

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13E3/A

Schedule filed to report going private transactions(Issuer Self-Tender Offer) [amend]

Filing Date: **1996-08-26**
SEC Accession No. 0000912057-96-018871

(HTML Version on secdatabase.com)

SUBJECT COMPANY

IDS SHURGARD INCOME GROWTH PARTNERS L P III

CIK: **843024** | IRS No.: **911435854** | State of Incorpor.: **WA** | Fiscal Year End: **1231**
Type: **SC 13E3/A** | Act: **34** | File No.: **005-46273** | Film No.: **96620765**
SIC: **4220** Public warehousing & storage

Mailing Address
1201 THIRD AVENUE
SUITE 2200
SEATTLE WA 98101

Business Address
1201 THIRD AVE STE 2200
C/O SHURGARD ASSOCIATES
L P III
SEATTLE WA 98101
2066248100

FILED BY

SHURGARD STORAGE CENTERS INC

CIK: **906933** | IRS No.: **911603837** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **SC 13E3/A**
SIC: **6519** Lessors of real property, nec

Mailing Address
1201 THIRD AVENUE
SUITE 2200
SEATTLE WA 98101

Business Address
1201 THIRD AVE
STE 2200
SEATTLE WA 98101
2066248100

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13E-3/A
RULE 13E-3 TRANSACTION STATEMENT
(PURSUANT TO SECTION 13(E) OF THE SECURITIES EXCHANGE ACT OF 1934)

(AMENDMENT NO. 8)

IDS/SHURGARD INCOME GROWTH PARTNERS, L.P. III
(NAME OF ISSUER)

SHURGARD STORAGE CENTERS, INC.
IDS/SHURGARD INCOME GROWTH PARTNERS L.P. III
SHURGARD ASSOCIATES L.P. III
SHURGARD GENERAL PARTNER, INC.
CHARLES K. BARBO
(NAME OF PERSON FILING STATEMENT)

UNITS OF LIMITED PARTNERSHIP INTEREST
(TITLE OF CLASS OF SECURITIES)

448933-200
(CUSIP NUMBER OF CLASS OF SECURITIES)

KRISTIN H. STRED, ESQ.
SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
1201 THIRD AVENUE, SUITE 2200
SEATTLE, WASHINGTON 98101
(206) 624-8100

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSONS AUTHORIZED TO RECEIVE NOTICES
AND COMMUNICATIONS ON BEHALF OF PERSON(S) FILING STATEMENT)

COPIES TO:

JEFFREY T. PERO, ESQ.
WILLIAM J. CERNIUS, ESQ.
LATHAM & WATKINS
650 TOWN CENTER DRIVE
TWENTIETH FLOOR
COSTA MESA, CALIFORNIA 92626
(714) 540-1235

This statement is filed in connection with (check the appropriate box):

- a. / / The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- b. / / The filing of a registration statement under the Securities Act of 1933.
- c. /X/ A tender offer.
- d. / / None of the above.

Check the following box if soliciting material or information statement

Shurgard Storage Centers, Inc., a Delaware corporation (the "Company"), IDS/Shurgard Income Growth Partners L.P. III, a Washington limited partnership (the "Partnership"), Shurgard Associates L.P. III, a Washington limited partnership, Shurgard General Partner, Inc., a Washington corporation, and Charles K. Barbo hereby amend their Rule 13e-3 Transaction Statement on Schedule 13E-3, originally filed with the Securities and Exchange Commission on July 2, 1996 (the "Schedule 13E-3"), with respect to the Company's acquisition of the entire limited partnership interest in the Partnership.

The Supplement to Offer to Purchase, dated August 26, 1996, (the "Supplement to Offer to Purchase"), a copy of which is incorporated by reference to Exhibit 99.19 to Amendment No. 8 to the Company's Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on August 26, 1996 (the "Schedule 14D-1"), supplements the Offer to Purchase, dated July 2, 1996 (the "Offer to Purchase"), which was filed as Exhibit 99.6 to the Schedule 13E-3, as supplemented by the Company's letter to Unitholders dated July 16, 1996, a copy of which was filed as Exhibit 99.16 to the Schedule 13E-3. The Supplement to Offer to Purchase relates to a tender offer by the Company (the "Offer") to purchase up to 52,000 units of limited partnership interest (the "Units") in the Partnership at a price of \$308 net per Unit in cash, without interest.

