

# AUSPL<sup>®</sup> Magazine

Summer 2013



**Breakouts  
Score BIG!**  
Page 2

**Postal Reform  
on Track**  
Page 7

**CBRE & EMCOR**  
**USPS Lease Renewal  
& Maintenance**  
Page 12

# What People Are Saying...

*"Breakout sessions were the highlight of whole conference."*

- Gerald Knecht



*"Liked information provided on lease termination, maintenance rider and role of CBRE"*

- Robert Glatz



*"Glad to see emphasis on working with Congress."*

- John & Mary Dean

*"The conference was upbeat. We're glad postal reform is in the works."*

- Ken & Alice Atwood

*"Would give the event an 'A' grade."*

- Michael Perrow



*"The lobbyists and letter writing campaign to Congress gave us a plan of action"*

- Joyce & C.H. McCutcheon



*"Enjoyed Scottsdale and would go there again."*

- Lori Rodman



## PRESIDENT'S NOTE

**2013** *I would like to personally thank all of the members who attended our annual conference in Scottsdale, AZ. This year's conference agenda was expanded to include two days of educational opportunities and the change was very popular with the attendees. In fact, membership support of the change has been so overwhelming that we have already committed to a two-day program for the 2014 conference with even more options for education.*

*The conference's focus on education and creating new friendships was very beneficial to the more than 400 members in attendance. For those who could not attend this year, I hope you will be able to join us for the 2014 conference.*

*This was our first time to hold the conference in Scottsdale, Arizona, home to the AUSPL office. While it afforded us greater flexibility coordinating and making last-minute changes, we were also able to show off the great city of Scottsdale and surrounding Phoenix metropolitan area. We tapped into USPS operations with tours of the Phoenix Mail Processing Center, a modern automated operation, moving millions of pieces of mail daily. The Scottsdale Hilton Resort & Villas proved to be a refreshing change from the mega-sized Las Vegas resort properties with less time spent getting to the various conference activities. Our near-record attendance completely filled the hotel so that some of those who did not register far in advance had to find alternative accommodations. We apologize to members that were inconvenienced and will block more space for 2014.*

*I am most appreciative of our exhibitors, especially the Atlanta Postal Credit Union for sponsoring our luncheon and our speakers for the general session and the educational sessions. And, I would like to extend a special "thank you" to Steve LeNoir for his great sense of humor and for his unique perspective on working with the Postal Service.*

*I would also like to recognize our newly re-elected Board Members Terry Phillips, Gary Poelstra, Lana Ruch, Lawrence Schlager and Ron Bye. AUSPL appreciates their willingness to serve the Association for another three-year term. And, I am humbled by the Board's vote to re-elect me to serve a second year as president, along with Gary Phillips as vice president, Lana Ruch as secretary and Dawn Bowman as treasurer.*

*As the Postal Service is confronted with significant challenges, the AUSPL finds itself reassessing its mission to prepare for these changes. This includes validating information to help our members be prepared for negotiating leases and continuing to make Congress aware of the value of the leasing program. While lease negotiations and maintenance have never been a cakewalk, now more than ever, lessors have to retool their approach to renewals and managing maintenance issues.*

*Focus on the positives by remembering that you are in control of your investment. This includes assessing what value, if any, CBRE represents to lessors and USPS Facilities, what purpose EMCOR serves in the chain of communication on maintenance, and calling on your representatives in Washington to remind them the leasing program is not only a good private sector solution to universal service, but it represents a significant savings in operational cost.*

*Lobbying has become a bigger part of our mission as our legislators control the future of the USPS. We will continue to spend a lot of time in DC as postal reform works its way through Congress. Passage of postal reform that supports leased post offices is critical to AUSPL's mission and so I ask that you continue to generously support the lobbying program to help ensure our voice is heard in Washington as our annual membership fee falls far short of covering these expenses.*

*Thanks again to all of the members and participants for making the 2013 conference a great success.*

All the best,



Morgan Wolaver  
AUSPL President



To Our Breakout Session Presenters, Speakers, Sponsors, and Exhibitors:  
Thank you for sharing your knowledge, expertise, products and services.



"The information will help me care for my investment and approach future negotiations with more confidence."  
– Maureen Goldsmith

**CBRE/EMCOR:**

*Understanding Their Role in Today's Postal Service*

**Insuring Your Post Office:**

*Is It Really the Same Old Game?*

**How to Determine Your Investment's Fair Market Value**

**Maintaining Your Post Office:**

*Do You Really Know Your Responsibilities?*

**Role Play:**

*Tips for Negotiating Your New Lease*

# Breakouts SCORE BIG!

**5 Steps to Get Results from Congress**

**Sleep Tight:**

*Protect Your Building from Termites, Bed Bugs & More*

**Understanding the POSPlan & How It Affects Your Post Office:**

*What Changes When the Hours Change?*

**Does USPS Answer to Anybody?**

*Understanding the Role of PRC, OIG & the Board of Contract Appeals*

"There was so much information and so many opportunities to learn. It was especially nice to have (some of) the Board members as moderators for the breakout sessions."

