



What do I do if a driver in a vehicle damages my post office building?

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Historically, one of the most frequent claims for a post office owner is damage caused by motor vehicles. We commonly see accidents caused by customers, contract drivers, postal employees, and Amazon delivery personnel, to name just a few. Globally, accidents have become more frequent, and there are primarily two ways an owner can address them.

The first way is to make a claim against the driver of the vehicle. This is only possible when you know who the driver was and that the driver has auto insurance at the time of the accident. If you are successful, you can save your out-of-pocket deductible; however, this is not always the case since the driver's insurer could apply depreciation to your settlement.

The other option is to file a claim with your property insurance covering the building under the AUSPL Insurance program. Damage must exceed your deductible before we can get involved. After the claim is closed, we will attempt to recover what we paid from the driver's insurance carrier. If we successfully recover, we will refund your deductible or a portion thereof. Unfortunately, we are only successful with such subrogation claims about 60% of the time.

With either method, you need to do the following to get a claim open:

1. **Call the postmaster to get details of what happened. Ask for details on the driver or if there were any witnesses. Police reports or pictures can also be useful.**
2. **If you want us to handle it, call us to report the claim as soon as possible. Make sure you feel the damage will exceed the deductible (\$1,000 in most cases).**
3. **Authorize temporary repairs to secure the building or to prevent further damage. Board up broken windows and take any necessary steps to secure unsafe conditions and help prevent injuries to postal customers or employees.**
4. **Wait for the adjuster to contact you and get estimates for repairs from a contractor. No matter which path you take, you will want to make sure all agree with the cost of repairs.**
5. **If you have any trouble along the way, feel free to call us and we will try to help.**



SOURCE: Oxford Police Department

Painting and Striping of Parking Lots

2017 Lease forms with Landlord Maintenance Riders require the Lessor to maintain parking lots. **Leases which include a USPS Responsibility Rider assign parking lot maintenance to the USPS if those parking lots are exclusively used by the USPS.** In other words, maintenance of parking lots shared with other businesses, such as in a strip mall, are the responsibility of Lessors who have this type of maintenance rider. There are many lease forms in use. Lessors must read their individual building leases to verify responsibility.

Painting and restriping improve the looks of the facility, fulfill ADA and other government requirements, and keep the parking and traffic flow orderly.

Be aware of requirements of government agencies. Local fire codes may require space for use by emergency personnel and vehicles, and it is important that such space be clearly marked.

Additionally, the Americans with Disabilities Act (ADA) has specific requirements for parking lot markings. Among those are: the Handicap spaces must be fitted with curb stops; the surface must be level with a maximum slope of 2%; the space must either be at the same level as the facility it is serving or have an RE approved HC ramp; and all handicap spaces must have the International Standard Handicap symbol in light blue and white. Handicap parking spaces must be the space(s) the closest to the entrance. If Handicap spaces are not immediately adjacent to the building, a safety yellow stripe, hatched walk is required and must be the shortest accessible route of travel. Additionally, the new standard for Handicap ramps in many jurisdictions is to include a tactile pad.

Because it is difficult to lay asphalt at 2% or less, USPS typically now specs concrete for the Handicap spaces because concrete is formed and can be placed with slopes as little as 1%. In some areas, particularly California, there are watch dog groups going around checking slopes. They find sites out of compliance and go after the USPS and landlords.



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Striping can be created with paint or striping tape. Paint is generally a water-based acrylic applied with a 4" wide roller or a line striping machine. A plastic, re-useable stencil is used to paint the Handicap symbol. The cost of restriping a parking lot with 30 to 50 spaces will typically be between \$300 and \$700. For facilities greater than 25 miles from a metro area, there may be a trip charge due to the small size of average USPS lot.

Striping tape is thicker, requires less down time, and lasts much longer than paint. However, the cost is significantly higher and often does not make sense for large lots. The Handicap symbol sticker is available with a non-slip surface for parking lot use.

In general, restriping parking lots should be done every 18 to 24 months, depending on traffic and weather conditions. A parking lot in a location with mild weather and low use needs less frequent restriping than one in an area with harsh winters and heavy use.



