



Trachte

Your Source
For Self-Storage
Facility Management
And Development

Connection

T R A C H T E B U I L D I N G S Y S T E M S , I N C .

SPRING 2001



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Celebrating 100 Years Of Business

Throughout the past 100 years, Trachte has been building more than metal structures. We build strong customer relationships, provide quality products, and never compromise our integrity; values we have upheld since the very beginning.

In 1901, George and Arthur Trachte, with a capital investment of \$200, established Trachte Brothers Company as a furnace and tinsmith shop, in Madison, Wisconsin. Their first order was worth \$10 for pans and dippers for the Madison Candy Company. They added more tinning products, moved to larger quarters and by 1912 had designed and patented the first roll-forming machine used to manufacture corrugated livestock water tanks.

Shortly after, the brothers developed the first steel shelter to house Arthur's new Dodge, because he didn't want it damaged by weather. By 1919, Trachte was building and selling portable steel garages for more than 20 million "cars without homes." They soon added boat-houses, metal boats, oil tanks, phone booths, and the first all-steel cotton mill building to their product line.



In 1927, Trachte Brothers Company built the airplane hangar at Pennco Field in Madison, Wisconsin that housed Charles Lindberg's *Spirit of St. Louis* during his barnstorming tour of the U.S.

By the 1960's Trachte was manufacturing standard building parts. Later, Trachte



entered the fast-food industry, with customers such as Kentucky Fried

Chicken, Wendy's, and Dairy Queen.

It wasn't until 1974 that Trachte Brothers Company found its niche when they entered the self-storage industry with the first all-steel mini warehouse.

Later, in 1978, the company name was changed to Trachte Building Systems.

In order to ensure quality and offer the convenience of purchasing a complete self-storage facility from one source,

Trac-Rite® Door was created in 1981 to manufacture steel roll-up doors. The company continued to grow and moved to a larger plant in the Sun Prairie, Wisconsin Business Park in 1985.

Steve Pagelow, President since 1980, says flexibility is vital to keep a company viable and growing for this long. "One key initiative a company has to do is adapt to change. We welcome change. If you don't, your company is going to disappear,"

he said. "We are really focused on our core competency - providing a good investment opportunity for entrepreneurs. We're not just selling

steel building packages. We're selling business opportunities."

Today, as the leader of the self-storage industry, Trachte buildings are located in every state and in several countries, including Canada, Costa Rica, Mexico, and Panama.

Trachte sees the market demands for storage facilities growing coupled with more people becoming entrepreneurial in the future. However, the marketplace is changing and becoming more challenging with respect to designs and barriers to enter. But no matter how much Trachte transforms its products and services to meet the changing marketplace, our commitment to provide satisfaction and quality products to our customers will never be compromised.

"People, whether they are customers or employees, are and will always be the real key to Trachte's success," Pagelow said.



Win a Trachte Self-Storage System!

As part of our anniversary celebration, we are giving you an opportunity to win a 30' x 150' x 8'4"

Trachte™ Low-Profile Building complete with Trac-Rite® doors! Call us or visit our web site at www.trachte.com for official rules and to register!

Inside Your Site

- Jeff Seefeldt,
Executive Vice
President

Whether you are starting a new development, expanding an existing facility, or building an additional project, lease financing is a viable option. Lease financing offers several advantages, namely the ability to shelter your income from taxes.



Jeff Seefeldt

Lease financing programs offer:

- Complete financing packages, including land.
- Low up-front costs. Sometimes as low as one monthly payment.
- Tax deductions. Ability to deduct payments as operating expenses.
- Accelerated write-offs. Lease payments can be expensed over a 6- to 12-year term.

Telmark, LLC, a member of the Trachte Advantage Program, offers programs in lease financing. Telmark recently expanded their services to nationwide coverage. For further information regarding leasing programs, contact Telmark directly at 1-800-451-3322 or visit their web site at www.telmark.com. Start tax sheltering your income and build upon your future.

Site In The Spotlight

Congratulations to Diane, Dorothy, and Kenny Adams, owners of Additional Self Storage of Palm Bay, Florida, as this issue's Site in the Spotlight.