– Kathie and Dick Westrope



# A View by AUSPL Board Member Keith LaShier

## of Conference 2013



Wow, what a conference the AUSPL put on recently in Scottsdale, AZ. I viewed the annual conference from several perspectives. Like many of you, I was a “**Participant**” and enjoyed all of the festivities and events. As a member of the “**Board of Directors**,” we held a business meeting prior to the kick-off of the conference. Additionally, I liked sharing insights with attendees into negotiating with CBRE and USPS as a “**Presenter**” at the breakout session on determining fair market value. I also met many attendees as an “**Exhibitor**” at the Real Estate Asset Counseling, Inc. table.

As a **Participant**, I think the speakers did a great job of enlightening our members on the state of affairs at the U.S. Postal Service, discussing how our lobbying efforts are educating many members of Congress, and hearing from a real estate attorney on how he interacts with brokers on real estate transactions. I enjoyed the poolside networking reception and met many new AUSPL members.

As a member of the **Board of Directors**, I am very impressed with the dedication, commitment and knowledge of my fellow board members. Each of them brings years of experience in owning or managing buildings leased to the USPS, or interfacing with the USPS in varied business relationships. Morgan Wolaver, along with the staff at the AUSPL office, deserve our thanks for their hard work in making the AUSPL a relevant organization that protects the interests of our membership.

As a **Presenter** at a breakout session I, together with Michael Lady of Integra Realty Resources, talked to a room full of attendees on the subject of “How To Determine Your Investment’s Fair Market Value.” I am always pleased at the opportunity to share my years of experience in working within the USPS Facilities organization.

As an **Exhibitor**, the Real Estate Asset Counseling, Inc. team of Tom Coe, Phil Wilson and I were able to talk to many of the attendees who came to our table. I love the opportunity to hear from our members on issues they are facing in their interactions with the USPS, and to talk with them on how to protect their investments.

The AUSPL Conference of 2013 was awesome. I hope you enjoyed it and hope to see you at Conference 2014.



More photos available @ [www.auspl.com](http://www.auspl.com). All conference photos by Jacqueline Hanna Photography.

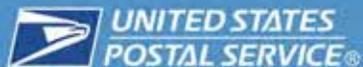
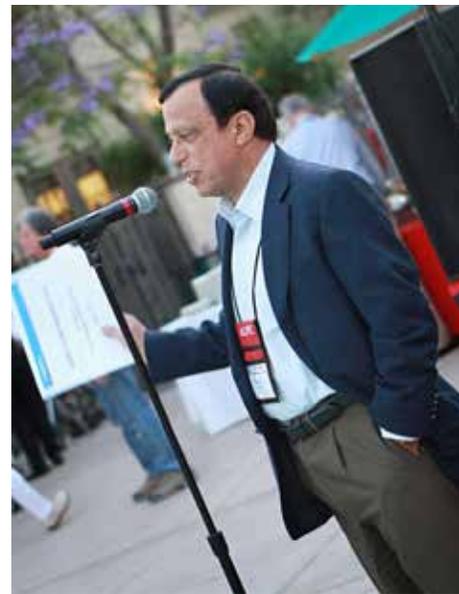
## 7 Tips on Determining Your Investment’s Fair Market Value

- 1** Understand the differences between Fair Market Value, Value in Use and Principle of Substitution.
  - Fair Market Value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller acting prudently and assuming the price is not affected by undue stimulus.
  - Value in Use is the value of a specific property to a specific person or specific firm as opposed to the value to the general market.
  - Principle of Substitution is when a buyer will not pay more for one property than for another one equally desirable.
- 2** Identify special features in your building:
  - Interior features
  - Exterior features
  - Site features
- 3** Understand the cost impacts of changes in the lease terms related to:
  - Termination option
  - Maintenance rider
- 4** Consider the possibility of:
  - USPS consolidating operations to a nearby post office
  - Impact of POSTPlan on hours your post office is open
- 5** Generally, USPS will likely want to remain in your building.
- 6** Negotiate with knowledge and confidence.
- 7** Use resources available to you from AUSPL and other professionals.

