



News and information for members of the Association of United States Postal Lessors

Tackling Deferred Maintenance

by Renee' Poelstra, Poelstra Properties

It is safe to say that a major hurdle faced by Postal Lessors is deferred maintenance that is the responsibility of the USPS under leases containing USPS Partial Maintenance Riders. To help avoid such deferred maintenance issues, lessors can take some or all the following actions:

- ★ **Communicate with your postmaster.** What needs to be done? Is the HVAC being serviced regularly? Are the filters being replaced? When was the building last painted? Is the parking lot in good repair? Obviously, regular routine maintenance is necessary to avoid major unnecessary expenses associated with deferred maintenance.
- ★ **Order a full property inspection through available inspectors.** Using trained, licensed and/or certified property inspectors (such as members of InterNACHI and/or ASHI) can help give a lessor confidence in the completeness and quality of the inspection. This is particularly important to have done when a lessor is in the process of renegotiating his or her lease. Using the inspection report in connection with the negotiations provides leverage in the negotiation that allows the deferred maintenance to be addressed as part of the new lease terms and/or rental rates.
- ★ In reference to the above item, **do not sign a new lease until the condition of the property is known and both parties are aware of the maintenance items that need to be corrected or otherwise addressed.**
- ★ **Get bids.** USPS Real Estate Specialists frequently suggest that, if a lessor is aware of a repair issue and the USPS is not proceeding with an approval with the property owner or manager to get the repairs made, the lessor should obtain bids from contractors and present them to the Postal Service for review and acceptance. Although this can be an arduous process, it can help move a project along by giving the USPS a solid estimate of the work that is necessary and the expected cost of that work.
- ★ **Read your lease!** Understand clearly the responsibilities the maintenance rider assigns to the lessor and those the maintenance rider assigns to the USPS. Lessors often bring their leases to AUSPL and learn that they have spent substantial sums on maintenance that the lease actually required the USPS to perform. Be an advocate for your investment and your livelihood!
- ★ **Know your rights as a Lessor.** When negotiations over maintenance hit an impasse, there is a claims process lessors can pursue to seek redress. Pursuing a claim allows a lessor to involve an administrative law judge and a USPS attorney as additional voices in favor of resolution of meritorious lessor claims. Electronic claims can be filed at: uspsjoe.justware.com/justiceweb. You can also reach the Postal



Crumbling concrete

Continued on page 2.

AUSPL Welcomes Two New Board Members!



Renee Poelstra is a Broker Associate for Poelstra Properties, specializing in buying and selling USPS properties and is a regular consultant on USPS lease negotiations on behalf of Postal Lessors. Renee graduated in 2003 from San Diego State

University with a BA in Communications and an emphasis in Journalism. She worked at NBC San Diego in the writing division and also interned for Congressman Darrell Issa. In 2004, Renee obtained her real estate license and began working for Poelstra Properties. Renee upgraded to a Real Estate Broker's License in 2013 and at that time became more involved in complicated lease negotiations and larger acquisitions for the firm.



Norbert Bromenshenkel is a retired FBI engineer who now oversees the day-to-day activities of Brunsdale Development LLLP. Norbert learned the post office business from his father-in-law, John Brunsdale, who was instrumental in building post offices in 6 states. While at the FBI Norbert worked closely with federal contracting officers and gained an in-depth insight into federal procurement processes to include specification writing, proposal review and negotiations and contract award. Norbert has also worked as a civilian for the US Army and has worked in Germany, Arizona and Virginia.

Tackling Deferred Maintenance continued from page 1.

Service Board of Contract Appeals (PSBCA) by calling (703) 812-1900. For specific information regarding the claim process, please contact AUSPL.

In closing, post office ownership is a unique and stable commercial real estate investment. Leasing your property to a quasi-government agency, the US Postal Service, comes with its upsides. The rent check always comes at the end of the month, and you have a tenant that, under the US constitution, must provide universal mail service delivery to every citizen. However, inversely, you have an agreement with a government entity that frequently does not comply with specific terms of its leases. USPS deferred maintenance has led to many issues lessors face with older buildings that are falling into disrepair. To avoid such issues, refer to the listed suggestions, and always know you can obtain additional help from the AUSPL and its Board of Directors for further assistance with maintenance questions and concerns.



DID YOU KNOW?

- ★ Maintenance issues affecting safety, security and serviceability are priorities to the USPS. Be sure to let the USPS know when a repair issue that is USPS responsibility falls into one of those categories.
- ★ Good photos of repair issues save a lot of time. Date stamp photos taken with a cell phone and include them with repair requests.
- ★ To be sure of your responsibilities under the lease, verify the maintenance rider that is part of your lease. Almost all leases have either the Landlord Maintenance Rider, or the USPS Maintenance Rider - Partial.

CORRECTION!

Jon Otterberg, Chief Executive Officer of American Postal Infrastructure was identified with the wrong company in the "Postal Lessors and the Future of the USPS" article in the Summer 2022 edition of *PostScript*. Apologies to Jon and API.

Meet Dawn L. Bowman, Former Board Member



What years did you serve as a Board member?