Originally from Pennsylvania, the Adams owned a trash removal business. They decided they wanted to move to a warmer climate, so they sold their business and moved to Florida. With a recommendation from Jim Mark, a Trachte self-storage owner from Pennsylvania, the Adams discovered self storage. After researching each self-storage building company, the Adams selected Trachte.

For three months, Diane, Dorothy, and Kenny conducted research on the Internet and examined county records,

deciding to find land in the Palm Bay area. After many meetings with the local officials and getting the city departments on the same page, they built a 200-unit Low-Profile Self-Storage System.

The 27,000 sq. ft. Iced White with Royal Blue facility is partially climate-controlled, with 60 feet between buildings (two 24-foot driveways and a 12-foot buffer with palm trees which were mandated by the city). The facility was 50% rented before they even finished the building. Within the first year, they built another 250-unit Low-Profile building, expanding 27,000 sq. ft.



Throughout the construction of the second building, the Adams were able to maintain a 70-80% rent-up rate.

They currently have 54,000 sq. ft. with another 36,000 sq. ft. on the way. The facility is state of the art with gate key-punch access, security cameras, 24-hour surveillance, and individual door alarms. Diane attributed the fast rent-up rates to a great location, Yellow Pages advertising, and all their preliminary research.

Congratulations Diane, Dorothy, and Kenny Adams to a successful business venture.



T R A C H T E B U I L D I N G S Y S T E M S , I N C .

www.trachte.com

President's Perspective

- Steve Pagelow,
President

New economy, new tools, new rules...an age of uncertainty. One thing that remains constant is the importance of the customer as the foundation of our continued success. You have helped us reach a milestone of 100 years in business and it is only proper that you are the guest of honor for the next hundred years.

The year 2000 was an exciting year that firmly implanted Trachte Building Systems in the role of industry leader. We had our ninth year of record sales. We saw employee ownership increase to 30%. We acquired Fire Facilities Inc., the nation's leading supplier of fire training towers. We saw many improvements, technology enhancements, and organizational initiatives.

The year 2001 promises to be another banner year. A new rolling mill plans to be in place by early Fall. It will not only help increase capacity, but will also be a

catalyst for many process changes, and a higher velocity of throughput. There have been many organizational changes that will benefit the value of services delivered.

They include a new Manager of Engineering Development, and a technical group, which will be autonomous from engineering. This group will focus on the quality of our engineering services.

We hope we have made a difference over time to you, our customer. First, by providing performance, value, and services that exceed your expectations. Next, we hope you look upon us as a partner for the future. Finally, we hope that you will challenge and advise us so that we may always raise the bar of excellence.



Steve Pagelow

News At Trachte

Trachte and VP Buildings Combine to Offer Self-Storage Package

In December 2000, Trachte and VP Buildings, one of the nation's largest manufacturers of metal buildings, formed a strategic alliance to provide a new self-storage package. The alliance will offer a unique portfolio of products to self-storage customers, providing top-quality building solutions for a variety of self-storage requirements, single-source responsibility and service through VP and VP Builders. This package will feature competitive pricing and a complete building program, including Trac-Rite® roll-up doors.

Trachte Acquires Fire Facilities Inc.



In November 2000, Trachte acquired Fire Facilities Inc. Fire Facilities, the predominant leader of the fire training building industry, offers a full line of products and services designed to give safe, hands-on fire-fighting experience under controlled conditions. Trachte has been designing and manufacturing Fire Facilities' product since 1991. Together, Trachte and Fire Facilities will lead the fire training industry in innovative design concepts, quality products, and uncompromised service.

Trachte Provides Masonry Anchor Bolts

Masonry anchor bolts for exterior door jambs and interior columns are now included with all Trachte buildings. In addition, Trachte is also providing the masonry anchor bolt drill bit. Installation instructions for this new bolt have been included on all foundation plans.

Trachte Introduces an Employee Stock Ownership Program

In 2000, Trachte introduced an Employee Stock Ownership Program (ESOP). ESOPs strengthen employee dedication, elevate work effort, minimize turnover, heighten employee attitudes, and bring a more harmonious atmosphere to the company. Implementation of the Trachte ESOP has further communicated that employees are the source of Trachte's strength. Since the inception of the Trachte ESOP, employees now own 30% of the company's stock. An ESOP Owners' Council has been established as a forum to address a wide range of issues regarding the company. Twelve Council members represent each Trachte department, six from office administration and six from the manufacturing plant.