# Tom Samra Addresses Attendees During Poolside Networking Reception

Tom Samra, Vice President USPS Facilities, greeted AUSPL members at the evening networking party when his schedule prevented him from speaking during the general session. Tom tells us he is optimistic about the Postal Service and outlines its recent reorganization in the excerpt from his presentation below:

On October 1, 2012, U.S. Postal Service Facilities Department restructured. The Facilities Department converted a decentralized FSO structure to a centralized product line structure, which consists of the following offices: Planning (facilitates national strategic planning as it relates to the Facilities portfolio), Implementation (manages design and construction of all new projects, AMP construction implementation, and implementation of approved node studies), Repair & Alteration (maintains facility infrastructure), Asset Management (manages USPS assets), Leasing (manages USPS leases), and Program Support (manages Facilities' budget, energy program, building standards, IT coordination, and HR). With the new centralized management structure we have the ability to manage the entire portfolio with uniform processes and policies. We no longer have varying processes and interpretations depending on the office. It also allows us the flexibility to reach out to the entire department and adjust resources as the workload shifts.



- **Post Office Structure Plan (POSTPlan)**, consists of maintaining the existing Post Office, staffed by a postal employee, with a reduction in retail hours (2, 4, or 6 hours) to match customer usage. This new operating alternative complements existing alternatives that include:
  - Establishing mail delivery service to residents and businesses in the affected community by either rural carrier or highway contract route;
  - Contracting with a local establishment and creating a Village Post Office (VPO) (To date 190 VPOs have been established, most are supplementing Post Offices); and
  - Providing service from a nearby Post Office.
- Prior to implementation of POSTPlan surveys are sent to the impacted community.
  - To-date, 3.5 millions surveys have been sent out. Of those returned, approximately 86.8% have selected 'keep my post office open for reduced hours' vs. the other 3 paths.
  - Thirty days after the survey return date a community meeting is held.
- There are 13,182 offices that are impacted by the POSTPlan. 3,275 have been officially implemented. The remaining offices will be implemented by September 2014.
- The POSTPlan is projected to save over \$500 million per year, when fully implemented. Current savings have been realized by matching work hours to workload in the community.

For a copy of Tom Samra's full presentation, please go to [www.auspl.com](http://www.auspl.com). If you would like a copy mailed to you, please email us at [auspl@auspl.com](mailto:auspl@auspl.com) or call 800-572-9483. Shipping & handling charges apply.

# U.S. Postal Service Reorganization Highlights

## On October 1, 2012 US Postal Service Facilities Department Restructured

- Centralized management.
- Uniform processes and policies.
- Resource management.

## USPS & AUSPL Collaboration

- Landlords reminded to contact USPS when preparing to sell buildings & when party to lease is deceased.
- Landlords are advised to prepare in advance of a storm. Contact local postmaster. Provide current contact information.
- Recommend landlords perform an annual property inspection to identify and correct maintenance issues.
- Quick response from USPS and lessors enable negotiations to be finalized in advance of expiration date.

## Facilities Reorganization: *What this Means for our Landlords*

- Lease administration, tax and CAM payments, change of ownership, rent handled by facility contract technician, by area.
- Lease interpretation and general questions handled by USPS real estate specialist.
- All renewal option negotiations over \$25K and all new lease negotiations handled by CBRE.

## EMCOR

- Timely notification of repairs and emergency.
- Communication improved with single point contact.
- 14,000 problems completed since start of program.
- Emergency, urgent and routine projects.



# AUSPL Hill Day 2013



*AUSPL President Morgan Wolaver presented Rep. Dennis Ross (R-FL) with a "Champion of Postal Lessors" plaque for his efforts on behalf of postal reform and the leasing program*

Thirty AUSPL members, along with board, staff and lobbyist Alan Suskey met with about two dozen Senate and House staff in Washington DC to discuss the value of the leasing program.

We met with influential lawmakers, including Sen. Tom Coburn (R-OK), Sen. Tom Carper (D-DE) and Sen. Richard Blumenthal (D-CT). "The event went well and the program was meaningful for members and Congressional staff," says Morgan Wolaver.



*From left, AUSPL member Chuck Waldrop met with Rep. James Lankford (R-OK)*

## Making Our Voices Heard in Washington DC

The "Hill Day" table was the most popular attraction at the conference! Attendees were ready to fight for postal reform and mailed 250+ letters to their Congressional representatives, urging them to support postal reform. AUSPL staff helped participants find their legislators and provided sample letters, envelopes and stamps.



### There's Still Time to Write Congress

Couldn't make it to the conference? Lines too long at Hill Day table? No problem.

If you'd like to write your Senator or Representative and need assistance, call us at 800-572-9483 or email us at [auspl@auspl.com](mailto:auspl@auspl.com). And, if you're interested in attending "Hill Day" 2014, please give us a call or drop us an email, and we'll add your name to our list.

Watch your mail for updates!

# Postal Reform on Track for 113th Congress

“Our challenge is protecting the leasing program,” report lobbyists Alan Suskey and David Jolly of Capitol Insight. “Each of you has an opportunity to interact with your representative either locally or at Hill Day 2014.”

When meeting with your representatives, concentrate on the leasing program because they need to better understand it. Ask them to consider the value of the leased postal buildings to rural America.



“No postal reform bill has been filed yet,” says Alan, “but we expect the leasing program and rural post offices will be protected.”