1. ISSUER AND CLASS OF SECURITY SUBJECT TO THE TRANSACTION.

Item 1 is hereby amended to add the following as additional information:

(c) The information set forth in "MARKET PRICES OF UNITS" of the Supplement to Offer to Purchase is incorporated herein by reference.

(d) The information set forth in SCHEDULE VIII of the Supplement to Offer to Purchase is incorporated herein by reference.

2. IDENTITY AND BACKGROUND.

Item 2 is hereby amended to add the following as additional information:

(a)-(d), (g) This Statement is being filed by the Purchaser, the Partnership, Shurgard Associates L.P. III, Charles K. Barbo and Shurgard General Partner, Inc. The information set forth in "BACKGROUND AND PURPOSES OF THE TRANSACTION -- The Partnership" and SCHEDULE I of the Supplement to Offer to Purchase is incorporated herein by reference.

(e)-(f) None of the Purchaser, the Partnership, Shurgard Associates L.P. III, Charles K. Barbo, Shurgard General Partner, Inc. or, to the best of their knowledge, any of the persons listed in Schedule I of the Supplement to Offer to Purchase has, during the last five years, (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

3. PAST CONTACTS, OFFERS OR NEGOTIATIONS.

Item 3 is hereby amended to add the following as additional information:

(a)-(b) The information set forth on the Cover Page and in the SUMMARY, "SPECIAL CONSIDERATIONS," "BACKGROUND AND PURPOSES OF THE TRANSACTION -- Background of the Transaction" and "INTERESTS OF CERTAIN PERSONS" of the Supplement to Offer to Purchase is incorporated herein by reference.

4. TERMS OF THE TRANSACTION.

Item 4 is hereby amended to add the following as additional information:

(a) The information set forth on the Cover Page and in the INTRODUCTION and "THE OFFER -- Section 7" of the Supplement to Offer to Purchase is incorporated herein by reference.

(b) The information set forth in the SUMMARY, "SPECIAL CONSIDERATIONS" and "Interests of Certain Persons" of the Supplement to Offer to Purchase is incorporated herein by reference.

5. PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE.

Item 5 is hereby amended to add the following as additional information:

(a)-(g) The information set forth on the Cover Page and in "BACKGROUND AND PURPOSES OF THE TRANSACTION" of the Supplement to Offer to Purchase is incorporated herein by reference.

7. PURPOSE(S), ALTERNATIVES, REASONS AND EFFECTS.

Item 7 is hereby amended to add the following as additional information:

(b) The information set forth in "BACKGROUND AND PURPOSES OF THE TRANSACTION" and "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER" of the Supplement to Offer to Purchase is incorporated herein by reference.

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8. FAIRNESS OF THE TRANSACTION.

Item 8 is hereby amended to add the following as additional information:

(a)-(f) The information set forth in "BACKGROUND AND PURPOSES OF THE TRANSACTION," "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER" and "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS" of the Supplement to Offer to Purchase is incorporated herein by reference.

9. REPORTS, OPINIONS, APPRAISALS AND CERTAIN NEGOTIATIONS.

Item 9 is hereby amended to add the following as additional information:

(a)-(c) The information set forth in "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS" of the Supplement to Offer to Purchase is incorporated herein by reference.

11. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO THE ISSUER'S SECURITIES.

Item 11 is hereby amended to add the following as additional information:

The information set forth in "BACKGROUND AND PURPOSES OF THE TRANSACTION -- Background of the Transaction" of the Supplement to Offer to Purchase is incorporated herein by reference.

12. PRESENT INTENTION AND RECOMMENDATION OF CERTAIN PERSONS WITH REGARD TO THE TRANSACTIONS.

Item 12 is hereby amended to add the following as additional information:

(a)-(b) The information set forth on the Cover Page and in "BACKGROUND AND PURPOSES OF THE TRANSACTION -- Background of the Transaction," "FAIRNESS OF THE TRANSACTION; POSITION OF GENERAL PARTNER" and "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS" of the Supplement to Offer to Purchase is incorporated herein by reference.

14. FINANCIAL INFORMATION.

Item 14 is hereby amended to add the following as additional information:

(a)-(b) The information set forth in "BACKGROUND AND PURPOSES OF THE TRANSACTION -- The Partnership" and SCHEDULES V, VI and VIII of the Supplement to Offer to Purchase is incorporated herein by reference.