Trachte Celebrates

2001 marks Trachte's 100 years of business. On January 31, Trachte began a year-long celebration with a kick-off party in conjunction with the Inside Self Storage (ISS) Expo in Las Vegas. Initially expecting 300 guests, the Trachte Team was delighted to see the Rio Hotel ballroom



brimming with close to 600 ISS Expo attendees. Decked with vividly-colored decorations, the Mardi Gras-themed party offered complimentary hors d'oeuvres and cocktails. The line of guests were welcomed by an entrance adorned with Mardi Gras masks, glitter, and lights and were greeted by two

showgirls with festive beads in hand. Each guest also received a die-cast key chain, and key, featuring Trachte's Centennial Logo. Eight winning keys opened prizes, such as a DVD player, PalmPilot, DeWalt drill and bolt cutters. The evening was also highlighted by a juggling stilt walker, a magician, and photo opportunities with the showgirls to entertain the partygoers. Overall, a great time was had by all.



Trachte Introduces a Tension-Setting Device

Trachte's new tensioner adjusts the tension of the door spring during installation and allows for readjustment as the spring relaxes from time and usage. This easy-adjusting tensioner will be available this April and can be purchased with any Trac-Rite® door at the time of purchase or as an option at a later date.

Trachte Introduces a New Stainless Steel Lock Assembly



Trachte's new stainless steel lock assembly offers several value-added benefits: corrosion resistant, enhances door's aesthetics, and adds to door's longevity. This new product enhancement will be standard on all Trac-Rite® doors in late April.

Trachte Enhances the Micro Storage Building with a Split-Joist Floor

A split-joist floor is now available for customers who order up to four Trachte Micro Storage Buildings and when shipments exceed 500 miles. Since the floor joists can be separated into two pieces, freight bundles are reduced, thus shipping charges are lessened.

Trachte Engineering Receives Excellence Award

The Trachte Engineering Department was recently presented with a certificate of excellence. The award was granted by the Wisconsin Department of Commerce, Safety and Buildings Division for exemplary attention to code compliance and submittal detail by achieving 95% or higher approval on initial submittal. The criteria of the award was submitting between 20 and 49 plans between July 1, 1999 and June 30, 2000. Trachte scored 96.2% approval rating upon first review. There were approximately 100 applicants that submitted 20 to 49 plans and only four had the 95% or better rating.

Trachte Advisory Council Established

The Trachte Advisory Council (TAC) introduced in 2001, consists of selected Trachte customers who were nominated by Regional Managers based on the following criteria:

- 1) purchased at least two sites,
- 2) plan to expand facilities,
- 3) accessible by email.

Each nominated customer was contacted and asked to participate in this program. These customers will assist in defining viability of new products, offer feedback for product improvements, and identify areas of improvement of Trachte's products. If you feel you meet this criteria and you are interested in joining the Trachte Advisory Council, please call your Trachte Regional Manager at 1-800-356-5824.

Product Profile

- Jamie Lindau,
Sales Manager

With land costs going through the roof, many customers are considering multi-story buildings. The major attraction to these facilities is the increase of net rentable square feet for the land. Multi-story facilities feature corridor systems that meet market requirements and are ideal for urban areas with high-property values and dense population. These buildings allow

Okay, now let's talk about the risks involved with building a multi-story facility. The two main risks are:

1. Ability to rent the upper levels
2. The added costs per square foot to build



Jamie Lindau



for designing and building over single-story buildings, enabling easy expansion and increased return on investment for facilities that are currently built-out. But as with any business opportunity, this building design comes with increased risk. The challenge then becomes minimizing those risks through due diligence.

Let's first clarify a multi-story building. I consider a building to be multi-story when the upper units are not accessible from the ground level. I should mention that we do manufacture and sell a lot of two-story facilities that are built into a hill. These buildings offer drive-up access to both levels of the building and take advantage of sloping land to reduce excavation costs. Thus, these buildings are viewed as similar to one-story buildings.

