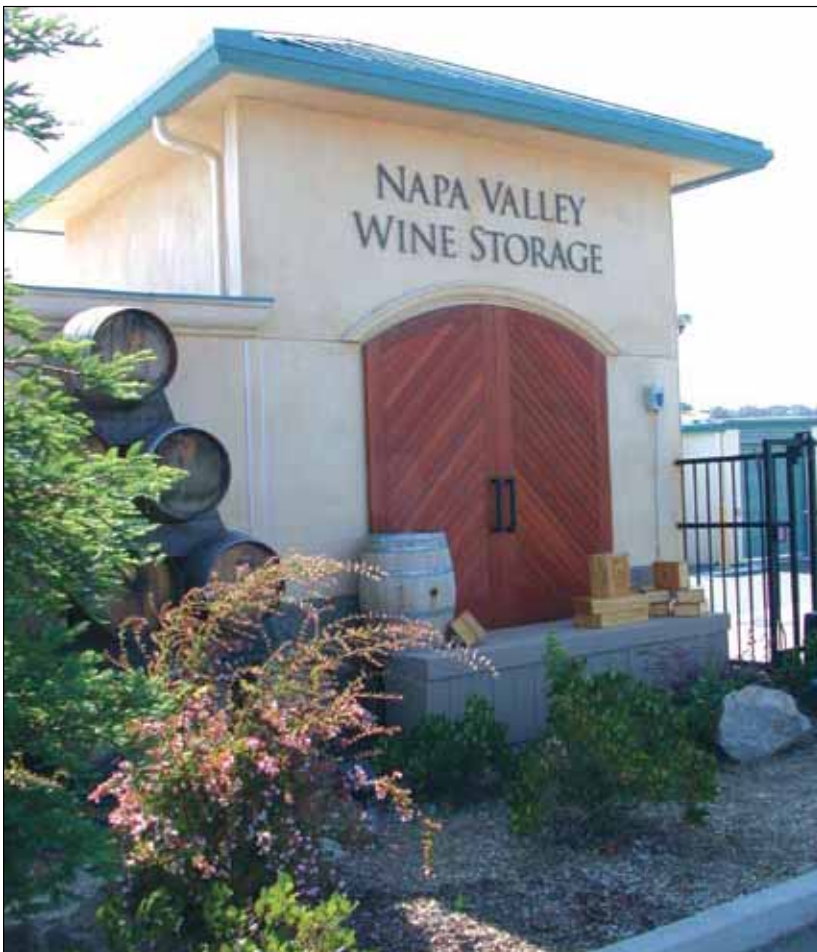


December, 2006

2006 FACILITY OF THE YEAR  
*Specialty Storage Winner*  
NAPA VALLEY WINE STORAGE, NAPA, CALIFORNIA



By Julie Anne Eason

There are plenty of resources for people who want to start a self-storage business, but when owners George and Susan Cohen set out to start a wine storage business, they had to start from scratch. "We had no idea what we were doing," George admits. "We didn't know if the idea would work. We didn't know what facilities we would need. We weren't even sure where our customers would come from." So, they researched—a lot. "We visited wine storage businesses all over, and we saw a lot of failures." From shoddy construction to poor maintenance to mysteriously disappearing cases of wine, most of what they saw was totally substandard. It was clear they could do better, and Napa Valley Wine Storage was born.

## FACTS AT A GLANCE

Owner  
Storage By George, LLC

Architect  
Ken Kurtzman & Associates

Contractor  
Western Builders

Roof  
Kiwi II Construction

Security System  
Pacific Rim Security

Management Software  
Sentinel Systems

Napa Valley Wine Storage is phase two of the existing self-storage facility Storage By George. The whole idea for wine storage came about thanks to the astute observations of property managers John and Margaret Lee. They noticed that the self-storage customers frequently assumed the climate-controlled storage units were for wine. Given their location smack in the middle of wine country, it was a natural assumption. The Lees often had to explain that the carefully controlled temperature was best for fine furniture, electronics, and fabrics. But they made a point to bring up wine storage as a possible side business to the Cohens. Plan A for phase two was to turn the extra three and a half acres into a hotel, but when the city planning board refused their application, Plan B went into effect—wine storage. The end result was Napa Valley Wine Storage, *Mini-Storage Messenger's* 2006 Facility of the Year Specialty Storage Winner.

### Creating The Right Look

"We couldn't ask for a better location," George says. "There's only one way in and one way out of the valley, Highway 29, and we're located right on the frontage

road. Fifty-five thousand vehicles a day pass by and see our 40-foot tower and logo. Everyone knows we're here."

