

## GENERAL FARM RELOCATION INFORMATION

### Farm Owner Occupant

*(For at least one year at your current location)*

As a farm owner required to relocate due to a highway construction project, you may be eligible for relocation advisory services, benefits and payments through the Wisconsin Department of Transportation (WisDOT). This informational brochure outlines those services and benefits.

#### RELOCATION ADVISORY SERVICES

A relocation specialist will be assigned to you to discuss your farm relocation and your eligibility for various benefits. Your relocation specialist will provide information about the general relocation process during several personal visits and contacts and review the timeframe you may remain at your current location. He/she will be available during the relocation process to answer your questions and assist you in your relocation efforts.

At a minimum, you will be provided at least 90 days notice prior to the date you will be required to move. You will not be displaced unless at least one available, comparable replacement property is presented to you.

#### ***Interview and Market Study***

As a first step in the relocation process, your relocation specialist will interview you as a part of a project-wide relocation plan about your business and relocation needs.

The relocation plan provides a market study of available farm properties considered comparable to your current farm (subject) site, including purchase or lease terms (if applicable) and other contractual obligations and the financial ability of your farm to accomplish the move. A comparable property is a property that is: adequate for the needs of your farm; reasonably similar in all major characteristics; functionally equivalent; meets applicable federal, state and local codes; within reasonable proximity of the subject site; and suited for the same type of farm.

During the interview, your relocation specialist will review project timelines and possible relocation benefits and provide you with his/her contact information.

#### ***Legal Citizen Certification***

Under federal law, to qualify for relocation services and payments, you must certify that you are a legal citizen or lawfully present in the United States. Your relocation specialist will review this policy with you and ask you to sign a WisDOT certification form. Any person who is not lawfully present in the U.S. is not eligible for relocation advisory services and payments, unless ineligibility would result in exceptional and unusual hardship to a qualifying spouse, parent or child. Please contact your relocation specialist for further information.

#### ***Relocation Package***

Once the appraisal for your property has been approved, WisDOT will initiate negotiations for the purchase of your property by providing you a written financial offer. At this time (or soon afterwards), you will be provided a relocation package that includes a summary of all relocation benefits available in the program. This package will include a replacement farm calculation; available comparable business locations; a 90-day assurance letter; and other information. You will be asked to sign a form acknowledging your receipt of the documents.

### ***Business Moving Needs***

Your relocation specialist will work closely with you on the moving needs of your farm, which may include hiring specialized contractors for moving and reinstalling machinery at your replacement location. Additional advisory services provided by WisDOT include, but are not limited to:

- Listings of available farm properties including pertinent data for the replacement sites as necessary;
- Referrals to financial institutions, local development corporations, and other similar organizations; and,
- Scheduling appointments to view any property listings. Please contact your specialist if you require transportation assistance.

### **RELOCATION BENEFITS**

#### ***Replacement Business – Farm Payment***

In addition to the amount you receive from WisDOT for the purchase of your farm, you may qualify for a Farm Replacement Payment through the relocation program. You must have been in business at the same location for at least one year prior to the initiation of negotiations to qualify.

Your relocation package will include a calculation of the replacement business payment. WisDOT calculates the payment by subtracting WisDOT's offering price for your farm (subject) site from the list price of a comparable farm site (as determined by WisDOT). This calculation establishes the maximum benefit amount you are eligible for the replacement farm payment. However, the actual payment amount depends on the final negotiated acquisition amount of your current farm location, comparable properties and documentation verifying your purchase (or rental) of a replacement business property.

The maximum eligible replacement farm payment is \$50,000. This amount includes any refinancing costs and other reasonable costs incidental to the purchase of a replacement farm site. A replacement farm payment can also be used to rent a comparable farm property (up to a maximum of \$30,000). Please discuss details of replacement farm payment with your relocation specialist.

If eligible, you will receive a replacement farm payment after your property is acquired by WisDOT and you have moved to a replacement property. For payment, your replacement property must meet federal, state and local codes and requirements.

If you do not utilize the maximum allowable farm replacement payment in the purchase (or rental) of a replacement farm property, reasonable incidental costs may be reimbursed to you. These costs include:

- Legal, closing and related costs including title search, preparation of conveyance contracts; notary fees; surveys; drawings or plats and recording fees related to the purchase of a replacement property;
- Lender, appraisal or application fees;
- Certification of structural soundness for the replacement property;
- Credit report fees;
- Owner or mortgagee title insurance policy or abstract of title;
- Escrow agent fee; and,
- Transfer taxes.

