





# SMALL Business Times

Milwaukee and Southeastern Wisconsin Business News




 PRESENT THE  Northern Trust  
**Thursday, January 24, 2008**  
 Italian Community Center - Milwaukee 7:30-9:30 a.m. **Economic Trends 2008**

## Self-storage business fuels growth

By **Eric Decker** , of SBT  
 Published *September 28, 2007*

The two Milwaukee-based companies founded, owned and operated by Michael Frede – Drake Environmental Inc. and Caleb Acquisitions LLC – have become a one-two punch for brownfield redevelopment.

Caleb Acquisitions is the financial arm of the operation, purchasing and overseeing the cleanup and often redevelopment of parcels. Drake Environmental develops a specific plan to clean up each of Caleb's properties, including remediation, demolition and searches for grants and other programs provided by the federal and state government. Drake is also routinely hired by other developers and property owners to help coordinate their own cleanup projects.

"We're constantly looking for properties to acquire, ones that others don't want," Frede said. "The driving force is that we want to restore properties. We want to take on ones that need to be restored."

Caleb Acquisitions is often called upon to purchase environmentally contaminated properties that other developers are hesitant to consider, banks have foreclosed upon or municipalities want to see cleaned up.

When its properties are considered clean and ready for development, Caleb usually seeks to sell the property to a developer. However, the company also redevelops some properties itself.

"We want to focus on the acquisition and restoration of properties," Frede said. "We always try to find a developer that can take it on when it's ready. Sometimes we have to or choose to develop it ourselves to make it all happen."

### Redevelopment

When it redevelops properties itself, Caleb serves as a property manager, Frede said.

One of those properties is a four-acre former tannery and abandoned wastewater treatment plant in Milwaukee, along Bruce Street between South 9th and 11th streets. The property, acquired in 2003, was later subdivided, breaking the wastewater treatment plant off from the parcel with the former tannery on it.

The wastewater treatment plant was stripped of its tanks, piping and controls and has been redeveloped into office space. Drake Environmental and Caleb Acquisitions have their offices there, and the remaining space is leased to another tenant.

No environmental cleanup was required on either property.

The tannery property is partially leased to several tenants, including Community Warehouse, a faith-based nonprofit dedicated to providing homeowners with affordable home improvement supplies.

Two of the buildings on the tannery property are currently vacant, Frede said. One will be redeveloped into self-storage units this fall, and the other will be demolished to make room for additional self-storage units. When completed, Caleb Acquisitions plans to build 315 self-storage units on the site.

Self-storage units are needed in the area because of nearby condo developments in the Historic Third Ward and Walker's Point neighborhood, he said.

"The need is two times what the supply is for self-storage," Frede said. "We'd like to start construction this fall, and it will probably take two years to get them fully leased."

When it was purchased, the property was assessed at about \$300,000. When the self-storage project is completed, it will be worth about \$3 million, Frede said.

Caleb purchased a two-acre former armory and bus company site at 6980 N. Teutonia Ave. in Milwaukee in 1998. That site has been redeveloped into self-storage, Frede said, and the company is now looking to purchase a brownfield site next to it, which would double the number of self-storage units there.

Caleb has acquired and helped redevelop several other properties around the state, including a 36,000-square-foot former machine shop in West Allis that has been redeveloped into office, retail and commercial space, and a 37-acre landfill in Kaukauna. Eleven acres of the landfill space has been reclaimed for condo development, and the remaining parcel has been turned into a park with walking trails and prairie. The property, when built out, will be worth about \$10 million, Frede said.



COMMERCIAL  
REAL ESTATE &  
DEVELOPMENT  
CONFERENCE

"Back to  
the City"

NOVEMBER 8, 2007

Sponsored by:

**BUILDING  
ADVANTAGE**  
WISCONSIN  
CONSTRUCTION CONTRACTORS  
AND TRADES

 Whyte  
Hirschboeck  
Dudek S.C.

 CenterPoint Properties

 First Wisconsin  
BANK & TRUST  
WISCONSIN

Advertisement

**SBT Partners**

 WIS BUSINESS.COM

 Oy Milwaukee  
.COM

"We turned something that was an eyesore into something developable, enhanced their tax base and turned a dump into a recreational area for a land locked city," he said.

#### Consultant connection

Drake Environmental employs five consultants with experience in finding state and federal grants, and finding ways to clean up properties that may have been vacant for decades. Because of its experience, Drake is often hired by developers to help coordinate funding sources, even if they have their own environmental consultants on staff, according to D.J. Burns, project director with Drake Environmental.

"In the last few years, the (state) Department of Commerce has had \$7 million to give away in brownfield grants. Our clients have gotten close to \$1 million in those in the last few years. We try to leverage as much as we can and track down a lot of sources for funding for our clients," Burns said.

Drake Environmental is routinely involved with projects that have environmentally friendly green building aspects to them, Burns said. While it does not pursue LEED (Leadership in Energy and Environmental Design) designation, Drake Environmental routinely recommends certain techniques that fall into the designation, including the use of non volatile organic compound carpeting, storm water management, and energy efficiency.

"Our focus is delivery of cost-effective green building design so that it's a viable alternative to choose," Burns said. "We have to show practical solutions."

#### Steady market

Drake Environmental and Caleb Acquisitions each have five employees. Employment has been stable over the last three years, Frede said, but Caleb may need more employees if it takes on all of the development projects it is looking at now.

"We're always looking at our size," he said. "Increasing (staff) depends on the amount of development work we take on ourselves. If we do, we will need more project managers in the field. We're looking at seven development projects now. If and when we do them could affect our (staffing) needs."

Revenues for both Drake Environmental and Caleb Acquisitions has been relatively stable in recent years, Frede said. If the company completes several anticipated projects later this year, its revenues will increase.

The environmental consulting industry in general is not experiencing much growth now, Burns said.

"A lot (of firms) are cutting staff," he said. "We've had the same group of staff for three years now. We've been able to retain our key people."

#### Drake Environmental Inc. — & —Caleb Acquisitions LLC

**Address:** 530 S. 11th St., Milwaukee

**Industry:** Brownfield redevelopment, grant application and environmental due diligence, and contaminated property acquisition and management, respectively.

**Web Sites:** [www.drakeenviro.com](http://www.drakeenviro.com); [www.calebacquisitions.com](http://www.calebacquisitions.com)

© Copyright 2007 Small Business Times

[About Us](#) | [Contact Us](#) | [Privacy Policy](#) | [Advertise with Us](#) | [Help](#) | [Site Map](#)

**About SBT:** Small Business Times provides news and operational insight to the owners, presidents and other top executives of closely held businesses in southeastern Wisconsin, including Milwaukee, Waukesha, Ozaukee, Washington, Racine, Kenosha, Walworth and Sheboygan counties.

Site Designed and Developed by [Red Anvil, LLC](#).

#### About Eric Decker

Eric Decker is a reporter with Small Business Times, covering banking and finance, mergers and acquisitions, private equity investment, manufacturing and related fields. Eric is a 1998 graduate of the University of Wisconsin-Milwaukee. Contact Eric by emailing him (contact information below). News can also be sent to Eric Decker, Small Business Times, 1123 N. Water St., Milwaukee WI 53202.

*Eric can be reached by:*

☎ (414) 277-8181 ext.

☎ 414-277-8191

✉ [Click to contact via email](mailto:eric@biztimes.com)

🌐 <http://www.biztimes.com>