Susan explains that Napa Valley has a certain mystique that people there are very proud of. "It's such a beautiful place, with the views of the vineyards, the architecture, the landscaping—the whole atmosphere here is good for the soul," she says. "We knew that to fit in with the winemaking community, we would have to cultivate the same ambiance in our facility."

Architect Ken Kurtzman designed the wine storage facility. "One of the storage buildings had a blank wall facing the highway, so we used that wall for the Napa Valley Wine Storage sign." To create the right look, they mounted a custom-made winery door to the wall just under the logo and created a faux loading dock look with a pyramid of real wine barrels just in front of the door. Rocks, landscaping and wooden crates added to the look. The whole thing is illuminated at night, creating a uniquely recognizable, three-dimensional sign.

"The building itself is just a standard metal box," Kurtzman says, "so we had to come up with some design alternatives to make it feel upscale and classy. If George was going to do this, he wanted to do it right. We designed a heavy, stone, arched entryway with a big wood door studded with metal. The foyer is nicely tiled and has a big tapestry on the wall."

The building makeover cost about \$20,000. "It was worth every penny for the ambiance," says George. "Our customers love that they feel like they're walking into a winery. If I could replicate the smell of a winery tasting room, I would."

George spent a lot of time researching the wine storage industry. He and Kurtzman visited other facilities, measured cases of wine in grocery stores, talked to vintners and collectors. "But I still had no idea if this thing was going to work," he admits. "It was totally new territory." His business sense told him to be bold, but have a backup plan in case things didn't work out. And things didn't work out—at least, not the way he thought they would.

"Other facilities I'd visited had erratic hours and people couldn't access their wines without making an appointment," says George. "Their expensive collec-

tions were stored in units made of chicken wire and 2-by-4s, or locked kitchen cabinets from Home Depot®. There just weren't any serious storage options out there for small operations, collectors and the like. So Ken designed special lockers which people could store their wines in and access just like a regular self-storage unit. We had three sizes of lockers made, ones that could hold 18, 24, and 36 cases, but we had no idea which ones would sell. Flexibility was key. We installed 277 lockers in 2,500 square feet of the 5,000 we had available. If those sold well, we would install more. Our backup plan was to revert back to regular self-storage in case the whole wine storage idea flopped."

The largest units filled up immediately, which was a bit of a surprise. But their planned flexibility allows them to rent several smaller units adjacent to one another in lieu of one larger unit. In the meantime, the managers were getting calls asking about bulk storage. No one at the facility had ever heard of it, but they wisely looked into the idea. They learned that serious collectors, restaurants, importers/exporters, and small producers stored larger quantities of wine on pallets (which hold 56 cases of wine each) or in barrels, but the huge warehouse facilities wouldn't accept small numbers of pallets. They found a niche they hadn't planned for, but by keeping their options open, they were able to take advantage of the market. They spent another \$45,000 to convert the empty 2,500 square feet into case wine pallet storage, and the customers poured in.

Today, customers have a choice of self-storage wine lockers that are open to them any time, or pallet storage which is open by appointment. "The bulk storage area is bonded, so an employee has to be present with the customers. It is intended for long-term storage," George says. The bulk storage caught on so well that they had to expand the area by taking over 1,600 square feet of standard self-storage space. "We can now store 220 pallets of case wine, and we are at maximum occupancy."

### Going The Extra Mile

Wine is tricky stuff. If the storage temperature or humidity fluctuates, disaster

can strike. Fine vintages sour, corks dry out, labels dissolve, bacteria invades—so high quality refrigeration technology is vital. The Cohens installed two separate refrigeration units that keep the temperature at a constant 56 degrees with 65 percent relative humidity. Because rolling blackouts are becoming more and more common in California, they also installed a backup generator to keep the facility running in case of a power failure. This backup system keeps the wine cozy inside, and the security systems active outside.

The facility also relies heavily on specially designed management and security software. “We spent a lot of time modifying the programs to meet the special needs of this particular business,” says Joe Burt, international sales manager for Sentinel Systems. “We adjusted the automatic credit card billing so that their clients could pay for multiple months and multiple units at the same time. California changed their late fee structure, so we adjusted that system as well. The Cohens were the first business to utilize our 3200i keypad security system. This security software interfaces with the property management database so when a customer keys in at the front gate, the keypad recognizes them and greets them with personal information.”

If a customer keys in his or her code, the readout will welcome them personally, thank them for their business, and remind them of any payments due. This system makes the customers feel appreciated and it also tracks and records vital usage information. The Cohens feel strongly that high-tech software is essential because it lets their managers spend less time book-keeping and more time helping clients and looking after the facility.