### ***Actual and Reasonable Moving Costs***

As discussed above, your relocation package identifies the date you will need to be relocated to your new location. At a minimum, you are provided 90 days after the date of the initiation of negotiations to relocate your business.

You may choose to receive reimbursement for the actual, reasonable cost of moving personal property to your new farm location. Your relocation specialist will work with you to prepare an inventory of personal property items that will be moved. She/he will contact at least two commercial movers to provide moving estimates based on this inventory. Reimbursement is provided, once you have vacated the premise, in a lump sum based on the lower of the two moving estimates.

You will have the choice of either receiving reimbursement for your moving costs by using a commercial mover or a self-move.

- *Commercial move* – Reimbursement is provided for the actual and reasonable costs incurred in moving the farm to a replacement farm site when the move is accomplished by a licensed commercial mover, in an amount up to the lower of the two estimates received.
- *Self-move* – This option allows a farm owner to conduct its own move utilizing owned or leased equipment; their own employees, relatives or other persons hired specifically for the move; supervised by himself/herself and/or a working foreman. Or, a farm owner can also choose to move their farm with a self-move combined with a partial commercial move. Any self-move requires a signed agreement between WisDOT and you, as the farm owner, before the move takes place and reimbursement is provided. You will be provided with the actual date necessary to have all personal property removed and the premises “broom cleaned” to WisDOT.

WisDOT is available to assist you in every aspect of your move. You are strongly encouraged to work closely with your assigned relocation specialist in planning for your move. Prior to proceeding with a move, you must notify your relocation specialist of your intention to move, including the date, location of the replacement property, and approximate time required to accomplish the move. Failure to inform you relocation specialist prior to a move or specialized move can negatively affect your eligibility for reimbursement of moving costs incurred by your farm business.

Common reimbursable items of your farm move include:

- Planning the move of your personal property.
- Packing, moving, and unpacking of personal property at your replacement location.
- Disconnecting, dismantling, removing, reassembling and reinstalling relocated personal property and substitute personal property. Modifying personal property necessary to adapt to replacement location may not exceed reasonable replacement cost.
- Professional services performed prior to the purchase or lease of a replacement site to determine its suitability including soil testing, feasibility and marketing studies (excludes fees or commissions directly related to the purchase or lease of such site).
- Providing public utilities from public right of way to building or improvements.
- Re-lettering and replacing farm forms and stationary; all such costs shall be for replacement of existing supply.
- Connecting utilities and modifications to adapt or provide utilities for relocated personal property.

- Impact fees or one-time assessments for anticipated heavy utility usage.

WisDOT determines whether the items are actual, reasonable and necessary to be reimbursed. Please work with your assigned relocation specialist to discuss your business move as soon as possible.

Unless specific arrangements are made and approved by WisDOT, all items of personal property must be removed from the property including agency verification of the removal of hazardous materials from the property prior to move payments being released.

***Exclusions on Moving Expenses and Losses***

The following expenses are considered ineligible for reimbursement as "actual moving expenses":

- Additional expenses incurred because of farming in a new location.
- Cost of moving structures, improvements or other property purchased by WisDOT or when the displacee reserved ownership. This includes items which have been included in the acquisition of the property and paid for as part of the real property and items retained by the owner.
- Modification of personal property, except when necessary to adapt personal property to the replacement site or structure.
- Costs for storage of personal property on real property you already own or lease.
- Physical changes to the real property at the replacement location of a farm, except for the modification and adaptation of utilities to the personal property at the replacement site. (Please see reestablishment expenses outlined on the next page for further information.)
- Interest on loans or the money borrowed to cover moving expenses.
- Loss of good will, business, profits, or trained employees.
- Personal injury, annoyance or discomfort.

***Searching for a Replacement Farm Site***

A farm is eligible for reimbursement up to a maximum of \$2,500 for actual and reasonable searching expenses for a replacement farm site. Related reimbursable expenses (limited to a 50-mile radius from your displaced location) include items such as: transportation, meals, lodging away from home, time spent searching, fees paid to real estate agents or brokers in relocating, time spent obtaining zoning permits and negotiating the purchase of a replacement site. Payment is based on the applicable hourly wage rate for the persons conducting the search, not to exceed \$30 per hour. Receipts for meals and lodging must accompany your claim for search expenses. Your relocation specialist will provide a form for you to track search expenses.