16. ADDITIONAL INFORMATION.

Item 16 is hereby amended to add the following as additional information:

The additional information concerning the Transaction which is set forth in the Supplement to Offer to Purchase is incorporated herein by reference to Exhibit 99.19 to the Schedule 14D-1.

17. MATERIAL TO BE FILED AS EXHIBITS.

Item 17 is hereby amended to add the following as additional information:

<TABLE>

<S>

<C>

99.26	Supplement to Offer to Purchase dated August 26, 1996. (incorporated by reference to Exhibit 99.19 to the Purchaser's Tender Offer Statement on Form 14D-1 filed with the Securities and Exchange Commission on August 26, 1996).
99.27	Letter to Unitholders dated August 26, 1996 (incorporated by reference to Exhibit 99.20 to the Purchaser's Tender Offer Statement on Form 14D-1 filed with the Securities and Exchange Commission on August 26, 1996).
99.28	Text of Press Release dated August 26, 1996 (incorporated by reference to Exhibit 99.21 to the Purchaser's Tender Offer Statement on Form 14D-1 filed with the Securities and Exchange Commission on August 26, 1996).
99.29	Portfolio Projections, Valuations, Forecasts and Assumptions used by Robert A. Stanger & Co., Inc. to the Partnership's Fairness Opinions and Summary Portfolio Approval.

</TABLE>

5

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: August 26, 1996

SHURGARD STORAGE CENTERS, INC.

By: /s/ HARRELL L. BECK

Name: Harrell L. Beck

Title: Senior Vice President,
Chief Financial Officer
and Treasurer

IDS/SHURGARD INCOME GROWTH
PARTNERSHIP L.P. III

BY: SHURGARD ASSOCIATES L.P. III

By: /s/ CHARLES K. BARBO

Name: Charles K. Barbo
Title: General Partner

SHURGARD ASSOCIATES L.P. III

By: /s/ CHARLES K. BARBO

Name: Charles K. Barbo
Title: General Partner

SHURGARD GENERAL PARTNER, INC.

By: /s/ HARRELL L. BECK

Name: Harrell L. Beck
Title: Treasurer

By: /s/ CHARLES K. BARBO

Name: Charles K. Barbo

PORTFOLIO PROJECTIONS, VALUATIONS, FORECASTS AND ASSUMPTIONS CONSIDERED BY ROBERT A. STANGER & CO., INC. IN PREPARING THE PARTNERSHIP'S FAIRNESS OPINIONS AND SUMMARY PORTFOLIO APPRAISAL

In addition to the portfolio projections, valuations, forecasts and assumptions described in the Partnership's fairness opinions and summary portfolio appraisal report (the "Stanger Reports"), each prepared by Robert A. Stanger & Co., Inc. ("Stanger") and included as Schedules II and III, respectively, to Exhibit 99.6 of this Schedule 13E-3, Stanger also considered the portfolio projections, valuations, forecasts, assumptions and other information included herein in preparing the Stanger Reports.

The Partnership does not as a matter of course make public forecasts or projections as to future performance or earnings. However, in analyzing the value of the Partnerships under alternative methodologies, the General Partner prepared the projections and forecasts included in this Exhibit 99.29. THE PROJECTIONS AND FORECASTS WERE PREPARED SOLELY FOR INTERNAL USE AND NOT WITH A VIEW TO PUBLIC DISCLOSURE OR COMPLIANCE WITH PUBLISHED GUIDELINES OF THE COMMISSION REGARDING PROJECTIONS OR THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REGARDING PROJECTIONS AND ARE INCLUDED IN THIS SCHEDULE 13E-3 ONLY BECAUSE SUCH INFORMATION WAS MADE AVAILABLE TO STANGER AND ALEX. BROWN & SONS INCORPORATED. In addition, because the estimates and assumptions underlying these projections and forecasts are inherently subject to significant economic and competitive uncertainties and contingencies, which are beyond the Partnership's control, there can be no assurance that the projections and forecasts will be realized. Actual results may be higher or lower than those set forth herein. Deloitte & Touche LLP, the Partnership's independent auditor, has not examined, compiled or otherwise applied procedures to the financial projections and forecasts included in this Schedule 13E-3, and, accordingly, does not express an opinion or any other form of assurance on the financial projections and forecasts.

