



1.8 WISDOT RELOCATION INCENTIVE PROGRAM

1.8.0 Policy and Guidance

The Wisconsin Department of Transportation will offer a Relocation Incentive Program, which can be utilized on select projects for the owners and tenants of real property to be acquired in total. The purpose of the incentive program is to clear right of way in a shortened timeframe in order to advance highway projects. It is a voluntary program for the property owner/tenant. Incentive payments are payments that are over and above the computed relocation benefits normally provided by WisDOT. It has been demonstrated in recent pilot projects that the use of incentive payments on transportation projects can be effective in decreasing the time needed to acquire and clear needed rights of way.

WisDOT will implement a Relocation Incentive Program to encourage the vacancy of real property in a manner that is consistent with the intent of the Uniform Act to encourage the expeditious acquisition of real property. The use of this incentive program is discretionary on the part of WisDOT, and it will only be used on projects that meet all the criteria established in this document and provide a cost effective benefit as well as being in the interest of the public. If a project meets all the criteria, and is approved for use of the Relocation Incentive Program, all relocation parcels acquired during the project timeframe on the selected project will be eligible for incentive payments. Prior to implementation of the Relocation Incentive Program on any project, consideration of the use of early or advanced real estate acquisitions/relocations in place of incentive payments must be documented. See REPM sub-sections 1.4; 2.11 and 3.2 for more on early or advanced procedures. WisDOT uses the following criteria in selecting projects for the Relocation Incentive Program:

- a. Projects in areas where known market trends will increase right of way costs, such as with escalating property values as may be due to large new industries, real estate development, or property value inflation.
- b. Projects that have safety concerns that necessitates the acceleration of a project schedule, such as when a highway is washed out due to flooding, bridge collapses, highway safety improvement projects, etc.
- c. Projects where properties along the project are similar and where a reasonable analysis indicates that the project could be advanced under the procedures and terms of the WisDOT Relocation Incentive Program.
- d. When unanticipated funding becomes available (example: federal stimulus money) that results in WisDOT moving a letting date up for a project, thereby reducing the relocation timeline below the typical time period required. Note: This should be evaluated in conjunction with a, b, and c.

In reviewing the above criteria, WisDOT will, prior to the start of the highway project, when considering use of the Relocation Incentive Program, conduct a study and analysis to include a cost effectiveness estimate and public interest finding to determine whether use of the program will reduce project development time, thereby reducing monetary expenditures associated with administrative revisions, staff time, litigation, penalties for delays, etc., and if an accelerated schedule for a project is necessary to improve public safety on a shortened timeframe. Such

determination shall be in writing using the Public Interest Finding/Cost Effectiveness Estimate form. This document along with any additional supporting materials, as well as copies the Relocation Incentive Offers for Residential Owner; Residential Tenant; and/or, Business Owner or Tenant shall be retained by the regions, and shall be made available for review by FHWA upon request. See more on regional processes below.

Projects should be selected as early as possible in the highway development process, preferably by the time of the 30 percent design of the project. The purpose of early review and selection of a project to be included in the Relocation Incentive Program is to give the Real Estate section adequate time to complete the Public Interest Finding/Cost Effectiveness Estimate, receive approval, and implement the program procedures prior to the start of the normal real estate process.

Projects selected should have adequate comparable properties available, and have a high probability of success. It is important that regional offices engage in a thorough early analysis of projects that may have the potential to use the Relocation Incentive Program. Considerations analyzed relative to the criteria set out in this policy would include some or all of the following: businesses on the project, whether they are small (mom/pop), big box, industrial, etc.; whether the inclusion of the businesses will derail the abbreviated project timeline; the controversial nature of a project (if any); and, whether that controversy is environmental, political, local issues, etc. High profile projects, even though these may not at first be controversial in nature, may invite public disapproval over the use of additional incentive payments and expenditure of public dollars. The analysis should indicate that the inclusion of incentives on the project selected will be successful and that those affected by the project will be receptive to the incentives and have the desire and/or ability to comply successfully with the conditions of the program. The regional office should also consider the possibility of using an early advanced acquisition program. There may also be other considerations not listed here that become important to any analysis and should not be ignored.

