

## GENERAL FARM RELOCATION INFORMATION

### Farm – Owner Occupant

(More than 1 Year)

Farms required to relocate due to highway construction, may be eligible for various benefits payments and services that are available through the Wisconsin Department of Transportation (WisDOT). The purpose of this document is to explain the services and benefits available to you as a farm owner. If you have further questions, please contact WisDOT.

### SERVICES

The WisDOT Farm Relocation Program includes the following procedures and services that may be necessary or appropriate to assist your farm in relocating.

**A WisDOT representative will contact you a minimum of two times for personal interviews prior to your relocation from the highway project:**

1. Making an initial personal contact at which time you will be advised of the upcoming highway project, the move (relocation) will be discussed, and data will be gathered about your current farm and future plans and needs. An Acquisition Stage Plan will be prepared which discusses your farm relocation and the services and benefits available to the farms based on this interview and a market study of available farm properties.
2. Making a second personal contact at the time we initiate negotiations for the parcel you occupy (the first call made with the owner where a money offer is made in writing), this is also the date on which your eligibility for relocation payments is established.
3. These interviews are for the purpose of gathering data on the type of farm, products produced or services provided, number of employees, current site space, and other necessary items in order to:
  - a. Assist in determining your farm replacement site requirements, lease terms (if applicable), other contractual obligations and the financial capacity of the farm to accomplish the move to a replacement site;
  - b. Determine the need for outside specialists that may be necessary in regard:
    - 1) Assist in planning the move;
    - 2) Assist in the actual move;
    - 3) Assist in the removal and reinstallations of machinery and/or other personal property.  
(See page 5 – “Other Move Expenses” for further discussion of these items.)
  - c. Identify personalty/realty issues;
  - d. Estimate the time required for your farm to vacate the site;
  - e. Estimate of the anticipated steps/services needed to locate a replacement property.

**OTHER SERVICES TO BE PROVIDED:**

1. Listings of vacant farm properties, which include pertinent data for the replacement sites as necessary to assist the farm owner in making an informed decision regarding the replacement site.
2. Referrals to financial institutions, local development corporations and other similar organizations.
3. Appointments will be made to view any farm listings that we provide, as well as those of the owner, at a convenient time.
4. Transportation will also be available, if needed.
5. Advising that you will not be displaced from your farm site unless at least one comparable replacement farm has been made available to you.
6. Assisting farms to be displaced, to minimize hardships in moving and adjusting to a new site.

In summary, the relocation services program is intended to aid all displaced persons (farms) in every way possible to enable them to find a suitable replacement property, which meets their needs, and with a minimum of concern, anxiety and inconvenience.

**ILLEGAL ALIENS**

Any person who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined in 49 CFR 24.208(i).

**FARM REPLACEMENT PAYMENT**

As a relocatee you may be eligible for a relocation payment to assist you in purchasing a replacement farm site. This payment, called the Farm Replacement Payment (FRP), is an additional amount needed to purchase a comparable farm property. It is calculated by subtracting the offering price for your present site, from the selling price of a comparable farm site as determined by WisDOT. This payment cannot exceed \$50,000, including refinancing costs and reasonable fees incidental to the purchase of a replacement farm.

The incidental costs mentioned above include the following, if paid by you as the buyer: legal fees; cost of title search; notary fees; surveys; loan origination fees; appraisal fees; credit report fees; transfer taxes; and, costs of recording documents.

The comparable farm property used in the calculation of your payment is one in which, when compared with the farm being acquired is: adequate for the needs of the farm; reasonably similar in all major characteristics; functionally equivalent with respect to the type of farm, condition, state of repair of farm buildings, soil quality, yield per acre, land area, access to transportation, utilities and public service; within reasonable proximity of the acquired farm; available on the market; meets all applicable federal, state or local codes required of the particular farm being acquired; and, is suited for the same type of farming conducted by the displaced as the acquired farm at the time of acquisition.

At the initiation of negotiations, or as soon as possible, you will be presented the Farm Replacement Payment (FRP) calculation along with a 90 day Notice of Assurance and other information.

Once your eligibility is established, you are entitled to receive your Farm Replacement Payment after your property is acquired by the WisDOT **and** you have purchased and moved to a replacement property that has been inspected to ensure that it meets federal, state and local codes and requirements for the particular farm from being conducted.

Two important points govern the amount of money you may be eligible to receive as a Farm Replacement Payment (FRP):

1. The amount computed for the FRP sets the upper limit allowed (\$50,000 max).
2. The amount of money you spend for the property.

