673 climate-controlled and non-climate controlled self-storage units, Amazing Spaces also has 78 wine storage vaults that are accessible by way of a separate entrance and housed in a 1,600 square foot room that is temperature and humidity controlled. The facility also

offers boat and RV storage with spaces that range in size from 13-by 30 to 13-by-80 with an 11-foot width and 14-foot height clearance.

The first thing you notice when you see this self-storage facility is the awesome detail that went into it, from the this project largely due to the customer service the company provided on Amazing Spaces first project in Cy-Fair. Because time was of the essence with a competitor building a new facility nearby, DBCI had to move fast on this project. Within two weeks from the time the

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—Clark Edgecomb, President, Edgecomb & Associates

covered driveways to the logo-decorated peaks of each of the storage buildings. Especially noticeable is the buildings' stone and stucco exteriors that are finished in natural light tones and accented with rich dark blue and forest green trim. And welcoming visitors into Amazing Spaces are expansive storefront windows that reach 30 feet from floor to ceiling—a feature that lends itself to the ideal lightening situation. But perhaps most striking of all is the facility's peaked roof, which is topped with the company's logo star.

"At night, the facility takes on an entirely different appearance with the illuminated star," says Edgecomb. "The well-lit office and the front windows make it look like a jewel-you can't miss it when you drive by." He explains that the blue metal framing of the leasing office is softened by the use of other elements such as wood and tile flooring combined with earth-tone colors throughout. Adding to the impact of the office and retail sales area are actualsized model units that potential customers can view when they come in. Additionally, the facility's managers can demonstrate how to use the access keypads, individual door alarm system and cylinder locks in this beautifully designed area.

Another element accentuating the facility is its nonstandard dark blue roll-up doors, manufactured by Douglasville, Ga.-based DBCI (Doors and Building Components Inc.). Attached to each door is a custom-designed plaque emblazoned with the Amazing Spaces logo and the storage unit number. "The Tautenhahns went with a custom Harbor Blue color on the exterior and white on the interior," says Jeff Morgan, DBCI's technical sales manager, who says that DBCI won

order was placed, materials were delivered to the job site.

Assembling The Right Team

Much of the success of this Amazing Spaces facility can be attributed to the Tautenhahns ability to assemble an all-star team to help them get the job done. "We learned a lot from our first project," says Kathy, who admits that she and Scott wanted people who also would think outside the box when it came to the new facility.

"We also believe in paying for good service up front so we don't encounter problems later," says Scott. "Our philosophy is you can pay now and be happy or you can pay more than double later."

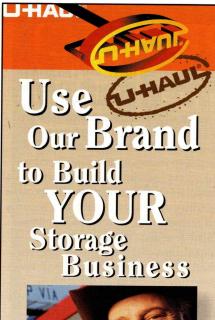
Having mastered the architectural design and layout, Scott and Kathy wanted to incorporate the best security and access features available into this new facility. Hence, topnotch security became a priority. And installing the best security and management systems required the guidance of industry experts, so the Tautenhahns called on Scottsdale, Ariz.-based PTI Integrated Systems and Texas-based Envirocom to do the job.

Having used Envirocom on their first self-storage facility, Scott and Kathy once again chose the company. Envirocom Vice President Glen Gilmore is quick to give the Tautenhahns credit for knowing what they wanted in a security system, then letting both his company and PTI deliver a state-of-the-art setup for Amazing Spaces.

"We sat down with the Tautenhahns and they let us know what they expected

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at the end of the job," explains Gilmore. "There are multiple systems in place at the facility, including 32 surveillance cameras that are viewed on two 42-inch projection televisions and two 27-inch televisions. The entire facility, both inside and outside, is monitored with video cameras 24 hours a day."

our customers. We want them to know we are taking every step to ensure their belongings are as safe as they would be in their own home."

Kathy agrees, saying, "We have always held the belief that we are going to provide our customers with the best products, amenities, and security avail-

"We did a total of 19 lighting zones, which means everything is door and motion activated with no dead areas."

—Glen Gilmore, Vice President, Envirocom

In addition to surveillance cameras, all units are individually alarmed and equipped with Envirocom's Trackit Roll-up Door Switches. Also designed by Gilmore was the facility's automated lighting system. "We did a total of 19 lighting zones, which means everything is door and motion activated with no dead areas," he explains. "All entry/exit doors to the climate controlled buildings automatically arm at night and disarm in the morning." A hallway intercom, paging and music system was also incorporated into the automated functions.

In praising Envirocom and PTI, Scott says, "We rely heavily on our alarm and surveillance system, so we needed a company that would build and install a security system that would be reliable and experience as few false alarms and lightning problems as possible. We also wanted a hallway lighting system that would be activated by a series of switches and motion sensors that could be programmed into the alarm system."