SUMMARY OF ALTERNATIVES
MARCH 31, 1996

<TABLE>
<CAPTION>
ASSUMPTIONS:

<S>	<C>
LIQUIDATION--	
PURCHASE PRICE.....	Appraised Value
SELLING COST (as a percentage of real estate value).....	4.00%
MERGER--	
CONSIDERATION.....	Net Asset Value

</TABLE>

<TABLE>
<S>

	<C>	<C>	<C>	<C>	<C>	<C>
GOING CONCERN VALUE--						
L.P. PREFERENCE RETURN.....			9.00%			
GENERAL AND ADMINISTRATIVE COST INCREASE PER ANNUM.....			3.50%			
SELLING COST (as a percentage of real estate value).....			4.00%			
NUMBER OF YEARS.....			5			

</TABLE>

<CAPTION>

	IDS1		IDS2		IDS3	
	-----		-----		-----	
	LOW	HIGH	LOW	HIGH	LOW	HIGH
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
DISCOUNT RATE.....	13.00%	12.00%	13.25%	12.25%	13.50%	12.50%
CAPITALIZATION RATE.....	10.50%	10.00%	10.50%	10.00%	10.50%	10.00%

</TABLE>

SUMMARY OF PARTNERSHIP VALUATION
UNDER ALTERNATIVE METHODOLOGIES

<TABLE>
<CAPTION>

GOING CONCERN VALUE

IDS1	MERGER	LIQUIDATION	LOW	HIGH	NET BOOK VALUE
<S>	<C>	<C>	<C>	<C>	<C>
Partnership.....	\$ 40,066,700	\$ 39,391,700	\$ 36,608,307	\$ 39,238,247	\$ 25,930,707
--General Partner.....	2,003,335	1,969,585	1,830,415	2,109,786	0
--Limited Partners.....	38,063,365	37,422,115	34,777,892	37,128,461	25,930,707
Per Unit(1).....	\$ 257	\$ 253	\$ 235	\$ 251	\$ 175

<CAPTION>

IDS2

<S>	<C>	<C>	<C>	<C>	<C>
Partnership.....	\$ 26,861,846	\$ 26,271,146	\$ 24,616,780	\$ 26,448,456	\$ 21,011,081
--General Partner.....	1,343,092	1,313,557	1,230,839	1,322,423	0
--Limited Partners.....	25,518,754	24,957,589	23,385,941	25,126,033	21,011,081
Per Unit(1).....	\$ 222	\$ 217	\$ 203	\$ 218	\$ 183

<CAPTION>

IDS3

<S>	<C>	<C>	<C>	<C>	<C>
Partnership.....	\$ 39,649,643	\$ 38,544,143	\$ 37,986,797	\$ 40,988,872	\$ 22,851,497
--General Partner.....	2,960,762	2,905,487	4,237,281	4,746,198	0
--Limited Partners.....	36,688,881	35,638,656	33,749,516	36,242,674	22,851,497
Per Unit(1).....	\$ 308	\$ 299	\$ 283	\$ 304	\$ 192

</TABLE>

(1) Based on the following number of outstanding Units for each Partnership:

IDS1 - 148,202
IDS2 - 115,110
IDS3 - 119,215

GOING CONCERN VALUE (LOW) (1)
DECEMBER 31, 2000

<TABLE>

<CAPTION>

YEAR	IDS1	IDS2	IDS3
<S>	<C>	<C>	<C>
1996 Net Cashflow.....	\$ 3,564,305	\$ 2,290,348	\$ 2,205,240
1997 Net Cashflow.....	3,627,619	1,986,945	3,721,101
1998 Net Cashflow.....	3,737,239	2,531,508	3,912,809
1999 Net Cashflow.....	3,849,455	2,633,187	4,077,711
2000 Net Cashflow(2).....	43,908,261	30,683,399	44,800,036
Net Present Value at 12/31/95.....	\$ 34,777,892	\$ 23,385,941	\$ 33,749,516