In pending postal reform legislation, the lobbyists and AUSPL management have been successful in educating lawmakers about the value of the leasing program to USPS. As a result, there will be a provision considered in the postal reform bill that says the Postal Service must consider the value of the lease program before it considers any closings. USPS must also consider the value of the lease program as compared to its owned facilities.

“Our job as an Association and as your representatives in DC is to ensure the representatives drafting legislation remain focused on the lease program



*AUSPL Lobbyists  
From left: Alan Suskey & David Jolly*

because we are not facing any opponents on the issue,” says David.

Alan and David are working directly with Rep. Blake Farenthold (R-TX) and Chairman Darrell Issa (R-CA), who are leading the committees that will write postal reform legislation.

## Don't Miss “Hill Day” 2014

### Look What's Waiting For You:

- Meet with your legislators
- Get to know fellow lessors
- See the sights you always wanted to visit in Washington DC!

**It's fun and educational**

**We'll keep you posted!**



# Postal Reform is on the HORIZON



AUSPL presented Congressman Dennis Ross (R-FL) with the "2013 Champion of Postal Lessors" award for his tremendous efforts on behalf of the postal leasing program and lessors around the country.

Both the Senate and the House of Representatives are in the process of drafting major postal reform legislation.

And, key lawmakers are committed to seeing the reforms passed into law by this Congress. More than ever, it is important for AUSPL to have a strong presence and loud voice in Washington DC as Congress debates the long-term future of the Postal Service. AUSPL members have risen to the cause with more than \$60,000 of financial support to help with the lobbying effort.

Our message to lawmakers is:

- 1) The network of leased rural post offices is crucial to the long-term success and financial viability of the Postal Service.
- 2) Our facilities are the least expensive means of providing universal mail service to all Americans.
- 3) Rural post offices are key to the overall economic success of many small communities. The negative consequences of closing these facilities far outweigh relatively insignificant savings.

AUSPL is committed to seeing that our elected officials fully understand that we are part of the solution and not part of the problem. All members can help get this message across by personally writing your representatives and by continuing to support the AUSPL lobbying effort financially. Together we will succeed in keeping a "seat at the table" as postal reform moves forward.

If you need assistance in finding your legislators or composing a letter, please call us at 800-572-9483.

*Lobbying efforts are generally not tax deductible.  
Please consult your tax advisor.*

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June 2013

# POSTPlan Disrupts Lessors, Postal Customers, Communities

*Does the POSTPlan lull lessors into a false sense of security or is it only a matter of time until USPS closes post offices whose retail service hours have been reduced to two hours of service per day?*

When the Postal Service cut postal retail service hours to two, four or six hours, it stunned everyone in the community and beyond. For years, the post office was open six days a week where customers could buy stamps, mail packages and, in rural America, it served as a community gathering place.

No wonder there was uproar when the Postmaster General told the media 15,000 post offices could eventually be closed. And, when the Postal Service announced a potential closure list of 3,750 post offices, mostly rural, the public outcry was so loud the Postal Service introduced the POSTPlan as an effort to keep rural post offices open. But it's just the start, according to Mark Strong, president, National League of Postmasters.

"The cure could be worse than the disease. The POSTPlan changed the postal retail service hours based on customer demand and it's not just a one-time event. It continues every year," says Mark. In fact, the updated list of facilities for POSTPlan will be released in the fall of 2014.

"Home delivery is expensive, but more money could be saved by switching to curbside delivery or centralized, which doesn't impact service," Mark says. "Post offices are still relevant, especially in rural America where there aren't a lot of places to buy stamps and customers should not have to drive too far to a post office."

The good news: the loss in first class mail has slowed. Electronic bill pay-



*Mark Strong answers attendees questions*

ing, still popular, has leveled off. The parcel business is growing, along with Internet shopping and delivery via the Postal Service.

"Complacency will kill the post office," says Mark. "If the community doesn't care, the post office will close. There are too many inconveniences when hours are reduced, so fewer people will use the post office and revenue will plunge."

Mark encourages lessors to get to know their building (and its hours), the postmaster, and postal employees.

"It's more likely USPS will close many POSTPlan post offices due to maintenance issues and security if lessors do not keep the buildings maintained," says Mark.

"Previously, a postmaster opened and closed the building. After POSTPlan, it's more difficult to secure a building when it's only open two hours per day."

Security is the responsibility of the Postal Service, but it's unlikely they will put a lot of money into securing a building open so few hours per day.