Projects approved for the Relocation Incentive Program will be reviewed by FHWA on a yearly basis for effectiveness each year for the first two years following authorization and as warranted thereafter.

1.8.1 Procedures

1.8.1.1 Approvals

Regional WisDOT offices shall study potential projects that may be included in the Relocation Incentive Program based on the policy, guidance and procedures established in this document. The regional office conducting the study should use the Public Interest Finding/Cost Effectiveness Estimate form to document the cost effectiveness estimate and summarize findings. Prior to implementation, the finding and estimate, along with any additional supporting documentation shall be forwarded to the WisDOT DTSD/Bureau of Technical Services – Real Estate (BTS-RE) for review and approval by a Real Estate manager. A copy of the findings and estimate document as well any supporting documentation shall be retained by the region.

1.8.1.2 Regional Processes

When a particular project has been selected for the Relocation Incentive Program, the WisDOT regional office conducting the study shall be responsible for preparing and maintaining a special “Incentive Program” folder to be kept with the official set of project files that will include a copy of the Public Interest Finding/Cost Effectiveness Estimate form as well as any other information,

documentation, analysis, correspondence, approvals, etc. specific to the study conducted in considering the use of and producing justification for an incentive initiative on the project. Regions should be prepared to make that file available for review by the FHWA upon request. Copies of the Relocation Incentive Offers, which include an acceptance and acknowledgement of understanding statement from the Residential Owner; Residential Tenant; and/or, Business Owner or Tenant shall also be retained by the regions and placed in the project's individual parcel file folders.

The success of the WisDOT Relocation Incentive Program to accomplish vacancy of all full take parcels goes hand in hand with the use of best practices and proactive administration of the acquisition of the properties. It is important that acquisition activities proceed on a timely basis consistent with the program. Clear guidelines, adherence to mandated timeframes for acquisition and the use of the Jurisdictional Offer and the Award of Damages should be thoroughly reviewed and discussed prior to the start of any program.

Prior to the start of any project, whether or not to extend the Relocation Incentive Program to landlords and the amount of incentives to be offered shall be reviewed and determined based on the type of properties on the project. Each Relocation Incentive Program undertaken shall develop procedures relative to whether offering incentives to landlords is feasible and necessary. Because of the wide variety and differences in rental properties, i.e., 200 unit apartment complexes vs. single duplex, or even the amount of personal property to be removed by a landlord, each situation on a project must be taken into account to ensure consistency of treatment under the guidelines of the program.

Property owner and tenant meetings (two) will be held in advance of each project selected for the Relocation Incentive Program (preferably one year and six months in advance). The purpose of these meetings is to explain the terms and procedures under which incentive payments will be made and to provide potential relocatees with advance notice and lead time.

A Relocation Incentive Program project meeting and training shall take place prior to the onset of the project; procedures developed shall be explained at this meeting. In attendance at this meeting, shall be WisDOT/Real Estate relocation specialists, acquisition specialists, lead workers, supervisors, review appraisers, project managers, public information officers and all others that will be instrumental in the success of the project.

A Relocation Incentive Offer containing the acknowledgement of understanding and conditions of acceptance will be provided at the initiation of negotiations along with the offer and relocation package. In the case of tenant occupants, all relocation and incentive packages shall be delivered within seven (7) days of the initiation of negotiations. The clock starts with the delivery of the relocation package. It is anticipated that regions will have to engage in advanced planning for parcels in which multiple tenancies will require additional relocation specialists with a time intensive work period. There will be no exceptions to this procedure.

The incentive payment for relocation does not affect the calculation of a displacee's relocation entitlements. All incentive payments will be processed on a separate WisDOT claim and payment request. One incentive payment per parcel, unit or relocatee shall be made. The regional offices shall send IRS 1099 forms for all incentive payments, informing the displacees they must seek tax advice from an accountant as to whether or not taxes are due on the incentive payment.

The acknowledgement of understanding and conditions acceptance section of the Relocation Incentive Offer will include an “assurance of no coercive action” clause and signature block, which states that the owner recognizes the offer was accepted of the owner’s free will and that no coercive actions were taken by WisDOT or its representatives.