</TABLE>

GOING CONCERN VALUE (HIGH) (1)
DECEMBER 31, 2000

<TABLE>

<CAPTION>

YEAR	IDS I	IDS II	IDS III
<S>	<C>	<C>	<C>
1996 Net Cashflow.....	\$ 3,564,305	\$ 2,290,348	\$ 2,205,240
1997 Net Cashflow.....	3,627,619	1,986,945	3,721,101
1998 Net Cashflow.....	3,737,239	2,531,508	3,912,809
1999 Net Cashflow.....	3,849,455	2,633,187	4,077,711
2000 Net Cashflow(3).....	45,728,605	32,185,159	46,940,326
Net Present Value at 12/31/95.....	\$ 37,128,461	\$ 25,126,033	\$ 36,242,674
NET BALANCE SHEET ADJUSTMENTS AT 12/31/95.....	\$ 444,317	\$ (3,115,712)	\$ (10,298,409)
PRINCIPAL AMORTIZATION (1996-2000).....	0	933,428	2,150,421
NET BALANCE SHEET ADJUSTMENTS AT 12/31/00.....	\$ 444,317	\$ (2,182,284)	\$ (8,147,988)

</TABLE>

-
- (1) Represents Limited Partners' portion of Partnership's going concern value.
- (2) Comprised of property cash flow in 2000 plus the purchase price for the Partnership's assets, based upon 2001 property cash flow capitalized at 10.5% net of selling costs of 4% of real estate value plus or minus the net balance sheet adjustments at 12/31/00 and a sales price of approximately \$446,000 for the excess land held by IDS3.
- (3) Comprised of property cash flow in 2000 plus the purchase price for the Partnership's assets, based upon 2001 property cash flow capitalized at 10% net of selling costs of 4% of real estate value plus or minus the net balance sheet adjustments at 12/31/00 and a sales price of approximately \$446,000 for the excess land held by IDS3.

LIMITED PARTNER PREFERRED RETURN ANALYSIS

GOING CONCERN VALUE -- LOW
DECEMBER 31, 2000

<TABLE>
<CAPTION>

	IDS1	IDS2	IDS3
<S>	<C>	<C>	<C>
REQUIRED DISTRIBUTIONS.....	\$ (76,235,679)	\$ (56,619,629)	\$ (53,274,069)
ACTUAL DISTRIBUTIONS.....	75,297,390	50,580,825	69,680,675
TOTAL.....	\$ (938,289)	\$ (6,038,804)	\$ 16,406,606
GENERAL PARTNER SHARE.....	\$ 0	\$ 0	\$ 123,050
IDS SHARE.....	0	0	1,230,495
SSCI SHARE.....	0	0	1,107,446

</TABLE>

ACTUAL DISTRIBUTIONS TO LIMITED PARTNERS

<TABLE>
<CAPTION>

YEAR	IDS1	IDS2	IDS3
<S>	<C>	<C>	<C>
1988 Actual distribution.....	\$ 318,756	--	--
1989 Actual distribution.....	2,004,136	--	--
1990 Actual distribution.....	2,223,033	\$ 1,372,551	\$ 77,686
1991 Actual distribution.....	2,223,033	1,798,591	685,323
1992 Actual distribution.....	2,223,033	1,798,591	1,555,516
1993 Actual distribution.....	2,246,190	1,798,591	1,825,475
1994 Actual distribution.....	2,524,069	1,816,578	2,123,512
1995 Actual distribution.....	2,848,260	1,870,536	2,235,276
1996 Net cashflow.....	3,564,305	2,290,348	2,205,240
1997 Net cashflow.....	3,627,619	1,986,945	3,721,101
1998 Net cashflow.....	3,737,239	2,531,508	3,912,809
1999 Net cashflow.....	3,849,455	2,633,187	4,077,711
2000 Net cashflow.....	43,908,261	30,683,399	47,261,027
TOTAL DISTRIBUTIONS.....	\$ 75,297,390	\$ 50,580,825	\$ 69,680,675
ACTUAL DISTRIBUTIONS THROUGH 3/31/96.....	\$ 17,328,364	\$ 10,923,072	\$ 9,061,607

</TABLE>

REQUIRED DISTRIBUTIONS TO LIMITED PARTNERS TO ACHIEVE PREFERRED RETURN

<TABLE>
<CAPTION>

YEAR	IDS1	IDS2	IDS3
<S>	<C>	<C>	<C>
1988.....	--	--	--
1989.....	\$ 2,501,049	--	--
1990.....	3,334,732	\$ 1,942,478	--
1991.....	3,334,732	2,589,970	--
1992.....	3,334,732	2,589,970	\$ 2,011,748
1993.....	3,334,732	2,589,970	2,682,331