## QUICK FACTS

- ✓ The POSTPlan reduced hours at over 13,000 facilities
- ✓ After October, 2014, USPS will re-evaluate post offices every year, based on customer demand
- ✓ 1,300 AUSPL members own 2,700 buildings on current POSTPlan
- ✓ Since November 17, 2012, 7,000+ buildings converted to shorter hours
- ✓ After POSTPlan is fully implemented in 2014:
  - 2,000 post offices to be reduced to two hours
  - 6,800 post offices to be reduced to four hours
  - 4,300 post offices to be reduced to six hours
  - 14,000 post offices will be open eight hours
- ✓ USPS reduced its workforce from 800,000 to fewer than 500,000 via early retirement and other incentives

# Does Your Post Office Have Unresolved Maintenance Issues?



AUSPL Vice President Gary Phillips

All buildings require maintenance. For leased post office buildings, the maintenance rider to the lease determines how responsibility for maintenance is divided between the lessor and USPS. The two most common maintenance riders are: 1) USPS Partial – Lessor is responsible for maintenance of roof, structural components, acts of God, termite protection and latent construction defects. Lessor is also responsible for repairs to the building, which may have been damaged as the result of the failure of any lessor maintained building component. 2) Lessor Maintained – Lessor is responsible for all maintenance except for landscaping. Here are a few helpful facts taken from Gary Phillips' maintenance breakout:

- ❖ A typical shingle roof and a flat roof should last around 20 years,

but that varies depending upon geographical location.

- ❖ Weather conditions like hail, freeze/thaw, as well as foot traffic and moss can damage shingles, thus shortening roof life while ponding water, excessive leaves, hail and freeze/thaw can damage a flat roof.
- ❖ Cracked or missing roof shingles as well as blistering or bubbling flat roofs mean it may be time to replace your roof. Consider the cost when negotiating a lease renewal.
- ❖ Lessors are responsible for maintaining gutters and downspouts and USPS should keep them clean otherwise damage will occur. Inspect gutter and downspout system annually and write USPS if they are not keeping them clean.
- ❖ Ice can build up on buildings in cold climates, causing gutter failure and leading to roof damage. Verify heat tape is working to avoid ice build up.
- ❖ Environmental changes can lead to structural damage, affecting

foundation or exterior walls. Inspect often. Snow, an act of God, can build up and cause structural failure. Sink holes in the parking lot are also considered acts of God. Annual inspection reports can help when dealing with questions of responsibility.

- ❖ About 50% of lessors are responsible for ALL maintenance, including HVAC and parking lots.
- ❖ Basically, all buildings require maintenance. Average costs to maintain a standard plan post office per year should be between 75 to 90 cents per square foot over the life of the building. USPS is currently spending less than 50 cents on buildings it maintains.
- ❖ Don't renew a lease without knowing the condition of your building by completing a thorough inspection. Keep in touch with the postmaster.
- ❖ Form a relationship with a qualified local handyman or small contractor who can respond quickly if unforeseen problems occur.



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Rep. Blake Farenthold (R-TX) delivered a message to conference attendees via videotape in which he emphasized the importance of USPS. “The Postal Service is losing millions of pieces of mail every day to electronic communication like the Internet, but we still need to deliver tangible things,” says the Congressman. “USPS faces challenges and reform must address more than the prefunding retirement alone,” he says. “We need to get prefunding right, based on good math and actuarial data. The current number may be a little too high, but the correct number is not zero. It’s much closer to the current number than to zero.”

## CONGRESSMAN BLAKE FARENTHOLD ON POSTAL REFORM

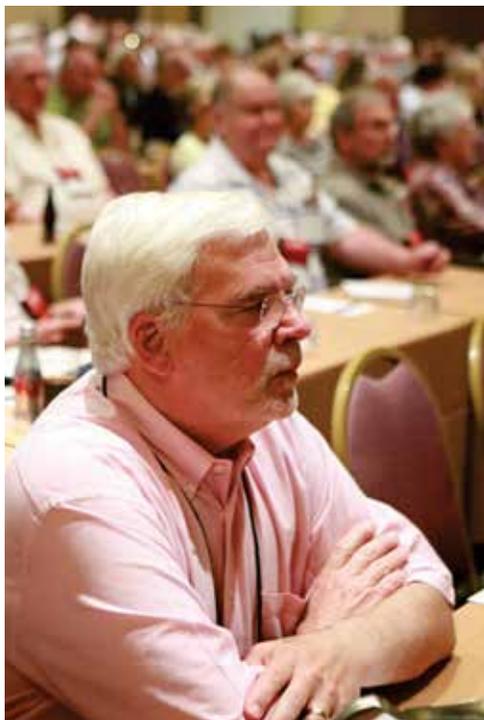
“Reform is not just about cutting, it’s also finding innovative solutions to bring USPS back from the brink of financial collapse and make it stronger for the future.

Savings are not all structural like closing rural post offices and raising rates,” he says. “If we’re going to save the Postal Service, we’ve got to find better, more efficient service like finding savings in modified six-day delivery and delivering to cluster boxes and street side boxes,” he says. “The government as a whole is out of money and we don’t have room for new projects and we have no funds for a Postal Service bailout. I agree with the proposal on modified Saturday delivery. As a member of the committee on government oversight, a government watchdog and a taxpayer, if we don’t act, the American taxpayer will be left holding the bag and footing the bill, and that’s just unacceptable. Together, we will find a solution.”