A vacancy inspection of each parcel shall be completed within one business day by the region being notified that the property or parcel is vacant, provided the inspection is completed within the timeframe provided for in the incentive payment that is being requested. All personal property must be removed from the site in order to qualify for the incentive payment. There will be no exceptions to this procedure. Documentation of vacancy must also be placed in the regional project/parcel files, using the current Vacancy Notice (RE1783).

Any advanced acquisition of property for a selected project will not be offered an incentive payment since reducing the timeframes for the vacancy of the parcel is not the goal; however, displacees must be informed of the Relocation Incentive Program (and that they are not eligible as an advanced acquisition) if it is known that an incentive program will take place. As achieving a shortened timeframe would not be advanced by incentive payments to early acquisitions, there is no justification for the release of an incentive payment.

1.8.1.3 Real Estate Vacancy Timetable and Payment Schedule

Real estate vacancy timetables and incentive payments amounts are as described in the schedule below. Key points to remember are that the Relocation Incentive Offer containing the acknowledgement of understanding and conditions acceptance shall be provided at the initiation of negotiations along with the offer and relocation package. In the case of tenant occupants, all relocation and incentive packages shall be delivered within seven (7) days of the initiation of negotiations. The clock starts with the delivery of the relocation package. In all cases, a relocatee(s) must vacate and have all personal property removed in order to receive an incentive payment. Incentive payments are additional payment above any benefits provided under Chapter 32.19 of the Wis. Statutes and will not affect nor offset other relocation payments due.

‘Residential Owner’ Vacancy Timetable and Payment Schedule	
Parcel must be vacated and all personal property removed	
\$10,000	Property is vacated within 45 days of Initiation of Negotiations
\$ 5,000	Property is vacated within 60 days of Initiation of Negotiations
\$ 2,500	Property is vacated within 90 days of Initiation of Negotiations
\$0	Property is vacated more than 90 days of Initiation of Negotiations
‘Residential Tenant’ Vacancy Timetable and Payment Schedule	
Parcel must be vacated and all personal property removed	
\$ 5,000	Property is vacated within 45 days of Initiation of Negotiations
\$ 2,500	Property is vacated within 60 days of Initiation of Negotiations
\$ 1,250	Property is vacated within 90 days of Initiation of Negotiations
\$0	Property is vacated more than 90 days of Initiation of Negotiations

'Business Owner/Tenant' Vacancy Timetable and Payment Schedule Parcel must be vacated and all personal property removed	
\$30,000	Property is vacated within 60 days of Initiation of Negotiations
\$20,000	Property is vacated within 90 days of Initiation of Negotiations
\$10,000	Property is vacated within 120 days of Initiation of Negotiations
\$0	Property is vacated over 120 days of Initiations of Negotiations

WisDOT agrees to inspect all properties within one business day of being notified of the vacancy, and WisDOT will make payment based on the date the relocatee has vacated the property and as established in the Relocation Incentive Program. WisDOT agrees incentive payment will be made in a timely manner after the relocatee vacates the property.

1.8.2 Summary

The WisDOT Relocation Incentive Program is a discretionary program approved and to be monitored by the FHWA. It was designed to allow the Wisconsin Department of Transportation to acquire and relocate properties in a short timeframe by offering voluntary incentive payments to property owners/tenants when certain criteria are met. Relocatee(s) must acknowledge an understanding that the initiative payment is for the expressed purpose of WisDOT successfully relocating properties within a shortened timeframe and agree to all conditions of the program.

The Public Interest Finding/Cost Effectiveness Estimate form was developed as a tool to summarize and document the study and analysis performed by the region relating to each potential use of the Relocation Incentive Program for project. This estimate, the findings and any additional supporting documentation developed by the regions, require approval by a BTS-RE Real Estate manager. Recordkeeping is to be maintained by the regions. In addition, the Relocation Incentive Offers, which include an acceptance and acknowledgement of understanding statement from the Residential Owner; Residential Tenant; and/or, Business Owner or Tenant were developed to document the conditions of agreement with affected owner/tenant(s).