Secondly, we need to determine when it is appropriate to build a multi-story building. The general rule of thumb is when your land costs are less than \$200,000 an acre, you should maximize your building coverage and build a very wide one-story building(s). However, when your land costs exceed \$200,000 per acre, serious consideration should be given to building a multi-story facility.

To overcome these hurdles, I suggest the following:

1. **Add climate control to the upper levels of the buildings.** This gives your customers a reason to store their goods upstairs.
2. **Add at least one lift per building.** Lifts make it easy and convenient for your customers to access their goods on multiple levels. Elevators are more customer-friendly than lifts in two-story buildings. However, an elevator for a three-story building is strongly recommended. An average lift is approximately \$22,000 installed while an elevator is over \$55,000.
3. **Increase rental rates.** Since construction costs for multi-story buildings are higher than one-story buildings, your rental rates will need to accommodate these additional costs. Survey the rental rates in the area to determine if your higher rates will be accepted. I suggest contacting your Trachte Regional Manager to assist you in developing a business plan for a multi-story facility and determining if it is the best fit for your site.

Multi-story facilities can be a lucrative investment, as long as you meet your land requirements and minimize your business risk.

Resource Directory

From associations and industry publications to real estate services and software programs, the Trachte Resource Directory offers a mecca of self-storage industry information and links. The Resource Directory, available on our web site at www.trachte.com consists of key suppliers from the Self-Storage Industry. These suppliers are the leaders in their respective businesses. To ensure we only promote reputable vendors, Trachte interviews each new supplier. Each supplier must adhere to our goal to help Trachte building owners get started on the right foot with their self-storage businesses.

Trachte Advantage Program

Introduced in 1998, the **Trachte Advantage Program™ (TAP)** offers an avenue for self-storage developers to save money and improve their business performance. Leading suppliers of the self-storage industry have collaborated with Trachte to provide a package of exceptional values, ranging from discounted prices to extended warranties, exclusively for our customers. The products and services available are aimed not only at providing you a competitive advantage in building your site, but also to assist you in operating and financing your self-storage business.

Membership to TAP is available on an exclusive basis only to Trachte customers who have purchased Trachte buildings since January 1, 1995. Trachte Building Systems does not receive any rebates or fees from the Trachte Advantage Program suppliers, preferring instead to have the greatest benefit possible passed directly to our customers. If you are interested in becoming a member, please call your Trachte Regional Manager at **1-800-356-5824**.



TAP Featured Company

This issue's featured TAP Participant is AJAY Equipment Corp. AJAY Equipment sells and installs Vertical Reciprocating Conveyors (VRC) for self-storage facilities. Since 1983, AJAY has provided the strongest VRC design available, offering nationwide 100% turnkey installations. AJAY offers Trachte customers, upon purchase of a VRC with installation and regular maintenance from AJAY, a two-year parts and labor warranty.

AJAY will further extend its existing one-year parts and labor warranty on its entry gates and landing enclosures to three years.

For more information about AJAY Equipment, please call **1-800-521-AJAY (2529)**, fax **714-792-0858**, 712 South Richfield Road, Placentia, CA 92870-6760, email ajayrvh@aol.com, or visit their web site at www.selfstorage.net/ajay.

Meet The Trachte Team

This issue's featured department is the **Customer Service and Technical Support Department**. Everyone in this department is eager to help you with any questions or concerns regarding your delivered products. This department's goal is to ensure the assembly phase of your project progresses quickly and smoothly, resulting in a quality finished product. To further assist in the erection of your facility, a toll-free technical support hotline is available for field erectors at **1-888-271-HELP (4357)**.

Listening to our customers provides us with valuable feedback to ensure improvement of our products and services and assists us in developing future products. With this in mind, we invite you to contact the Customer Service and Technical Support Department with comments and suggestions regarding our products and services. Call them at **1-800-356-5824** or email custserv@trachte.com.

Customer Service Center

It is important to keep your site looking like new. This will help generate traffic to your site and keep your current customers satisfied. Below are several helpful hints to keep your Trac-Rite® roll-up doors operating like new.

Close the roll-up door so that the door springs are visible. With an oil pump can, pump a bead of oil across the length of each spring. Operate the door several times. The oil will work its way around the spring to help reduce friction in the spring coils.