# USPS Lease Renewal & Maintenance for 2013

by AUSPL Board Member John Heeren



The AUSPL hosted a breakout session during the 2013 convention to discuss the changes to the lease renewal program and to allow the USPS to provide clarity in the new building maintenance policy. The event was heavily attended as lessors have

experienced increased anxiety in renewing leases through the current USPS agent, CBRE, a national real estate firm.

Board Member Mark Dattel and I hosted the event and we were joined via teleconference by three long-term administrators for the USPS. Tom Russell, Michael Goodwin, and Amanda Freeman work closely with the CBRE representatives and also manage the EMCOR contract for building maintenance.

A prominent concern for many lessors is the new format for lease renewal. CBRE has been sending letters for a little over two years to handle lease renewal for the USPS. As most of you know, CBRE is looking for fees for their work representing the USPS. Unfortunately, they are asking their fees to be paid by the lessor. CBRE will request a fee ranging from 3-5% based on the entire length of the lease renewal. For example, if you renew a lease for 5 years at \$20,000 per year, CBRE expects 3-5% on the \$100K total of the lease term.

The AUSPL has not established a position on paying a commission; however, if the CBRE agent adds value to the lease, it is up to the individual lessor to determine if a fee is valid. Many lessors have been negotiating the lease terms and once they agree on a final number, they request the CBRE agent to add the commissions to the annual lease amount. This has been an effective approach for many of our members. Another route is to immediately tell the CBRE agent that in order to receive a fee, he must show that he is adding value to the lessor's investment. Explain the increase and terms expected for a renewal of the lease and let the agent know you will pay the fee following a successful negotiation.

This is all based on what you negotiate and any fee is negotiable. The AUSPL provides a number of outside consultants on our website that may be contacted to assist with lease negotiations. Please keep in mind that an outside consultant will also charge for their services, which could be money well spent if a lessor is uncomfortable with negotiating.

Once the lease is agreed upon, the USPS will draft the new lease documents and forward them to the lessor. Review the new lease carefully, sign and initial the bottom of every page of the lease. This is a standard real estate procedure and ensures that no additional terms or conditions are added following the landlord's signature.

## EMCOR Handles Maintenance Issues

Regarding the new maintenance company, EMCOR, several questions were raised concerning their process for notifying members of maintenance obligations. Amanda Freeman explained that they first classify the type of maintenance

request by the postmaster. Maintenance calls are issued as emergency, urgent, or non-critical. Emergency maintenance issues such as roof leaks, electrical issues, or any issue that limits their ability to process the mail are responded to within 15-20 minutes of postmaster notification and require a 4 hour response time from the lessor. Urgent

### EMCOR Classifies Repairs:

- **Emergency:** EMCOR responds in 15 – 20 minutes of postmaster notification. Lessor is required to respond in 4 hours.
- **Urgent:** EMCOR responds within 24 hours. Lessor has 7 days to repair
- **Non-critical**

*The landlord should ensure postmaster and USPS contracting officer have current contact information*

repairs are responded to within 24 hours and provide 7 days for repair. According to the USPS, they make attempts to call the landlord in lieu of a certified letter of notice, but it is the landlord's responsibility to be sure the postmaster and the contracting officer has your current phone contact. This is a

*Continued on page 13*



*John Heeren talks with concerned attendee*

# SPOTLIGHT ON ...

## David Damore & Trends in Commercial Real Estate



*David Damore is a real estate attorney representing developers of commercial real property as well as landlords and tenants. His father was once a letter carrier. David spoke to attendees about "deal making" and those pesky commissions.*

- 1 Everyone loves to make deals and both sides want it to work! If the underlying deal makes sense, you can make it work.
- 2 Know your property and what it is worth.
- 3 There are more reasons for USPS to stay in your building than to move out. If the right deal is made, USPS will likely stay.
- 4 If you're uncomfortable negotiating, hire an experienced consultant.
- 5 Commissions are a part of negotiations. Look at the big picture and consider net revenue.
- 6 Be realistic and flexible. It will be more expensive for USPS to move out and convert another building to postal needs.

### *LEASE RENEWAL & MAINTENANCE continued from page 12*

simple and crucial step the landlord can take to be sure you are notified. Annual calls to the postmaster will lead to better communications.

#### **New Termination Clauses**

Termination rights are also being introduced by the USPS for new lease renewals. This causes significant concern for a lessor as once a termination right provision is added to a lease it will be difficult to extract in the future. The termination right will also have an impact on the value of your leased post office, as it diminishes the true lease term. So, although USPS continues to request termination rights with all renewals, in most cases lessors have been successful negotiating a longer mandatory lease term (about 24 months) before the USPS can give notice of termination. Lessors should consider their options closely in accepting or denying these rights to the USPS.