It was my privilege to serve on the Board of Directors from 1993 to 2016. I was elected Treasurer shortly after joining the Board, at the start of Gary Poelstra's Presidency, and served as Treasurer until 2014, when my health would no longer permit the work.

What were the best parts of serving as a Board member? Or do you have any favorite conferences or AUSPL events?

The best part for me was the spirit of friendship and community among the Board members and the AUSPL membership. There is nothing quite like the feeling of genuine comradeship and support one receives from coming together with like minded, yet diverse folks. I met wonderful, smart, kind people, many of whom I am fortunate to call my friends to this day.

While every meeting and every conference was a positive, beneficial and informative experience, a couple noteworthy conferences come to mind including a L'Enfant Plaza conference in the mid 1990's during which I gave a presentation about USPS leases. I was completely nervous and fairly certain the back row could hear my knees knocking in terror. Our gracious members reassured me, even many years later, that it was a helpful address. Of course it was difficult to beat our San Francisco conference. Then-USPS Vice President of Facilities, Rudy Umsheid, spoke. His powerful leadership and true understanding of the practical plight of post office owners changed our course!

How did you get started in postal leasing?

I began working for Frall Developers, Inc. in 1983. The company had about half dozen post office buildings then. By the time my health forced me to stop working decades later, the company owned over 200 facilities in 21 states.

What are your thoughts on owning post office buildings?

While I never owned a Post Office personally, I treated the company's investment properties with the same care as if they were my own. Investment in United States Post Office properties is stable and long term. Like any worthwhile pursuit, real estate investments require continuing care and ongoing knowledge.

What did you see as being the central issue for Lessors during your time as a Board Member?

The United States Postal Service lease has gone through many changes over the years, including changes in maintenance responsibilities and other important clauses affecting Lessors' bottom lines. The Board worked diligently to teach Lessors to carefully read their leases, understand the responsibilities of each party and ask for help when necessary. Understanding your particular lease document was critical, given the ever-evolving United States Postal Service. I daresay this remains true today.

What are your thoughts on the growth of AUSPL's membership and service offerings?

From its essentially grass roots beginnings, AUSPL experienced great growth over the years. I am very proud of the work done by the Board of Directors, to unite and enlighten the members and foster good relationships with the United States Postal Service. The excellent insurance program, regional and annual conferences providing education on important, relevant topics, monitoring and action on policy and legislative matters, and assistance with individual questions that is a phone call away, are all examples of the value of the AUSPL.

What can Lessors do to improve their experiences as postal Lessors?

- **Read and understand your Lease, asking questions as needed.**
- **Participate and engage in your Association's offered events and network with other lessors.**
- **Write and phone your Senators and Representatives when your Association urges you to do so.**
- **Keep in touch with your Postmasters. They are the caretakers of your property.**
- **Remember there is value in your dirt, sticks and bricks after your lease! Make sure your property is being properly maintained.**

Any additional comments/advice/warnings/encouragement you would like to share with Lessors?

It cannot be stated too often.....please read and understand your Lease and take advantage of the many valuable benefits afforded the members of the AUSPL.

"Learning is not attained by chance, it must be sought for with ardor and attended to with diligence."

~Abigail Adams

Operational Changes for the USPS

As part of the 2022 “**Delivering for America**” 10 Year Plan for the USPS Postmaster General, Louis DeJoy announced proposed operational changes for the USPS. These changes are intended to increase the financial stability of the USPS, improve the working environment for employees, and reduce delivery times.

DeJoy named 10 previously closed plants that will be reopened to consolidate sorting of mail and packages before the mail goes out for delivery. Because of these changes, letter carriers will pick up their deliveries at consolidated Sorting and Delivery Centers (S&DC). The purpose of these S&DCs is to reduce transportation and mail handling costs and provide Postal customers with additional services. The first round began in September 2022 with routes from 13 post offices moving into the Athens, GA Processing and Distribution Center.

Though the USPS predicts a period of several years for completion of the changes, information is being distributed informing stakeholders of the initial consolidations beginning this year. A list of impacted sites can be seen on the AUSPL website.

As time goes on, the effects of these changes on postal lessors will become clearer. AUSPL leadership is monitoring the situation and preparing to advocate for the interests of AUSPL members.

The PRC and Why it is Important to Postal Lessors



The Postal Regulatory Commission (PRC) is an independent Federal agency given regulatory oversight of the United States Postal Service. The PRC’s website states that the PRC “Provides transparency and accountability of the U.S. Postal Service’s operations.

Of the four operating offices in the PRC two are of particular importance to lessors. First, the Office of Accountability and Compliance, and second, the Office of Public Affairs and Government Relations.

The Office of Accountability and Compliance, among other things, oversees changes at the USPS regarding planning, building, closing or consolidating postal facilities, and nationwide changes in service. Those changes must comply with regulations laid out in the Code of Federal Regulations Title 39 – Postal Service (CFR 39).