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Meet Board Member Morgan Wolaver, AUSPL President 2012–2016



Past President, Morgan Wolaver, is probably best known as the motivating force behind the AUSPL Legislative Committee and Political Action Committee (PAC). After serving on the AUSPL Board of Directors for 21 years, his time termed out this year.

Morgan has been “hands on” in postal facilities since his youth. Summers spent working for his father in the construction of new postal buildings gave him a basic understanding of facility management and maintenance as well as working with the US Postal Service. After a 20-year break spent in the offshore energy industry, Morgan returned to post offices. He now owns and manages multiple facilities both for himself and family members.

Morgan was 12 years into his service on the AUSPL Board of Directors when he accepted the position of President. His willingness to serve was rooted in both his sense of obligation and his belief in AUSPL as a great organization. Under Morgan’s leadership, AUSPL became active in legislative issues related to postal facilities. Years of multiple trips to Washington, D.C. included speaking with USPS Facilities Management, U.S. Representatives and Senators, and a number of other USPS stakeholder groups.

Additionally, under Morgan’s guidance, the AUSPL PAC was created. The PAC enables AUSPL leadership to provide financial backing for Legislators that advocate for a financially sound USPS and Universal Service, and whose policies support the USPS and the network of postal facilities.

These efforts were designed to protect the investments of AUSPL members, and to encourage the House and Senate to pass meaningful Postal Reform legislation.

“Postal Reform is not the end of the line. Advocating for better Postal legislation will need to be a focus, maybe not a ‘full court press,’ but the game will not be over,” [if Postal Reform bills pass the House and Senate] Morgan said. “Gaining ‘line items’ in future legislation will be necessary.”

Morgan will continue to serve AUSPL membership by remaining as a member of the Legislative Committee and PAC. When asked about future legislative activities if postal reform legislation passes in 2021 Morgan said, “We will not work ourselves out of a job. The PAC and funding the PAC remain important.” Morgan believes that staying positive, educating Congress and Lessors, and speaking up as advocates for Lessors’ needs is a long-time commitment and cautioned that “We must advocate for our needs, or someone will advocate against our needs.”

As President, Morgan enjoyed working with the other Board members, sharing knowledge, and getting to know the AUSPL members. Additionally, he valued meeting other Postal Facilities stakeholders such as the USPS Office of the Inspector General, Postal Regulatory Commission, Postmaster Associations, and leaders of the many postal employee’s organizations.

During Morgan’s service on the Board of Directors, AUSPL’s membership grew. Morgan remembers when the AUSPL Annual Conferences had 100 attendees. “Membership needs to grow,” Morgan said. He explained that if 100% of postal facility owners were AUSPL members, then AUSPL and Lessors would have a stronger voice with the USPS and with Congress.

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Owning Post Offices has made Morgan keenly aware of the challenges AUSPL members face. He has personally worked through the changes in how the USPS works with Lessors. For example, the new process in which lessors negotiate lease renewals through JLL is much different than the old process in which postal lessors negotiated renewals directly with USPS Real Estate Specialists.

Morgan believes post offices remain a great investment. He advises Lessors to become as educated as possible on the details of their lease(s). He also counsels Lessors to fully understand their responsibilities. Because Lessors are the owners of the land and buildings, Morgan stresses the value of reinvesting in their properties by maintaining the buildings and land. He also encourages Lessors to share information with other Lessors. Educated Lessors have better negotiating positions and a better understanding of what it takes to be profitable.



AUSPL

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REGIONAL MEETINGS ARE BACK!

Scottsdale, AZ
Friday, Nov. 12, 2021

Ft. Worth, TX
Friday, Nov. 19, 2021

Nashville, TN
Thursday, Dec. 9, 2021

All meetings are 8am to 5pm (Lunch included)



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Hotel rates good until October 29, 2021



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\$215 per night plus taxes
Hotel rates good until November 20, 2021

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USPS Renewal Option Rider (Fair Rental Value) and USPS Option to Purchase Rider (Fair Market Value)

By: Keith E. LaShier, Vice President, AUSPL, k.lashier@comcast.net and 303-565-6061

The Washington, DC Headquarters Real Estate Office and the Denver and Greensboro Facilities Service Offices of the U.S. Postal Service (USPS) have specific guidelines and requirements for the completion of appraisals to be used to determine the rental rates to be paid for building spaces being leased to the USPS and for the purchase price the USPS will pay for properties being acquired under purchase options.

