



**Johnstown Storage**  
243 Storage Units & 21 Garages  
Built 2022  
Johnstown, CO

# Executive Summary

## Goal of Meeting:

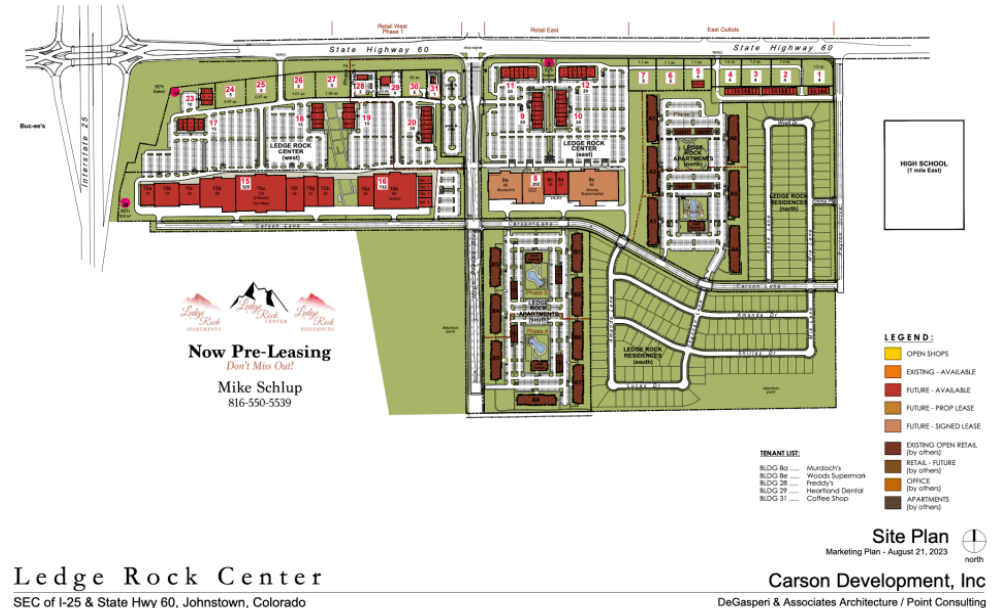
- Our objective is to be able to lease the storage building at Johnstown Plaza to the public. Our goal is to execute upon our original business plan and not have a vacant building.

## Continued Investment in Johnstown:

- Graycliff Capital has a strong relationship with Mike Schlup, and we are in discussion to participate in the development of Ledge Rock Center by investing in additional apartment communities.
- We have invested over \$70mm in the community and have plans to invest upwards of an additional \$160mm at Ledge Rock Center.
- We want to commit to continued investment Johnstown but need to know if we can find a path forward on Johnstown Plaza Storage.

## Benefits to the Town:

- Tax Revenue: the property is currently assessed as fully residential due to the town preventing us from leasing it commercially. This resulted in a loss of \$150,549 of tax revenue to the town/ county.
- Demand: Adjacent property owners/ managers in the vicinity have reached out to us asking if they can direct their tenants to our facility for storage. Furthermore, based on conversations with local operators, the demand for storage in the area is robust.
- Use: Within the immediate vicinity of Johnstown Plaza there are various self storage facilities. This would not be a new or unique use for the area.



# Deal History

- Graycliff Capital Partners, LLC purchased the property, Johnstown Plaza Apartments and Storage, from Mike Schlup on 9/22/2022.
- Graycliff is a large multifamily owner operator with 30 properties across the Southeastern United States and Rocky Mountain West.
- A few weeks prior to closing, the Town of Johnstown stated that we were not allowed to rent the storage facility for commercial use and could only rent to our multifamily residents. The issue was uncovered during the process of obtaining business licenses for the property.
  - We were given formal notice via a letter titled *Admin Determination dated 8-24-22* and written by Kim Meyer, the Director of Planning and Development at the time.
  - We were not part of any conversations with the town during the building/ planning stage. It was our understanding that due to the size/ scale of the storage building the intention was for this to be commercial use.
  - Based on certificates of occupancy, plans, and permits issued by the fire department clearly state; “Self-Storage” or “Storage”.
  - After communicating to Ms. Meyer that the building would be essentially vacant if we were only allowed to rent to our residents, she asked us to try which is what we have done over the past year.
  - Based on conversations with storage managers prior to closing, they told us to anticipate 10-20% of our residents utilizing the storage as an amenity based on similar products they have seen.

