

AUSPL Post Office Auction Lets Conference Attendees Make Offers to Buy and Sell Postal Buildings

AUSPL held its annual Conference May 6-7, 2015, at the Eldorado Resort Casino in Reno, Nevada. At the Conference, AUSPL conducted the first ever AUSPL Post Office Auction. The Auction gave Conference attendees a unique opportunity to put into practice the information about buying and managing leased post offices which was the subject of certain of the Conference's instructional workshops.

The Auction was a result of a number of member inquiries about sales and purchases of postal facilities, ways to find buyers for postal facilities, and issues which might be encountered in transactions for such sales and purchases. Combined with educational workshops addressing those issues, the Auction was a means whereby Conference attendees could engage in some aspects of the purchase and sale process.

The form of the Auction was what is generally called a "silent auction," in which interested bidders place successively higher bids on a bid sheet until the auction closes. Only AUSPL members attending the Conference were eligible to participate in the auction as prospective sellers and/or bidders. The Auction included only post office buildings owned by such members. Prospective sellers were permitted, but not required to set minimum bid prices.

Prior to the Conference AUSPL solicited participation from members interested in including buildings in the Auction. Interested members were asked to provide basic information about their buildings for the use of potential bidders. The information included (1) the location of each property submitted, (2) the lot size, year date of construction and building square footage for each such property, (3) a copy of the USPS lease and lease riders for each such property as well as a summary of the amounts of rent income, annual property tax expense and estimated annual maintenance expense for each property, and (4) recent photographs of each property. In all, fifteen properties were submitted to be included in the Auction catalog, which AUSPL made available online before the Conference and in a booklet at the Conference.

Interested parties made bids on approximately half of the buildings submitted for the Auction. At the end of the Auction, successful bidders and prospective sellers met and signed a non-binding letter of intent. Under the letters of intent, such prospective sellers and buyers agreed to attempt after the

Conference to arrive at mutually acceptable purchase and sale agreements for the properties in question.

As but one example of the potential transaction resulting from the Auction, Lisa and Mike Fusano were the high bidders for the Constantine, Michigan post office owned by Byron Wilson. The Fusanos and Mr. Wilson are now in the process of meeting to negotiate a binding agreement for the sale and purchase of the facility. Interestingly, before winning the bid for the Constantine post office, the Fusanos and another prospective bidder engaged in a bit of a “bidding war,” after which the Fusanos narrowly outbid their competition.

Byron Wilson, the owner of the post office bid on by the Fusanos, said, “I was intrigued when I heard about the AUSPL Post Office Auction. My post office had been listed on another website for a long time. I thought this would be an excellent opportunity for people who were (more) familiar with post offices.” Mr. Wilson felt his post office would be attractive to prospective buyers because of its favorable lease forms, including a Tax Reimbursement Rider and a USPS Partial Maintenance Rider. He said, “I felt optimistic about finding a buyer, and the reserve price was relative to the current rent.”

Meanwhile, Lisa and Mike Fusano were interested in finding a post office to buy and thought the Auction might present a good opportunity. Lisa said they were interested in several of the buildings being offered, but they chose to bid on the Constantine, Michigan building. She said, “It was the right price and the right package for us.” Lisa continued, “We are doing our due diligence to completely explore details of the purchase of the Michigan post office.”

Lisa said, “No one was signing up at first. On the second day, someone was interested in the post office, so we put in a bid, too,” she continued. “We were excited to win. We enjoyed the process offered by the auction.” Both Byron Wilson and Lisa Fusano look favorably upon the possibility of participating in future AUSPL post office auctions.