Security is serious business when a single bottle of wine can cost several hundred dollars. Each individual locker can represent thousands of dollars in “liquid assets.” But it’s not just about the money. “Every year’s crops are different, every vintage is unique,” Susan says. “We house several wineries’ library collections, which is a living record, a case or two of each year’s wines from that winery. If those wines were lost, our clients lose their history. People get very attached to their wines!”

Customers enter the main facility via a keypad at the gate, and then again at another key pad in the wine storage area. Each locker also has a cylindrical lock. “We installed some pretty high-tech equipment in there,” says Matthew Nattenberg, owner of Pacific Rim Security. “The pallet area has Bosche 360-degree, infrared motion detectors as well as vibration detectors provided by GE Security. So, if someone decides to cut through a wall, an alarm will sound.”

All perimeter openings are also alarmed, and every locker is visible to recording cameras located throughout the facility. The cameras are also networked into the manager’s computer in the office and apartment. Nattenberg says that the different access hours to the locker area and pallet storage were a challenge. He had to make sure every alarm was programmed properly. The fact that the wine storage was in a separate building from the management office meant that they had a lot of digging to do. All the alarm cables run between the two buildings had to be buried.

Each security measure has its own battery backup system in addition to the generator backup provided for the whole facility. “We’re not exactly Ft. Knox,” George says, “but our clients appreciate that we take their investments as seriously as they do. They know we work hard to keep the wine safe and secure.”

### **Keeping It Simple**

The first two years were rough for the wine storage business. Units were selling, but not as fast or easily as the Cohens thought they would. “We were marketing blindly all over the place,” Susan recalls. “We had no idea where our customers would come from. So, we placed *Yellow Pages* and newspaper ads, we even tried radio commercials—nothing worked. I even visited all the big well-known wineries and put up brochure stands in their tasting rooms.”

Over time, Susan realized that their market was the exact opposite of what they thought. It wasn’t the big wineries who needed their services; it was the small boutique vintners, collectors, brokers and restaurants. “Things really came

together when we started focusing on building buzz. Word of mouth, referrals, and repeat business is absolutely the best advertising you can’t buy. Napa Valley is a very tight-knit community and everyone is related to the wine industry in some way. Vineyard owners may have cousins who are importers. The dry cleaner’s wife might work in the tasting room. People talk, and the word gets around. We’re not just leasing space; we’re building relationships with people.”

These days, their primary marketing tools are a well-designed, professionally written brochure and Web site. “These two simple tools represent us well,” says Susan. “People see us as an upscale, trustworthy establishment, and that is a great first impression.”

The Cohens are quick to give credit to their managers, Margaret and John Lee, for a great deal of their success. “We work together more like partners than as owners and managers,” George says. “They were the ones who told us about the calls for bulk storage. They were the ones who noticed that we were marketing to the wrong people. And frankly, it’s partly their amazing dedication to outstanding customer service that has made us such a success.”

Susan adds, “All our staff are so important. We respond to our customers and try to say yes as often as possible.” She tells a story of one Father’s Day when she had closed up the office early and was heading home when a gentleman drove into their parking lot. “He was dressed casually and drove an ordinary car, just another potential customer. I asked him if he needed help, and he said yes. So, I opened up the office and sat down with him explaining all about the facility. It turned out he was the new wine guru for The French Laundry restaurant—one of the finest eateries in the nation, renown for its extensive wine list. We ended up becoming their storage facility, and later many other high-end establishments followed. You just never know when excellent customer service will be your best marketing tool!”

### **Full To Bursting**

After three years in operation and one expansion, Napa Valley Wine Storage is near maximum occupancy with 70 percent of the locker storage area leased

and the pallet area full. "They are expecting about 50 barrels in today," says Kurtzman, "and that will fill up the bulk storage area. There is another acre that could be developed, but we're not sure how that's going to be utilized."

In spite of their apparent success in the wine storage business, George is quick to point out that wine storage isn't for everyone. "It's a natural extension of the wine culture here in Napa Valley, but it doesn't make sense everywhere," he says. "There are wineries in every state but if you live in a region where houses are built with basements, for example, people aren't going to pay for storage space. They'll just put in their own wine cellar." He advises self-storage owners to scrutinize their local markets and determine what niche is underserved. "Do your homework, and you might be surprised at what you dig up."

Further expansions may be on the horizon, but George and Susan are happy to bask in their success for the moment. "The self-storage business is fun," says George, "but wine storage is fascinating. There is a whole cast of characters you get to know and love. We're not just a storage facility to them; we're an integral part of the wine culture of the valley. And that's a true privilege."



**Julie Anne Eason is a freelance writer and editor based in Maine. Her work has been published in *Atlanta Home & Lifestyles*, *IDEA Fitness Journal*, *Recreating History Magazine*, and *Antique Week*.**

## HONORABLE MENTION



Secure RV Storage  
Bloomington, California