#### **USPS Must Outsource Lease Negotiation, Maintenance**

No one is thrilled with the new process for lease renewal and maintenance. Unfortunately, the USPS has no other options. This program simply must work as the USPS has downsized their employees to a state where administrative employees no longer exist and will not be replaced. The USPS is actually starting to act like a business and has outsourced many of its functions to address its ongoing financial crisis and the results show a gain in efficiency. The USPS asks for our cooperation with this process and has been very supportive of the AUSPL and our members' concerns. The business changes at the USPS are uncomfortable, but our compliance is crucial to the long-term protection of our USPS investments.



*Steve LeNoir, postmaster, Horatio, SC, co-hosted the meeting with AUSPL President Morgan Wolaver. The Horatio post office is on the POSTPlan to be reduced to two hours per day.*

"Postal reform is up against sequestration, gun control, national debt and immigration, to name just a few competing issues," says Steve. Washington DC is more divisive than ever.

It's our job to convince Congress the Postal Service is not a Republican or a Democrat; it's part of an \$8 billion industry. In addition to 500,000 middle class postal jobs in every Congressional district, there are postal related jobs like paper mills, envelope manufacturers and lessors who depend on a healthy Postal Service.

Last year, more than 3,000 post offices were up for closure. With lobbying efforts and AUSPL leadership, you have been able to turn that back."

# AUSPL Directory of Postal Professionals

## LUNCHEON SPONSOR



**Atlanta Postal Credit Union (APCU)** is the nation's largest postal credit union. APCU works closely with the U.S. Postal Service so our business lending staff understands the USPS culture and is well positioned to assist postal lessors with their post office and/or GSA facility financing needs.

Contact: Margaret Glover or Steve Farley  
770-921-7091 • 800-849-8436 • mglover@apcu.com



**Chicago Title** provides escrow closing services and title insurance for when you sell, buy, or refinance your post offices or other commercial properties.

Contact: Eric Dahlberg or Dana Sawyers  
214-987-6789  
eric.dahlberg@cttdallas.com • dana.sawyers@cttdallas.com



**Eagle Consulting Services** has negotiated over 2,000 USPS leases for owners of USPS properties nationwide. Services include negotiation of leases with CBRE/USPS. I am the negotiator of change. Call for my \$750 member special.

Contact: John Doherty  
602-684-1554 • eagles727@msn.com  
www.eaglepostofficeusa.net



**First Oklahoma Bank** is a full service commercial bank. Included among its investors and directors are owners and directors of post offices nationwide. The bank structures loans to meet the needs of postal lessors.

Contact: Kevin Hutchens  
918-392-2516 • kevin.hutchens@firstoklahomabank.com



**GP West, Inc.** is a construction services firm specializing in design, construction, renovation, maintenance, and management of post offices. Other services include cost estimating for deferred maintenance claims and general property evaluations.

Contact: Sterling Schmitz  
480-966-4800 • sterling@gpwest.com



**Integra Realty Resources**, the largest US property valuation & consulting firm, provides professional services to financial institutions, developers, corporations, law firms and agencies concerned with the value, use and feasibility of real estate.

Contact: Michael Lady  
317-546-4720 Ext.222 • mlady@irr.com

## POELSTRA PROPERTIES

**Poelstra Properties** represents the lessor in the negotiation of its lease renewals with CBRE; offers consultation services on lease renewals; negotiates the sale of buildings & provides asset management services.

Contact: Gary Poelstra, (AUSPL Past President)  
800-971-8090 • poelstra@pacbell.net

# AUSPL Directory of Postal Professionals



**Post Office Realty** specializes in USPS-leased properties and offers inventory for purchase including other commercial properties, as well as finding solutions for issues involving postal buildings.

Contact: Dotty Collins & Brian Collins CCIM  
(Certified Commercial Investment Member)  
830-608-1231 • dotty@postofficerealty.com



**REAC**

**Real Estate Asset Counseling (REAC)** is the premier firm representing owners of leased USPS properties. Our unparalleled expertise in this market niche assures our clients of the best possible outcome when dealing with the USPS and CBRE.

Contact: Tom Coe 606-883-3602  
Philip Wilson 305-394-4105  
Keith LaShier 303-656-6061  
800-405-7179 • www.postalrealestate.com



**RE/MAX Commercial** Jeff Wallack, National Director of Postal Investments – Markets postal properties internationally and nationally. Whether selling, buying or a lease renewal, Jeff can assist you anywhere.

Contact: Jeff Wallack  
480-355-3570 • 480-636-0423 (mobile)  
JW@jeffwallack.com



**Terminix** Each year, termites cause more than \$5 billion in property damage. AUSPL has negotiated special pricing with Terminix which offers the best warranty in the business – up to \$1.5 million in repairs.