Now, reopen the door. Clear any dirt



Adam Goldschmidt

and debris from the guide.

Spray silicone spray, Pledge, or Zep 45 onto the door guide runners and inside the guide. The sprays are a dry lubricant which will not attract dust or dirt. This will help the door operate smoothly and keep the guide runners from becoming brittle.

Finally, spray the slide lock with silicone spray or Pledge, to promote smooth lock operation.

To maintain a smooth operating door, this process should be repeated each time a tenant vacates the unit.

We would like to introduce you to some of our new employees:

Jerad Pearson is Trachte's Inside Sales Representative. In this position, Jerad is responsible for assisting the Regional Managers in all aspects of direct selling of self-storage systems. Other responsibilities include sales activities relating to Trachte's Small Building product line.



Jerad Pearson



Steve Plenty

Steve Plenty, CPA, joined Trachte as the Senior Cost Analyst. Steve is responsible for providing analysis of cost issues to help increase the efficiency and effectiveness of the organization. This will enable Trachte to provide customers with the most competitively-priced building products on the market.



Sherman Raschein



Craig Rohde

Sherman Raschein has joined Trachte as a Regional Manager for the Northwest States including Western Canada. Sherman brings 6 years of sales experience and an extensive knowledge of the building industry. In this position, Sherman will be responsible for sales activities offering superior customer support.

Craig Rohde joined Trachte as a Marketing Coordinator. In this position, Craig will assist in Trachte's marketing efforts including advertising, promotion, website development, database management, trade show and seminar coordination, and product support.



John Whalen

John Whalen, PE, is Trachte's Manager of Engineering Development. John's responsibilities include product improvement and product development. John oversees technical development in Trachte's Engineering Department.

Not Pictured:

Jim Mitchell joined Trachte as an Engineering Technician. Jim will be responsible for part design, detail creation, and product improvement.

Kent Nywall recently joined Trachte as an Engineering Technician. Kent will be responsible for generating site plans, permit plans, and listings of Trachte buildings.

We are pleased to announce the following promotions throughout our company:

Joe Borkowski has accepted the position of Technical CADD Supervisor. Joe is responsible for new parts, erection details, and erection manuals for all product lines.



Joe Borkowski



Adam Goldschmidt

Adam Goldschmidt is Trachte's new Customer Service Supervisor. Adam is responsible for providing technical support to our building customers and managing the Customer Service and Technical Support Department.

Jennifer Mason has been promoted to Marketing Manager. In this position, Jennifer is responsible for the coordination of all marketing efforts, including advertising, promotion, website, public relations, conventions, and product development.



Jennifer Mason



Ross Mori

Ross Mori has accepted the position of Director of Engineering. In this position, Ross is responsible for managing both the Engineering and Pricing Departments and has final decision-making authority for all engineering-related issues.

Jerry Neis is now Trachte's CADD Production Supervisor. In this position, Jerry's responsibilities include managing the schedule and preparation of site plans, permit plans, and listings for all Trachte product lines.



Jerry Neis

Not Pictured:

Marty Robbins continues his position as Trachte's Engineering Quality Control Manager, with the added responsibility of managing staff.

The Traffic Report

- Terry Stephens,
Traffic Manager

What to expect when your shipment arrives

Before your order is loaded on the truck, we will call you with the delivery schedule. Very often the driver will call you directly to confirm the delivery time and get directions.

It has been our experience that the drivers adhere to the scheduled times. However, snow and ice storms can make keeping a tight delivery schedule difficult. To ensure you are continually aware of the status of your shipment, please supply us with accurate phone numbers. Job-site phones and cell phones are great means for drivers to let you know their estimated time of arrival. If the driver has not arrived within the scheduled time period, please call us immediately at **1-800-356-5824**. We will contact the carrier, find out why there is a delay, and let you know the status of your shipment.

When the driver arrives at your job site they will usually confirm the details; for instance, is this the right place, where do you want to unload the truck, and so forth. If your order is C.O.D. the driver will ask for the check before

allowing you to unload. The driver is not trying to be difficult. All carriers have the same policy. The driver must have the check in hand before releasing any material. The check should be for a specified amount that matches the driver's bill. The check should also be a cashier's check or a money order.