***Actual Direct Losses of Tangible Personal Property***

This benefit is provided if you discontinue business or you elect not to relocate an item of personal property from your displaced farm. As a farm owner, you may be eligible for a calculated benefit based on the actual direct loss of tangible property. To be eligible to receive a direct loss of tangible personal property payment, the owner must make a meaningful effort to sell the items.

If an item of personal property used with your current farm business is not moved, the payment will be either:

- The fair market value “in place, as is” for continued use of the personal property, minus the proceeds from its sale;
- OR,
- The estimated cost of moving the item “as is,” but not including any storage costs or reconnections/recalibration costs if the item is in storage or not being used at the subject site.

Eligible moving costs of direct loss of tangible personal property include: increased costs to meet codes or other requirements that would only be necessary if the items were relocated to a replacement site; storage and installation costs for inoperable or uninstalled machinery or equipment at the subject site; installation costs of equipment not moved to replacement site; moving costs exceeding the 50-mile radius limit. Please discuss this benefit with your relocation specialist, as WisDOT may need to obtain an appraisal to determine fair market value in place for equipment or other items of personal property to ensure accurate benefit calculation.

### ***Purchase of Substitute Personal Property***

This benefit is intended to provide payment for an item of personal property that will not be moved but will be promptly replaced with an item that performs a comparable function at your replacement site. Commonly “substituted” items are technology-based equipment, such as computers and phone systems.

The substitute personal property benefit is the lesser of:

- The cost of the substitute item including installation costs of the replacement site, minus all proceeds from the sale or trade-in of the replaced item;
- OR,
- The estimated cost of moving and reinstalling the replaced item (no allowance for storage).

Eligible moving costs of purchase of substitute personal property include reconnection costs, based on estimates of what it would be to install items as they currently exist at the subject site.

Ineligible cost of purchase of substitute personal property include: increased costs to meet codes or other requirements that would only be necessary if items were relocated to a replacement site; installation for inoperable or uninstalled machinery or equipment at subject site; moving costs exceeding the 50-mile radius limit; and storage costs.

Please discuss this benefit with your relocation specialist, as WisDOT will require additional documentation and estimates to ensure an accurate benefit calculation.

### ***Farm Re-Establishment Expenses***

You may be eligible to receive reimbursement, up to \$25,000, for expenses incurred in re-establishing your farm at a replacement site. Reimbursable items must be actual, reasonable and necessary, as determined by WisDOT, and may include:

- Repairs or improvements to the replacement property as required by applicable federal, state or local codes and ordinances.
- Modifications to the replacement property to accommodate the farm operation or make replacement structures suitable for conducting the farm.

- Construction and installation costs for exterior signing to advertise the farm business.
- Redecoration or replacement of worn surfaces at the replacement site, such as paint or carpeting.
- Advertisement of the replacement location.
- Increased costs of operation during the first two years at the replacement site for items such as: lease or rental charges; personal or real property taxes; insurance premiums; and, utility charges, excluding impact fees.
- Licenses, fees and permits, when not paid as part of moving expenses.
- Other items that the agency considers essential for re-establishment of the business.

Generally, items ineligible for reimbursement under re re-establishment expenses include (nonexclusive list):

- Purchase of capital assets, such as office furniture, filing cabinets, machinery, or trade fixtures.
- Purchase of manufacturing materials, production supplies, product inventory or other items used in the normal course of business operations.
- Interest on money borrowed to make the move or purchase the replacement property.
- Interior or exterior renovations at the replacement site, which are for aesthetic purposes.

### ***Optional Fixed Payment for Moving Expenses***

The owner of a discontinued or relocated farm may be eligible to receive a fixed payment for moving expenses. This is an optional payment you may choose in lieu of all other moving expense payments, such as actual moving expenses, re-establishment expenses, and search costs. The maximum amount eligible for a fixed move payment is between \$1,000 and \$40,000 and will depend on supporting documentation.