Contact: Carl E. Money, II  
610-505-7363 • cmoney@terminix.com

## AUSPL Board of Directors

## AUSPL Staff



**Barbara Barrett**  
P.R. Director  
Ext. 1005



**Sallie Bacher**  
Office Manager  
Ext. 1004



**Sandra Lindsay**  
Membership Coordinator  
Ext. 1002

Call us with your questions or concerns  
*We look forward to hearing from you*  
800-572-9483 • auspl@auspl.com



### Ken & Alice Atwood

*Won Two Nights' Lodging at Scottsdale Hilton Resort & Villas*

Ken and Alice have been members for 15 years and own a post office in Divide, MT

# Early Bird Winners!

### John & Mary Dean

*Won Two Complimentary Conference Registrations (Value \$350)*

John and Mary Dean own a total of seven post offices in Arkansas, Alabama, Tennessee and Mississippi



## Special Attractions



Henry Villalobos and the American Legion Post 41 Color Guard presented the colors while attendees recited the Pledge of Allegiance during the opening session of the conference.



Hashknife Pony Express is the oldest officially sanctioned Pony Express in the world. It has the longest contract with USPS. It annually delivers 20,000 pieces of first class mail by horseback in Arizona.



Apple, a tribute band to the Beatles, performed tunes including "A Hard Day's Night" and "Please Mr. Postman" at the reception.

## Phoenix Mail Processing Center: A Sell Out!



*During the tour of the Phoenix Mail Processing Center, AUSPL visitors were treated to demonstrations of what it takes to get the mail to its destination, which includes whirring machinery plus personalized sorting. Many were surprised by the actual process.*



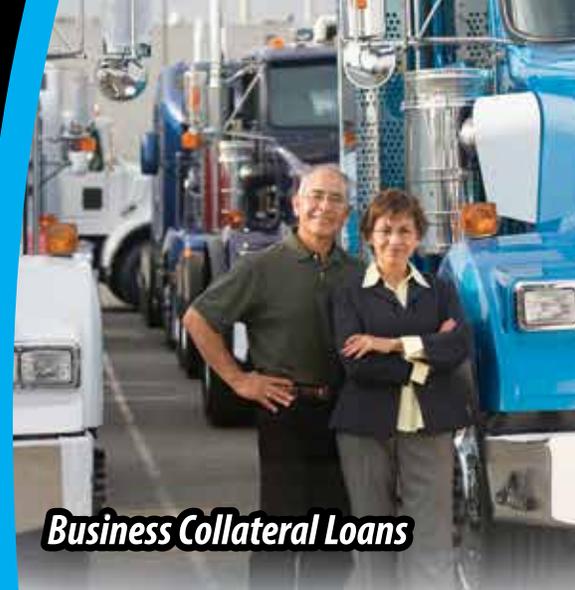
Atlanta Postal Credit Union

# Business Lending

**Competitive rates, excellent terms,  
low fees & no pre-payment penalties**

*Atlanta Postal Credit Union has money to lend for just about any worthwhile purpose - even for purchases of vehicles and equipment related to a business owned and/or operated by a member. The Credit Union also provides attractive post office mortgage, GSA, and business and investment property financing.*

*We offer extremely competitive rates and we are well-positioned to assist you with your specific financing needs. So if you are thinking about adding a new vehicle, purchasing additional equipment for your business or financing a mortgage for business or investment property, call Atlanta Postal Credit Union first. You can reach APCU's Business Lending Center at (770) 921-7091 or toll-free at (800) 849-8436.*



**Business Collateral Loans**



**GSA Financing**



**Post Office Financing**



**Investment Property Lending**



*This credit union is federally insured by the National Credit Union Administration.*



**AUSPL®**

8283 N. Hayden Rd. • Suite 295  
Scottsdale, AZ 85258

**Officers & Board**

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Sandra Lindsay  
*Membership Coordinator*

**AUSPL**  
800.572.9483  
**AUSPL Insurance**  
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877.642.8775

**FUN FACTS**  
**CONFERENCE 2013**

**1st** time  
conference held in  
Scottsdale, Arizona



**9** new breakout sessions  
over the two day event

**16** exhibitors including  
5 new participants

**70** first time  
attendees



**84** people enjoyed  
touring the Phoenix  
Mail Processing Center



**Surprise** - hotel sold out - only  
AUSPL in the house

**250** letters sent to  
Congressional  
representatives at  
Hill Day table



**430** members attended this year



**1,016** bottles of  
soda consumed

**3,197** members in the Association

Summery **94** degree  
days and cool **65**  
degree nights  
in the desert



# Southern *Hospitality*

## AUSPL Sets Its Sights on The Great American South for Conference 2014

**Watch Your Mail and our Website for  
details on the 2014 Conference.**



[www.auspl.com](http://www.auspl.com)