While the PRC is not in a position of telling the USPS what it can or cannot do, it does have authority to determine whether the USPS has followed applicable procedures, and to make recommendations based on reports from the USPS. The USPS responds to those recommendations in monthly reports to the PRC. In addition, the PRC has enforcement tools, including the authority to levy fines in cases where the USPS might deliberately not comply with applicable postal laws.

The Office of Public Affairs and Government Relations is the public face of the PRC. This is the PRC Office consumers use to file their comments. Generally, those comments have to do with postage rates or service issues.

The PRC conducts “proceedings” to examine issues brought to its attention and come to a decision on whether the issue is being managed in compliance with current regulations. The public may participate in these proceedings, based on the rules determined by the PRC. Those rules are available on the PRC website, www.prc.gov under the “How to Participate” tab on the home page.

There will be times when the USPS and lessors, as members of the community, believe that procedures are not being followed correctly. The PRC is the place to take those concerns, along with evidence of the non-compliance. Additionally, questions that lessors have about procedural changes at the USPS can sometimes be answered by a review of PRC comments and USPS response. The PRC has no authority over lease and maintenance questions.

AUSPL in Washington, DC

Over two years have passed since AUSPL members and leadership met in person with legislators through a Hill Day event in Washington, D.C. A virtual meeting in 2021, kept AUSPL in touch with legislators vital to the postal reform legislation process.

Despite the lack of in-person group events, AUSPL leadership continues building relationships with US legislators. In September 2022 AUSPL's Director of Operations, Mark Karolczyk and Harry Glenn of Van Scoyoc Associates met with supporters of postal reform legislation and members of committees important to the future of the USPS.

Representative Gerald Connolly (D-VA), Chair of the Government Operations Subcommittee in the House and Representative James Comer (R-KY), Ranking Member of the House Committee on Oversight and Reform were both instrumental in passing last summer's postal reform legislation. Mark and Harry met with both to thank them for their active role in passing the long-awaited legislation.

Additional meetings were held with Senator Maggie Hassen (R-NH), Member of the U.S. Senate Homeland Security Committee; Representative Nancy Mace (R-SC), Member of the House Committee on Oversight and Reform; and Senator Steve Daines (R-MT) Member of the Senate Finance Committee. All voted in favor of recent postal reform legislation. During the meeting with Representative Mace, she was particularly attentive to the value and interests of rural postal facilities.

In addition, Mark and Harry used the meetings to remind legislators about the network of leased postal facilities. Maintaining these legislative relationships improves awareness of postal leasing and the interests of lessors.



**Does your insurance coverage
take care of this type of damage?**

AUSPL Insurance does!

Call 877-642-8775 for a FREE quote.



Association of United States Postal Lessors

AUSPL Insurance Program

**Follow Us on
Social Media**



Follow us

@Postal_Lessors



Like Us!

facebook.com/
PostalLessors

**Find Important information
on our website**

auspl.com



Association of United States Postal Lessors
P.O. Box 6289, Scottsdale, AZ 85261
800-572-9483
email: auspl@auspl.com
www.auspl.com

PRESORTED
FIRST CLASS
U.S. POSTAGE
PAID
PHOENIX, AZ
PERMIT NO. 5892

AUSPL

AUSPL Board

Keith LaShier, President
Larry Magdovitz, Vice President
Joyce McCutcheon, Secretary

Norbert Bromenshenkel	Marian Moss
Mark Dattel	Gary Phillips
John Heeren	Renee Poelstra
Jeffrey Hilst	Steve Roberts
Steve Hurlbut	Robert Schlager
Robert Kapusta, Jr.	Andrew Spodek

Board Member Emeritus

Dawn Bowman	Lana Ruch
Terry Phillips	S. Lawrence Schlager
Gary Poelstra	Morgan Wolaver
Dennis Pottenger	

AUSPL Staff

Mark Karolczyk, Director of Operations & Treasurer
Sallie Bacher, Office Manager
Sandra Lindsay, Social Media Marketing Manager
Tammie Valencia, Administrative Assistant



Please join us for our next conference
Tuesday, April 18 through
Thursday April 20, 2023

Flamingo Hotel - Las Vegas

Conference fee: \$225 per person until April 4, 2023
\$250 after 4/4/23.

The conference fee includes two conference meals, and access to all educational sessions, the exhibit hall, plus a fabulous networking party.

The Conference is for AUSPL Members. Non-members pay an additional membership fee of \$100 per family/group.

Register for the Conference by calling AUSPL at 800-572-9483
or online at www.auspl.com under "Events."

Reserve Your Hotel Room at Flamingo Las Vegas

3555 S. Las Vegas Blvd., Las Vegas, NV 89109

<https://book.passkey.com/go/SFAUS3> or call 855-633-8238 (\$15 additional fee to call)

Room rates: Tuesday, \$129; Wednesday, \$79; Thursday, \$69

The above rates are per guest room, per night, single or double occupancy. Rates are subject to daily resort fee of \$39.95 and room taxes. Each additional person will be charged at a rate of \$30.00 per person, per night with a maximum of four persons per guest room.

CUTOFF DATE FOR GROUP RATE IS SUNDAY, MARCH 19, 2023