To be eligible for a fixed move payment, a farm must meet five (5) criteria:

1. The farm must own or rent personal property which must be moved in which move expenses would be incurred.
2. The farm would not be able to relocate without a substantial loss of its existing patronage. (WisDOT assumes a farm meets this criteria, unless it can be shown to otherwise not to be met.
3. The farm must have contributed materially to the income of the displaced person during the two taxable years prior to displacement. "Contribute materially" means the income from your business: 1) had average annual gross receipts of at least \$5,000; 2) had an average annual net earnings of at least \$1,000; or 3) contributed at least one-third of the average annual gross income from all income sources.
4. A farm must not be part of a commercial enterprise having more than three other entities not being acquired by WisDOT, and which are under the same ownership and engaged in the same/similar activities.
5. A farm is also not eligible if it is operated by an absentee owner solely for renting to others (a landlord owner, renting the property to a farm).

You may decide a fixed payment option is an appropriate choice for your farm. Documentation for this payment calculation is required, including a complete copy of the previous two (2) years of federal tax returns and schedules. The fixed payment is calculated using your average annual net earnings of the farm during the two taxable years immediately before the taxable year in which your farm is relocated.

If you received reimbursement for actual move expenses and decide later to take a fixed payment, the fixed payment calculation would subtract those amounts previously paid. If you discontinue your farm business at a

replacement site within two (2) years after you vacate date, you may be entitled to an additional benefit through the fixed move payment in addition to actual moving expenses already reimbursed. Please discuss this payment option with your relocation specialist to verify fixed payment eligibility.

### ***Multiple Farms at a Property***

Farm owners sometimes have multiple, distinct businesses located at the same property to be acquired. To determine if more than one business occupies a single site, there are several factors WisDOT considers. These include the extent to which:

- The same facilities and equipment are shared;
- The farm businesses are substantially identical or are interrelated and carried out and the financial affairs are commingled;
- The entities are held out to the public, and to those customarily dealing with them, as one operation; and,
- The same person, or closely related persons own, control, or manage the affairs of the entities.

Business taxes and schedules are required to determine multiple farm businesses relocation benefit eligibilities. If you believe you have more than one farm business at the current location, discuss your circumstances with your relocation specialist.

### **REQUESTING REIMBURSEMENT FOR ELIGIBLE ITEMS – RELOCATION CLAIMS**

The relocation program is a reimbursement program with many requirements, statutory provisions and eligibility standards. You are encouraged to work closely with your WisDOT relocation specialist prior to incurring an expense to understand whether you will be eligible for reimbursement of an item or service. Documentation is very important – make sure you keep all documentation for move expenses, such as paid invoices, receipts, and photos.

To receive reimbursement for eligible relocation items, WisDOT will review your claim (signed form plus supporting documentation) and determine whether the request is reasonable and necessary. WisDOT claim forms will be provided to you in your relocation package. While you may submit a claim to WisDOT, it is not a guarantee that reimbursement will be provided.

Reimbursement depends on many factors including:

- Eligibility for reimbursement is allowable under the provisions of state and federal laws, codes and policies.
- WisDOT considers the claim for reimbursement of incurred costs to be actual, reasonable and necessary.
- Documentation that verifies payment and eligibility for reimbursement, such as copies of business taxes, paid invoices/receipts, photographic documentation.

Your relocation specialist will assist you to file relocation claims for reimbursement including identifying the necessary documentation. You have two (2) years from the date you vacate from the subject site to file claims for reimbursement of relocation benefits.

Legal fees are generally ineligible for reimbursement in the relocation program. However, a one-time reimbursement for up to \$500 may be paid for service fees preparing and documenting a claim for a business relocation payment or loan application.

## **APPEAL RIGHTS**

Under Wis. Stat. §32.20, you have the right to appeal a WisDOT decision that you disagree with, including a claim denial or reduction from your claimed amount. There are three different ways to appeal a WisDOT decision.

1. You may appeal to directly to WisDOT's statewide relocation facilitator, who will review the specific request and facts of the situation. The agency may be able to work with you directly to resolve issues.
2. You may also appeal to the Wisconsin Department of Administration for an informal review under Wisconsin Administrative Code ADM 92.18.
3. You may also file an appeal to the circuit court of the county in which the displacement took place.

Information on the appeals process will be provided to you by your assigned relocation specialist with any claim denial or reduction.

## **RELOCATION PROGRAM GOAL**

Through your assigned relocation specialist, WisDOT will work closely with you to ensure you farm relocation issues are addressed. Our goal is to assist you to relocate your farm and ensure the process occurs as smoothly as possible.

We want you to be fully aware of the relocation process and the benefits you are eligible to receive. Your relocation specialist will also identify the supporting documentation needed to secure those benefits and assist you in preparing your relocation claim submittal.

Please contact your relocation specialist with any questions.