1994.....	3,334,732	2,589,970	2,682,331
1995.....	3,334,732	2,589,970	2,682,331
1996.....	3,334,732	2,589,970	2,682,331
1997.....	3,334,732	2,589,970	2,682,331
1998.....	3,334,732	2,589,970	2,682,331
1999.....	3,334,732	2,589,970	2,682,331
2000.....	40,387,310	31,367,418	32,486,006
TOTAL REQUIRED DISTRIBUTIONS.....	\$ 76,235,679	\$ 56,619,629	\$ 53,274,069
LIMITED PARTNER CAPITAL CONTRIBUTIONS.....	\$ 37,052,578	\$ 28,777,448	\$ 29,803,675

PREFERRED RETURN ANALYSIS

GOING CONCERN VALUE -- HIGH
DECEMBER 31, 2000

<TABLE>
<CAPTION>

	IDS1	IDS2	IDS3
REQUIRED DISTRIBUTIONS.....	\$ (76,235,679)	\$ (56,619,629)	\$ (53,274,069)
ACTUAL DISTRIBUTIONS.....	77,273,390	52,082,585	72,198,664
TOTAL.....	\$ 1,037,711	\$ (4,537,044)	\$ 18,924,595
GENERAL PARTNER SHARE.....	\$ 7,783	\$ 0	\$ 141,934
IDS SHARE.....	77,828	0	1,419,345
SSCI SHARE.....	70,045	0	1,277,410

ACTUAL DISTRIBUTIONS TO LIMITED PARTNERS

<TABLE>
<CAPTION>

YEAR	IDS1	IDS2	IDS3
1988 Actual distribution.....	\$ 318,756	--	--
1989 Actual distribution.....	2,004,136	--	--
1990 Actual distribution.....	2,223,033	\$ 1,372,551	\$ 77,686
1991 Actual distribution.....	2,223,033	1,798,591	685,323
1992 Actual distribution.....	2,223,033	1,798,591	1,555,516
1993 Actual distribution.....	2,246,190	1,798,591	1,825,475
1994 Actual distribution.....	2,524,069	1,816,578	2,123,512
1995 Actual distribution.....	2,848,260	1,870,536	2,235,276
1996 Net cashflow.....	3,564,305	2,290,348	2,205,240
1997 Net cashflow.....	3,627,619	1,986,945	3,721,101
1998 Net cashflow.....	3,737,239	2,531,508	3,912,809
1999 Net cashflow.....	3,849,455	2,633,187	4,077,711
2000 Net cashflow.....	45,884,261	32,185,159	49,779,016
TOTAL DISTRIBUTIONS.....	\$ 77,273,390	\$ 52,082,585	\$ 72,198,664
ACTUAL DISTRIBUTIONS THROUGH 3/31/96.....	\$ 17,328,364	\$ 10,923,072	\$ 9,061,607

REQUIRED DISTRIBUTIONS TO LIMITED PARTNERS TO ACHIEVE PREFERRED RETURN

<TABLE>
<CAPTION>

YEAR	IDS1	IDS2	IDS3
1988.....	--	--	--
1989.....	\$ 2,501,049	--	--
1990.....	3,334,732	\$ 1,942,478	--
1991.....	3,334,732	2,589,970	--
1992.....	3,334,732	2,589,970	\$ 2,011,748
1993.....	3,334,732	2,589,970	2,682,331
1994.....	3,334,732	2,589,970	2,682,331

1995.....	3,334,732	2,589,970	2,682,331
1996.....	3,334,732	2,589,970	2,682,331
1997.....	3,334,732	2,589,970	2,682,331
1998.....	3,334,732	2,589,970	2,682,331
1999.....	3,334,732	2,589,970	2,682,331
2000.....	40,387,310	31,367,418	32,486,006
TOTAL REQUIRED DISTRIBUTIONS.....	\$ 76,235,679	\$ 56,619,629	\$ 53,274,069
LIMITED PARTNER CAPITAL CONTRIBUTIONS.....	\$ 37,052,578	\$ 28,777,448	\$ 29,803,675