During unloading, the driver is only responsible for removing their tarps, straps, and chains. You are responsible for unloading your materials. A 5,000-pound forklift is recommended for unloading. Most of the carriers we use

have very helpful drivers that will do everything they can to expedite the process of getting your material off the truck. Keep in mind that the drivers are under no obligation to help unload.

Drivers, however, are expected to be polite, courteous, and behave in a professional manner. If you have any problems at all, please call us. We will contact the carrier who will in turn deal with the driver. Sometimes situations on the job site can become intense. We want to make sure that you are always treated in a professional manner and that your experience with Trachte is a pleasant one.

Ways to contact the Traffic Department:
Phone: 1-800-356-5824
Fax: 1-608-834-1164
Email: shipping@trachte.com



Terry Stephens



Trachte Connection

Trachte Building Systems
314 Wilburn Road
Sun Prairie, WI 53590-1469
Phone: 800-356-5824
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Help Line: 888-271-HELP (4357)
Web site: www.trachte.com
Email: tbs@trachte.com
Newsletter comments, email the editor at newsletter@trachte.com



Office Hours:
Monday-Friday: 7:00am - 4:15pm
Central Standard Time

Our office will be closed on the following holidays:

Good Friday	Friday, April 13
Memorial Day	Monday, May 28
4th of July	Wednesday, July 4
Labor Day	Monday, September 3

Eureka!

Got some ideas to share with Trachte? New products? New services? New improvements? Share them with us! We want to hear from you!

Call us at **1-800-356-5824**, fax **1-800-981-9014**, or email us at **greatideas@trachte.com**.

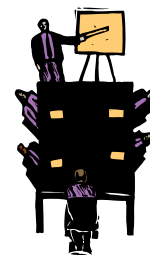


Upcoming Events

Date	Event	Location
March 28-31	Self Storage Association Spring Conference and Trade Show	New Orleans, LA
April 3	Trachte Seminar	Montreal, Quebec
April 5	Trachte Seminar	Pueblo, CO
April 10	Trachte Seminar	Peoria, IL
May 3	Trachte Seminar	Calgary, Alberta
May 8	Trachte Seminar	Burlington, Ontario
May 17-18	Missouri Self Storage Association Spring Conference and Developers' Seminar	Lake of Ozarks, MO
May 24	Trachte Seminar	Philadelphia, PA
June 5	Trachte Seminar	Halifax, Nova Scotia
June 7-8	Inside Self Storage Trade Fair	Biloxi, MS
June 12	Trachte Seminar	Des Moines, IA
June 14	Trachte Seminar	Hartford, CT
September 11	Trachte Seminar	Fresno, CA
September 12-14	New York Self Storage Annual Convention	Tallytown, NY
September 19-21	Inside Self Storage Expo	Nashville, TN
September 25	Trachte Seminar	Lexington, KY
October 3-6	Self Storage Association Fall Conference and Trade Show	Salt Lake City, UT
October 18	Trachte Seminar	Virginia Beach, VA
October 21-23	Texas Mini-Storage Association Annual Convention	Galveston, TX

Trachte Educates

Trachte will be presenting its popular informational seminars, **"The Building Blocks of Self-Storage Development"** throughout 2001. Continually updated with new information, the free one-day seminars cover the spectrum of self-storage topics, from site selection and financing to operations. Seminar hours are 9:00 a.m. to 3:30 p.m. with lunch provided. For more information or to reserve a space at a **FREE** seminar, call Trachte at **1-800-356-5824** or register online at **www.trachte.com**. Below are some comments from seminar attendees.



"I simply can't believe how in-depth this overview was! As a person who is seriously looking at investing in self-storage units, I would have gladly paid \$1,000 or more for this information. Enough information was given to help me decide if this was something I really want to do or not. Most importantly, I learned what not to do which will help me to be successful. Thanks a million."

Flo, Georgia

"I am very happy I attended! It was extremely informative and interesting. Thank you."

Katherine, New Jersey

"Very Informing!"

Jim, Missouri

"One of the best presentations I've seen in years. Jamie Lindau did a very, very good job."

Barry, New Hampshire