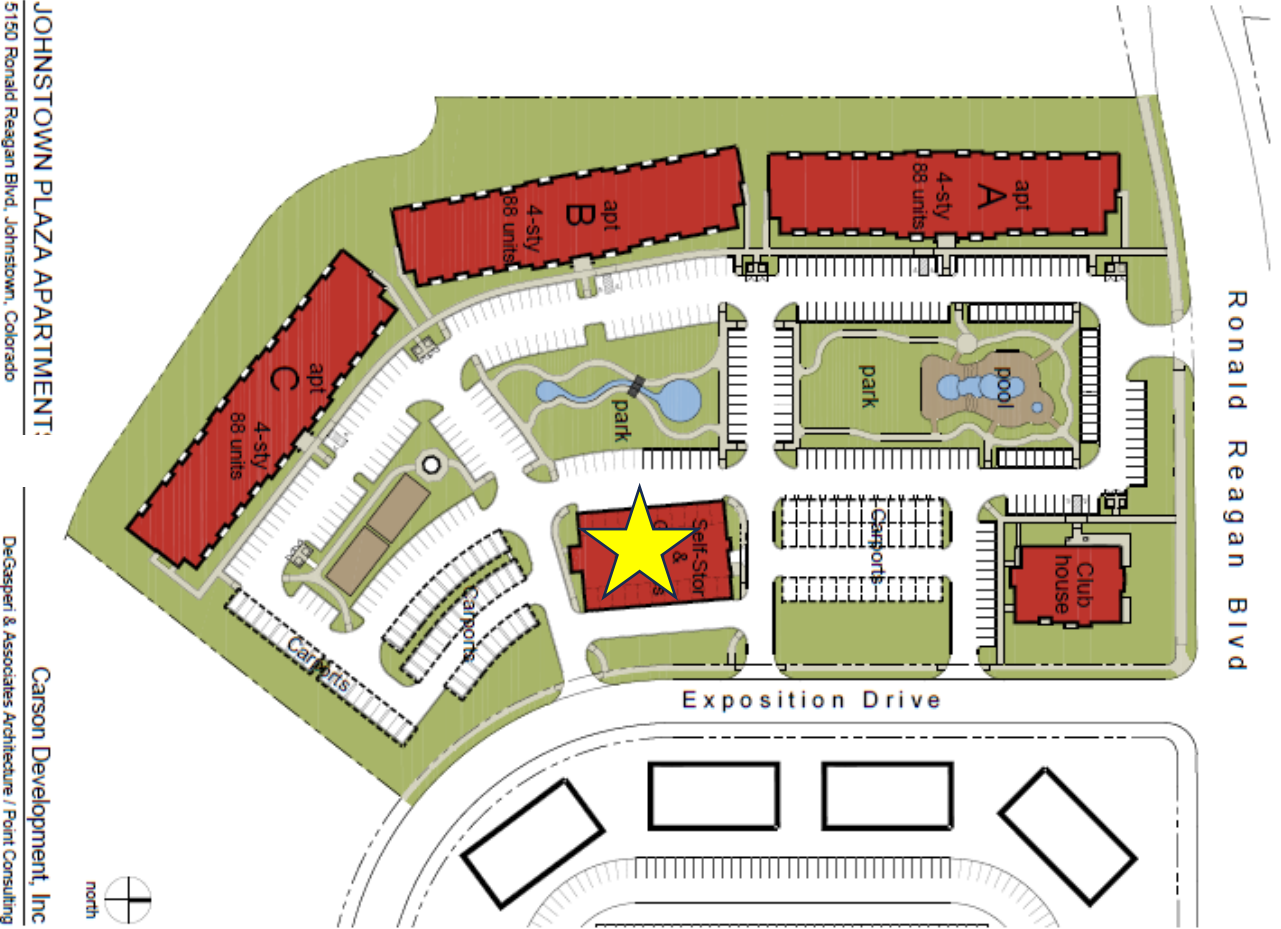
## Update on Leasing:

- After one year of leasing, the storage units are currently 16% occupied. Including the garage spaces, we are 22% occupied.
- A self-storage property is considered fully occupied at 85%-90%.
- Most of these units have been given away to our residents as part of leasing incentives for the apartments. No significant income is attributed to the leasing of the storage units at this time.
- Our apartment complex is currently 99% occupied.

	Total	Rented	% Rented
<b>Carpports</b>	94	78	83%
<b>Detached Garage</b>	20	18	90%
<b>Storage</b>	<b>243</b>	<b>40</b>	<b>16%</b>

<b>Rented Storage</b>			
Size	Total	Rented	% Rented
<b>5x8</b>	5	5	100%
<b>10x5</b>	52	9	17%
<b>7x10</b>	9	4	44%
<b>8x10</b>	33	0	0%
<b>10x10</b>	144	22	15%
<b>12x20</b>	20	18	90%
<b>25x20</b>	1	0	0%
<b>Total</b>	<b>264</b>	<b>58</b>	<b>22%</b>

# Johnstown Plaza Apartments & Storage Site Plan



Site Description	
Land Area	11.57 acres
No. of Units	252 units; 243 storage units and 21 garages
No. of Buildings	3 Residential, 1 Clubhouse, 1 Storage Facility

# Johnstown Plaza Master Plan

The storage facility at Johnstown Plaza Apartments is marked by a yellow star.

There are currently four other self-storage facilities already in the immediate vicinity including Lockaway Storage, Atlas Garage Storage at 2534, PODS Enterprises, and Blue Mountain Self Storage. These four properties do not have any use restrictions in place.



# Access and Security

- Only tenants of the self-storage building will be able to enter and access their unit via the main entrance located on the north side of the building via key card/ fob access.
- Self-storage is not high traffic. Industry leading self-storage property managers monitor traffic and have recommended that there are 3-4 parking spaces set aside near the entrance for daytime use only.
- Access to the building is controlled by a key fob system and each tenant will be responsible for securing access to their individual units via a personal lock.
- The property is equipped with 56 cameras. Additionally, we employ a 3<sup>rd</sup> party security company that does two random on-site patrols per night.



\*Main entrance is located on north side of the building.

# Business Plan

- Engage a professional third-party manager who specializes in self-storage. We need an industry expert to not only market and lease the property but ensure the property is in conformance with state and federal laws that dictate self-storage use.
- Based on market data from professional third-party managers prior to our acquisition, we anticipate that the property should be fully leased (90%) within 9-12 months once management takes over.
- If tenants or future tenants need in person assistance, they can visit during normal business hours 9 am - 5 pm. Otherwise, existing tenants would be allowed to access their units from 7 am - 10 pm.
- Most self-storage providers recommend having a lock kiosk at the property so tenants can purchase their personal lock on site.
- Maintenance, landscaping, and snow removal will be handled by our on-site multifamily apartment staff.



Johnstown Plaza Storage- Exterior



Johnstown Plaza Storage- Interior