Scott admits that Amazing Spaces relies on its alarm system perhaps more than anyone else out there. "If an alarm goes off after office hours, it automatically pages the area manager [and us]," he says. "We then log on from our home computer and determine what caused the alarm and take the appropriate measures. If no one returns the page or if the situation warrants the police, they are dispatched immediately."

In addition to the alarm system, Amazing Spaces utilizes color digital surveillance cameras that record activity on the site, which Scott explains is beneficial in the event there is ever a problem and they need to go back and review any suspicious activity. "We are consistently updating the systems we use," he adds. "We always want the best product for able. Our customers know that if it says Amazing Spaces they are going to get the cleanest product available with an extensive alarm and surveillance system."

Also in use at Amazing Spaces is PTI's TaskMaster management software along with its Falcon Security System (automated controlled gate access). "The Falcon Security System interfaces perfectly with TaskMaster management software to ensure smooth communication and control," says PTI's Karen Genualdi, who explains that if you don't have the right tools to manage your facility, you will not have the control you need to properly manage your location.

In their quest to assemble the best team possible, Scott and Kathy also turned to David Boothe of Landmark Interest in Baytown, Texas, who was the general contractor for this facility. "I worked closely with Clark Edgecomb on some aspects of the project," says Boothe. "We followed Kathy and Scott's ideas because they know the self-storage business and they knew exactly what they wanted on this project. We simply helped to make it a reality for them."

Bringing It All Together

As with any business, marketing the product is key. The Tautenhahns took advantage of pre-leasing opportunities and marketed the facility nearly three months before the grand opening. Now that the location has been in operation for more than a year, the company uses other methods to get the word out about the facility. "We spend a lot of time on direct marketing," explains Kathy. "Our advertising is very market specific for each property. You really have to use approximately four to eight percent of your budget to advertise a new project correctly. We look at the area and our

customer base and try to reach them in different ways than our competition. It seems to work well for us. We still use old standards such as Yellow Pages, coupons and such but we believe the majority of our budget is better spent in other areas." with Penske Truck Leasing. We've also partnered with a moving company that provides top service to our customers."

Moving Beyond This Success

Described by others as being innovative, knowledgeable and having fresh ideas,

"My favorite aspect of the finished product is what I call the 'Wow' factor. We hear this on a daily basis from customers walking into our office for the first time. Hearing that makes it all worthwhile."

-Scott Tautenhahn, Owner, Amazing Spaces

Having marketed and given their customers what they consider the best service you can get in the industry, the Tautenhahns further strengthen their position in the market by hiring only top managers and associates and training them well. "Customers love the product we have created and the word is getting out," says Kathy, who believes that customers are the best marketing tools she and Scott have found to date. "We keep the customer talking about us and coming back—that's what we love to do."

Obviously their efforts have paid off-after being open for just over a year, this Amazing Spaces facility has achieved a 70 percent occupancy rate. Scott, however, prefers not to gauge their success in terms of percentage rented and square feet occupied. "Unfortunately you cannot pay your bills by telling your creditors you are 95 percent full or occupied," he says. "We try to only pay attention to total dollars brought in on a monthly basis in relation to what we feel is our gross potential. We have been open a little over a year and we are getting 70 percent of what we feel is our gross potential."

Undoubtedly, their customers are getting the message that Amazing Spaces also offers a variety of add-on services that include a retail sales area fully stocked with hundreds of boxes, moving supplies, locks and a number of other products. "We want our customers to find everything they need for their move here at Amazing Spaces," says Kathy. "We are a full service moving and storage company. We have even tapped into the container store market with plastic storage containers and we're partners

how can the Tautenhahns possibly top all the bells, whistles and other impressive amenities available at the Louetta Road Amazing Spaces location? Not in the habit of resting on their laurels, the couple is already looking toward the future and evaluating numerous options. Kathy says that Amazing Spaces number three is already being explored and will hopefully be underway within the next 10 to 12 months.

"We are also taking calls from investors on the possibility of obtaining outside financing to develop 15 to 20 new sites in Texas within the next 10 years," says Scott. "We have also been discussing the possibility of running a few locations as a management company for a few select clients."

After completing a project this grand, surely the owners must have a few favorite touches. "I love the retail look of the entire project," Kathy says. "I have to say that our idea of using natural earth tones and stone and stucco really adds to the outside. I love the inside of the office; I wanted a Pottery Barn feel for our leasing office and I think we accomplished that."

Scott's favorite feature revolves around customer reactions. "My favorite aspect of the finished product is what I call the 'Wow' factor," he says. "We hear this on a daily basis from customers walking in to our office for the first time. Hearing that makes it all worthwhile."

Rhonda Paschal is the *Messenger News* editor and a freelance writer in Phoenix, Arizona.