</TABLE>

NET CASHFLOW

GOING CONCERN VALUE
DECEMBER 31, 2000

<TABLE>
<CAPTION>

IDS1	PROPERTY CASHFLOW	GENERAL AND ADMINISTRATIVE EXPENSES	DEBT SERVICE	PRINCIPAL AMORTIZATION	LIMITED PARTNERS' 95% SHARE OF CASHFLOW
<S>	<C>	<C>	<C>	<C>	<C>
1996.....	\$ 3,962,000	\$ (210,100)	0	0	\$ 3,564,305
1997.....	4,036,000	(217,454)	0	0	3,627,619
1998.....	4,159,000	(225,064)	0	0	3,737,239
1999.....	4,285,000	(232,942)	0	0	3,849,455
2000.....	4,416,000	(241,095)	0	0	3,966,160
TOTAL.....	\$20,858,000	\$ (1,126,654)	\$ 0	\$ 0	\$ 18,744,779

<CAPTION>

IDS2	PROPERTY CASHFLOW	GENERAL AND ADMINISTRATIVE EXPENSES	DEBT SERVICE (1)	PRINCIPAL AMORTIZATION	LIMITED PARTNERS' 95% SHARE OF CASHFLOW
<S>	<C>	<C>	<C>	<C>	<C>
1996.....	\$ 2,923,000	\$ (159,200)	\$ (274,700)	\$ (78,207)	\$ 2,290,348
1997.....	3,051,000	(164,772)	(239,851)	(554,856)	1,986,945
1998.....	3,146,000	(170,539)	(218,645)	(92,071)	2,531,508
1999.....	3,259,000	(176,508)	(210,817)	(99,899)	2,633,187
2000.....	3,358,000	(182,686)	(202,321)	(108,395)	2,721,368
TOTAL.....	\$15,737,000	\$ (853,705)	\$ (1,146,334)	\$ (933,428)	\$ 12,163,357

<CAPTION>

IDS3	PROPERTY CASHFLOW	GENERAL AND ADMINISTRATIVE EXPENSES	DEBT SERVICE (2)	BUILDOUT IN PROGRESS	PRINCIPAL AMORTIZATION	LIMITED PARTNERS' 95% SHARE OF CASHFLOW
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1996.....	\$ 4,790,000	\$ (171,200)	\$ (857,813)	\$ 257,146	\$ (1,182,536)	\$ 2,205,240
1997.....	5,074,000	(177,192)	(765,066)		(214,794)	3,721,101
1998.....	5,282,000	(183,394)	(747,882)		(231,978)	3,912,809
1999.....	5,462,000	(189,813)	(729,325)		(250,535)	4,077,711
2000.....	5,634,000	(196,456)	(709,282)		(270,578)	4,234,800
TOTAL.....	\$26,242,000	\$ (918,054)	\$ (3,809,368)	\$ 257,146	\$ (2,150,421)	\$ 18,151,660

</TABLE>

(1) Debt service and principal amortization are derived from IDS2's 12/31/95 audited financial statements (footnote D) and assumes the \$470,000 line of credit is repaid in May 1997.

(2) Debt service and principal amortization are based on IDS 3's 12/31/95 audited financial statements (footnote C, adjusted to reflect an increase of \$600,000 on the Partnership's line of credit to fund repayment in February 1996 of one of the seller notes) with 20-year amortization and an 8%

interest rate. Additionally, the remaining notes payable to sellers totalling \$674,000 are assumed to be paid off with excess Partnership cashflow at their maturity (12/31/96) and accrue interest at their current rate of 11.4%.

DISTRIBUTION COMPARISON
(REIT SHARES ROUNDED
TO THE NEAREST WHOLE SHARE)
MARCH 31, 1996

<TABLE>
<CAPTION>

	IDS1	IDS2	IDS3
<S>	<C>	<C>	<C>
Current partnership distributions per unit.....	\$ 4.84	\$ 4.06	\$ 4.69
REIT distributions at current price (\$25.00).....	\$ 4.70	\$ 4.23	\$ 5.64
REIT distributions at \$22.25 per share.....	\$ 5.64	\$ 4.70	\$ 6.58
REIT distributions at \$27.75 per share.....	\$ 4.23	\$ 3.76	\$ 5.17

