

US EPA ARCHIVE DOCUMENT

## UNIFORM RELOCATION ACT - MSDGC BUSINESS RELOCATION GUIDELINES

*Note that eligibility must be established by MSDGC and expenditures preapproved in order to receive reimbursement*

### MOVING OPTION AND ELIGIBLE COSTS & EXPENSES

#### FIXED PAYMENTS (\$1,000 minimum to \$20,000 maximum)

#### ACTUAL COST SELF, COMMERCIAL OR COMBINATION MOVES

*Actual moving and related expenses, as MSDGC determines to be reasonable and necessary*

<b><i>If the fixed payment is selected for the reimbursement of the move, the business is not eligible to receive any other move, reestablishment or economic loss payments</i></b>	Transportation costs for a distance of 50 miles, or beyond 50 miles as deemed justified by MSDGC; Re-lettering/re-printing stationery and signs; updating websites; Direct loss (explained below); Substitute equipment (explained below); Search expense up to \$2,500; Labor cost for supervising the move
Must own or rent personal property which must be moved for which an expense would be incurred in moving and must vacate or relocate	Packing/crating all personal property in boxes, loading the boxes onto the truck, unloading the boxes, and unpacking/uncrating the boxes at the replacement site; reinstallation of leased equipment
Other move type would result in substantial loss of existing clientele or a loss of net earnings	Disconnecting, dismantling, removing, reassembling, and reinstalling relocated personal property
Cannot be part of a chain or a commercial enterprise having more than three other unimpacted entities, under the same ownership and engaged in the same or similar business activities	Connecting personal property to utilities available within the building; Modifications to personal property or the replacement site to permit the reinstalled personal property to function properly and according to code
Must not be in business at the site solely for the purpose of renting such structure or site to others	Insurance for the replacement value of the personal property; Storage of the personal property
The business contributed materially to Displaced Person's income during the two taxable years preceding the taxable year in which displacement occurs or during such other period as MSDGC determines equitable (defined below)	Replacement value of property lost, stolen, or damaged in the process of moving; License, permit, fee or certification required at the replacement location; Professional services to evaluate the suitability of a potential replacement location or to plan the move
	Overtime as approved by MSDGC; pits, pads and foundations necessary for the reinstallation of personal property; Connection to utilities at the right of way as deemed necessary by MSDGC; impact fees or one time assessments for anticipated heavy utility usage; Low value/high bulk materials (explained below); On-premise advertising signs not valued as part of the realty

### INELIGIBLE MOVE EXPENSES

Cost of moving any structure or other real property improvement retained by the business; Interest on a loan to cover moving expenses; Loss of profits; Loss of trained employees; Additional operating expenses incurred because of operating in a new location except as provided under reestablishment expenses; Personal injury; Legal fees or other costs for preparing a claim for a relocation payment or for representing the claimant before MSDGC; Physical changes to the real property at the replacement location of a business except as provided under reestablishment expenses; Costs for storage of personal property on real property already owned or leased by the business or owner; and Refundable security and utility deposits

**Contributes materially** means that during the two taxable years prior to the taxable year in which displacement occurs, or during such other period that MSDGC determines to be more equitable, a business operation: A. Had average annual gross receipts of at least \$5,000.00; or B. Had average annual net earnings of at least \$1,000.00; or C. Contributed at least one third of the owner's or operator's average annual gross income from all sources. In any case, if the application of the above criteria creates an inequity or hardship, the Agency may approve use of other criteria as deemed appropriate.

**Direct loss** occurs when a business is entitled to relocate its personal property but chooses not to do so. An example is when a business chooses to close its business instead of relocating or reestablishing, then owner may be reimbursed for direct loss on all of the personal property used in the operation of the business.

**Substitute equipment** means that if an item of personal property, which is used as part of a business, is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site. The owner may be eligible for payment to assist with a portion of the cost of the substitute equipment.

**Low value/high bulk materials** are items of personal property owned by a displaced business that MSDGC determines would cost more to move than to replace. Some examples of low value/high bulk materials include, but are not limited to, stock-piled sand or gravel, etc.

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<b>Reestablishment Expenses Maximum \$10,000</b>	<b>Loss of Goodwill Maximum \$10,000</b>	<b>Economic Loss</b>
Repairs or improvements to the replacement real property as required by Federal, State or local code or ordinance. This reimbursement would typically be for costs to the replacement site in order to comply with the Americans with Disabilities Act, local fire and building codes or other governmental requirements	Reimbursement of loss of the calculable benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances that result in probable retention of old, or acquisition of, new patronage	Reimbursement for the loss of annualized net profit to the business during relocation
Modifications to the replacement site necessary to accommodate the business operation or to make the replacement structure(s) suitable for conducting the business	Only for eligible displaced businesses	Must provide MSDGC with proof of annual net earnings for twelve months prior to MSDGC's acquisition of the property
Construction and installation costs for exterior signing to advertise the business	Must provide evidence of loss showing the amount of Goodwill attributable to the business prior to the taking; and, amount of Goodwill attributable to the business after relocation to a replacement site	Limited to twelve months net profit of the business on an annualized basis: Payment is based, in part, on the reduction of the net annual business profit, prorated on a daily basis
Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling or carpeting	Must provide evidence that any loss of Goodwill was caused by the acquisition of the property	Must prove that the loss occurred as a result of the relocation
Reasonable advertisement of the replacement location	Must take all prudent steps to preserve Goodwill	
Estimated increased costs of operation during the first two years at the replacement site for such items as, lease or rental charges, personal or real property taxes, insurance premiums, utility charges, excluding impact fees		
Other items that MSDGC considers essential to the reestablishment of the business which are not listed as ineligible below		
<b>INELIGIBLE REESTABLISHMENT EXPENSES</b>		
<p><i><b>The following is a nonexclusive listing of reestablishment expenditures that are not considered reasonable, necessary, or otherwise eligible:</b></i> Purchase of capital assets, such as, office furniture, filing cabinets, and machinery or trade fixtures; Purchase of real estate, including construction costs of new buildings; Purchase of manufacturing materials, production supplies, product inventory, or other items used in the course of the business operation; Interest on money borrowed to conduct the move or to purchase the replacement property; Payment to a part-time business in the home which does not contribute materially (defined below) to the household income; Loss of trained employees; Additional operating expenses, except eligible reestablishment; Personal injury; Legal fees for relocation; Physical changes to real property except for eligible move and reestablishment costs; Refundable utility deposits</p>		

<b>ADVISORY SERVICES</b>
Minimize hardships to persons in adjusting to relocation by providing counseling, advice as to other sources of assistance that may be available, and such other help as may be appropriate
Evaluate the business's replacement site requirements, current lease terms and other contractual obligations and the financial capacity of the business to accomplish the move
Explain the relocation process and rules, move options, eligible reestablishment expenses; assist with filing claims for reimbursement of relocation expenses
Identification and resolution of personalty/realty issues prior to, or at the time of, the appraisal of the property
Estimate the time required for the business to vacate the site and the anticipated difficulty in locating a replacement property
Determination of the need for outside specialists required to assist in planning the move, assistance in the actual move, and in the reinstallation of machinery and/or other personal property; Identify any advance relocation payments required for the move
Provide current and continuing information on the availability, purchase prices, and rental costs of suitable commercial properties and locations; Assist any person displaced from a business to obtain and become established in a suitable replacement location