There are multiple versions of these guideline and requirement documents. Before allowing USPS Appraisal Specifications to be incorporated for use through lease language, it is very important for Lessors to obtain copies of the USPS Appraisal Specifications documents that apply to their situations and to read and understand such Specifications. Landlords who need it should seek professional guidance.

Without going into an extensive description of how the process works, the following is a basic overview:

1. The USPS Real Estate Specialist (RES) will either complete an in-house estimate or obtain a contract appraisal to determine the market rental rate or market value of the property. Typically, contract appraisals are required for any Lease with a current or projected rental rate of more than \$150,000 per year and for any acquisition of more than nominal value.
2. The USPS will provide the contract Appraiser with an "Appraisal Specifications" document that provides instructions to the Appraiser on how the appraisal should be performed.
3. The completed appraisal will then be reviewed by either an in-house or contract Review Appraiser.
4. Once the appraisal is approved by the Review Appraiser, it will be forwarded to the Real Estate Specialist (RES) for use if the Lease negotiation or property acquisition is being handled by the RES. More typically, the RES will forward the appraisal to the Jones Lang LaSalle (JLL) contractor who has been engaged by the USPS to handle the negotiations on behalf of the USPS.
5. In most cases, the Landlord can accept the appraisal amount from the USPS or reject it and obtain an independent estimate of the market rental rate or property value. This can mean the Landlord does research and collects and analyzes rental and/or sales data sufficient to make their own estimate; or the Landlord may contract for the services of a commercial real estate broker or real estate consultant who is familiar with USPS procedures and has the requisite skills to complete the task.
6. In other instances, the Landlord may be required to obtain an independent appraisal from a professional Appraiser. If so, the Landlord will not tell the Appraiser how to perform the appraisal, as the Appraiser should follow the guidelines and requirements of the Uniform Standards of Professional Appraisal Practice (USPAP).
7. If both the USPS and the Landlord secure independent appraisals and the Landlord's appraisal is within 10% of the Postal Service's appraisal summary amount, then the renewal term shall be the arithmetic average of the two appraisal summaries.
8. If the Landlord's appraisal exceeds the USPS appraisal by more than 10%, the USPS and Landlord will attempt to agree on the market value. Alternatively, the USPS will select a third Appraiser from a list supplied by the Landlord. While it depends on which Renewal Option Rider or Purchase Rider is being used, the USPS will in some instances consider the value determined by the third Appraiser to be the final determination of value or rent.
9. The Renewal Option Rider or Purchase Rider may dictate another approach in cases where the value or rent indicated by the third appraisal exceeds the USPS appraisal by more than 10%. If the Landlord and USPS are not able to agree on the new value within 30 days, the USPS will ask the Landlord to identify three appraisal firms and the USPS will select one firm to provide an "Appraisal Review" of the two prior appraisals. The determination of the Appraisal Review will determine the final value. The USPS may elect to agree to this value or may reject the valuation.

The above material provides an overview of how the appraisal related language of the USPS Renewal Option Rider and Purchase Rider process may work. What it does not address is how the USPS appraisal is determined. The following provides statements from one Appraisal Specification document used by the USPS.

1. "The appraisal will report the Market Rent for the subject space, in its "as is" condition, as of the date of inspection." *Note:* This could present a problem if the USPS has been responsible for maintenance of the property and has not maintained the property in optimal condition. The Appraiser could be required to downgrade his estimate of value or reduce his estimate of market rent due to the condition of the property and thereby reward the USPS for failing to maintain the property in good condition. The Lessor's recourse in such a situation would be to attempt to recover the amount lost by claiming that loss as damages for the USPS's failure to maintain the property.