NET ASSET VALUE AND ALLOCATION RATIO

MARCH 31, 1996

<TABLE>
<CAPTION>

	IDS1	IDS2	IDS3	TOTAL
<S>	<C>	<C>	<C>	<C>
Appraised value of properties.....	\$ 40,370,000	\$ 30,520,000	\$ 50,890,000	\$ 121,780,000
BALANCE SHEET ADJUSTMENTS:				
Cash and cash equivalents.....	625,600	367,914	395,166	1,388,680
Other partnership assets.....	342,800	193,561	358,552	894,913
Mortgages and Lines of credit.....	0	(3,319,503)	(10,384,296)	(13,703,799)
Other liabilities/trans. cost.....	(1,271,700)	(900,126)	(1,609,779)	(3,781,605)
Total Balance Sheet Adjustments.....	(303,300)	(3,658,154)	(11,240,357)	(15,201,811)
NET ASSET VALUE OF PARTNERSHIP.....	\$ 40,066,700	\$ 26,861,846	\$ 39,649,643	\$ 106,578,189
Percentage of aggregate net asset value.....				
value.....	37.59%	25.20%	37.20%	100.00%
Net asset value per Unit.....	\$ 257	\$ 222	\$ 308	\$ 262
Number of shares potentially allocable to				
Partnership at \$25.00 per share.....	1,602,668	1,074,474	1,585,986	4,263,128
Allocation of shares to General Partner.....	80,133	53,724	118,430	252,288
Amount potentially allocable to Limited Partners:				
Shares.....	1,522,535	1,020,750	1,467,555	4,010,840
Cash.....	\$ 38,063,365	\$ 25,518,754	\$ 36,688,881	100,271,000
Allocation per \$250 of original investment by Limited Partners				
Shares.....	10	9	12	10
Cash.....	\$ 257	\$ 222	\$ 308	\$ 262

NET ASSET VALUE AND ALLOCATION RATIO

MARCH 31, 1996

ASSETS

<TABLE>
<CAPTION>

	IDS1	IDS2	IDS3	TOTAL	SJPII
<S>	<C>	<C>	<C>	<C>	<C>
Cash and short-term investments.....	\$ 625,600	\$ 367,914	\$ 395,166	\$ 1,388,680	\$ 254,761
Real estate held for resale.....	0	0	201,835	201,835	0
Storage centers, net.....	26,120,200	24,748,826	33,903,059	84,772,085	7,935,077
Other assets.....	342,800	193,561	358,552	894,913	144,904

General Partner contribution.....	0	0	0	0	0
Amortizable assets.....	13,900	91,253	305,533	410,686	0
	-----	-----	-----	-----	-----
TOTAL ASSETS.....	\$ 27,102,500	\$ 25,401,554	\$ 35,164,145	\$ 87,668,199	\$ 8,334,742
	-----	-----	-----	-----	-----

LIABILITIES AND PARTNERS' EQUITY

Liabilities:

Accounts payable and accrued expenses.....	\$ 178,800	\$ 136,525	\$ 242,042	\$ 557,367	\$ 43,947
Unearned rent and tenant deposits....	153,100	133,501	180,491	467,092	50,585
Construction cost payable.....	0	0	257,146	257,146	0
Line of credit.....	0	470,000	0	470,000	0
Notes payable.....	0	2,849,503	10,384,296	13,233,799	0
Transaction cost and partnership reserves.....	939,800	630,100	930,100	2,500,000	0
	-----	-----	-----	-----	-----
TOTAL LIABILITIES.....	1,271,700	4,219,629	11,994,075	17,485,404	94,532
	-----	-----	-----	-----	-----
Partners' equity (deficit):					
Limited Partners.....	24,539,260	20,122,829	22,011,567	66,673,655	8,157,808
General Partner.....	1,291,540	1,059,096	1,158,504	3,509,140	82,402
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TOTAL PARTNERS' EQUITY.....	25,830,800	21,181,925	23,170,070	70,182,795	8,240,210
	-----	-----	-----	-----	-----
TOTAL LIABILITIES & PARTNERS' EQUITY.....	\$ 27,102,500	\$ 25,401,554	\$ 35,164,145	\$ 87,668,199	8,334,742
	-----	-----	-----	-----	-----
NUMBER OF OUTSTANDING UNITS (based on \$250 per unit).....	148,202	115,110	119,215	382,527	--
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L.P. Equity Contributions.....	\$ 37,052,578	\$ 28,777,448	\$ 29,803,675		

</TABLE>