2. "If the USPS is the Lessee (Tenant), the Appraisal Report will analyze market rent for the subject property from the tenant's (USPS's) perspective." *Note:* This could result in an estimate of value or rental rate significantly below the fair market value or fair market rental rate.
3. "The subject property is leased to the USPS and ownership holds the leased fee interest. At the request of the client, this appraisal analyzes market value for the fee simple interest in the subject property as if it is owner occupied. This is a hypothetical condition."
4. "The Appraiser should not use or consider sales or leases of comparable properties where USPS was a participant to the transaction." *Note:* This requires the Appraiser to use, as comparable sales or lease only, those properties that are similar to the property being appraised but, at the same time, are either vacant or occupied by owners or tenants other than the USPS. Said another way, the Appraiser cannot use as a comparable any property that is or has been owned or leased by the USPS, i.e., those properties that would be the best comparables for the Appraiser to use.

Observations from this writer regarding how USPS appraisals may influence how "Market Value" or "Market Rent" is determined.

1. Review of full appraisal reports ordered by the USPS has revealed that some Appraisers consider warehouses to be comparable properties. In such instances, the Appraiser may arrive at a valuation lower than the fair market rent and lower than what the Landlord considers to be the current value. It could even be lower than the current rental rate.
2. USPS appraisal reports often (and accurately) cite the comparable properties as having a triple net (NNN) lease structure and then fail to make appropriate adjustments for the differences between the comparables and the property being appraised. In NNN leases the tenant is normally responsible for payment of taxes, insurance, and all maintenance obligations. Most USPS leases are either a modified gross wherein the Landlord is responsible for insurance and partial maintenance (USPS Maintenance Rider – Partial); a Single Net Lease (Landlord Maintenance Rider) where the tenant might be responsible for one item of expense, such as reimbursement of property taxes; or a gross lease wherein the Landlord is responsible for insurance, maintenance, and taxes. The appropriate adjustments for these differences can be substantial – yet they are often lacking in appraisals obtained by the USPS.
3. USPS appraisal reports do not refer to the USPS being a current tenant desiring to remain in the property, and no consideration is given to the premises having been designed or remodeled to specific USPS requirements

and there being value added features in the building that benefit the tenant.

4. The USPS appraisal reports do not include any information on what the USPS is paying for rents at comparable USPS-leased properties.

Impacts on Lease Negotiations

1. The USPS will order an appraisal on a USPS-leased property if the current rent exceeds, or the potential new rent may exceed, \$150,000 per year.
2. The USPS will review the appraisal report and only if it is determined to be accurate will it be accepted by a USPS Review Appraiser. Once that evaluation has been completed, the appraisal report is used to offer new lease terms to the Landlord. The Landlord will be advised that the USPS CANNOT pay a higher amount than indicated by the appraisal.
3. This writer offers an opinion, that while the USPS desires not to pay an amount higher than indicated by the appraisal, a USPS Contracting Officer has discretion, and upon obtaining approval from appropriate higher level USPS executives, can accept a Lease at a higher value if sufficient documentation is provided to support such a decision.



4. A Landlord is not required to obtain their own appraisal unless he has agreed to. However, many Landlords elect to do so. The USPS may reject an appraisal ordered by a Landlord if they determine it does not meet the requirements of the USPS Appraisal Specifications. This writer recommends that Landlords do NOT provide their Appraiser with the USPS Appraisal Specifications. Any appraisal ordered by the Landlord should instead be required to comply with USPAP (Uniform Standards of Professional Appraisal Practice).

Summary

The USPS desires to negotiate with Landlords and to pay what the USPS considers a fair market rent based on their determination of the value of the demised properties. The Landlord desires to obtain a fair rental payment based on their investment in the property, their ongoing obligations to maintain the premises, and pay property taxes, insurance premiums, and other actual or potential costs related to their ownership of the property.

Landlords should read any proposed new Lease carefully prior to signing the new lease agreement. This material is only an overview of the processes used by the USPS. Landlords should be familiar with the documents pertaining to their property. The Association of Postal Lessors (AUSPL) can provide general advice to Landlords regarding their lease negotiations with the USPS or the USPS contractor, Jones Lang LaSalle (JLL). Landlords may wish to seek professional consultation if conditions warrant such assistance.