**To illustrate this, assume that:**

1. You received \$100,000 for your property.
2. It was determined by WisDOT that you would require \$20,000 additional dollars to buy a comparable replacement property for a total of \$120,000.
3. If you purchase a property for \$120,000, your Farm Replacement Payment would be \$20,000.
4. If you purchase property for \$110,000, your payment would be \$10,000 since you needed only \$10,000 over the amount received for your property to purchase the replacement property, i.e., "spend it to get it."
5. If you purchase a property for \$130,000, your payment would be \$20,000 (the maximum amount as computed). You would pay the \$100,000 you received for your property, plus the \$20,000 Farm Replacement Payment and you would be required to pay the balance of \$10,000 to make up the total amount of \$130,000.
6. The Farm Replacement Payment may be offset or affected by a change in the acquisition price you received for your farm. For example: If the initial offering price for your property was \$100,000 and the FRP was computed at \$20,000, the total amount you would receive is \$120,000. (Acquisition & FRP combined.) If you negotiated the purchase price upward to \$120,000, the FRP payment now is included in this figure, i.e., the total amount you would received remains the same as the initial offer and FRP (\$120,000).
7. As an alternative to the Farm Replacement Payment (owner-occupied) explained above, you may elect to rent a replacement site and receive a rental assistance payment, but it may not exceed the amount established for a tenant farm (\$30,000 max).

*The Farm Replacement Payment (tenant) is calculated by determining the average economic rent for a farm for the 12 months prior to the initiation of negotiations. This amount is subtracted from the cost of renting a comparable replacement farm as determined by the Department of Transportation or the actual rent paid for the replacement farm, whichever is less. The payment is the difference multiplied by 48 months.*

## **MOVE PAYMENTS GENERAL INFORMATION**

**Please** advise us if you are considering moving so that we can determine that you are not vacating your present farm site prior to the initiation of negotiations, the date which establishes your eligibility for these various benefits. You will have ample time (a minimum of 90 days occupancy is assured) to relocate. The date of the initiation of negotiations will be given to you in writing for your reference.

You will have two years from the date you vacate your property to file a claim(s) for the relocation benefits discussed in this brochure. You will be advised of the last date you could file a claim.

When the time comes for the move of your farm to the new location, there are several items to keep in mind. WisDOT cannot emphasize enough that planning for the move in cooperation with WisDOT agents in advance is essential.

*NOTE: It is the intention of WisDOT to clear the site you are presently occupying of all personal property, with that in mind, unless specific arrangements are made to the contrary, all items of personal property must be removed from the parcel prior to final move payments being released.*

It is hoped that the interview process will assist you in beginning the preparations for moving, and that the continued contact with WisDOT will help coordinate the move. We encourage you to maintain contact with the agent you are working with so that you are aware of what costs are eligible for reimbursement.

This brochure highlights many of the eligible items for which financial assistance for the reasonable and necessary expenses of moving your personal property is available. Reimbursement for eligible moving costs is made on the basis of filing claims documented by evidence of actual payment.

### **DIFFERENT TYPES OF MOVES**

Prior to proceeding with a move, the farm owner shall notify WisDOT stating the intention to proceed with either a commercial or self-move, the date of the move, the location to which the move will be made, and the approximate time required to accomplish the move. WisDOT, or its agents, will monitor the move. Failure to contact WisDOT can impact your eligibility for reimbursement of costs incurred by your farm.

We highly recommend that the method of moving whether it be commercial or a self-move be thoroughly discussed with WisDOT. Our experience indicates that many moves are time consuming and may be far more involved than many farms are expecting.

#### **COMMERCIAL MOVE:**

The owner of a farm may be reimbursed 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. The Department of Transportation, in cooperation with the farm owner, shall prepare an inventory of the items to be moved. A minimum of two estimates will be obtained from a qualified moving firm based on this inventory. Reimbursement will be made in a lump sum (when the subject site is vacated and the move is complete) based on the lower of two estimates.

SELF-MOVE:

The self-move option relates to a move accomplished by the farm operator utilizing: owned or leased equipment; employees, relatives or other persons hired specifically for the move; supervised by him/herself and/or a working foreman; or, involving all of the means above combined with a partial commercial move.

The Department of Transportation, in cooperation with the farm, shall prepare an inventory of the items to be moved. A minimum of two bids or estimates will then be obtained from qualified moving firms based on this inventory. Reimbursement for the expenses of a self-move will be made in a lump sum (when the subject site is vacated and the move is complete) based on the lower of the two bids or estimates.

**MOVING EXPENSE FINDING**

The Department of Transportation may make a moving expense finding not to exceed \$2,500. The amount of such moving expense finding may be paid the owner of the farm upon completion of the move without supporting evidence of actual expense incurred provided: the farm owns or rents personal property which must be moved in connection with such displacement and for which an expense would be incurred in such move; and, the farm vacates or relocates from its displacement site.

**ELIGIBLE MOVING EXPENSES**

A farm electing to receive reimbursement for moving expenses under either a commercial move or a self-move may also be eligible for payment of the actual and reasonable expenses incurred in searching for a replacement farm, other move expenses as discussed here, the loss of tangible personal property and re-establishment expenses as follows:

OTHER MOVE EXPENSES:

The following items are things that may or may not be part of your farm move. All such “specific item requirements” should be thoroughly discussed with your relocation agent prior to the move, to include: professional services necessary for the move, de-installation/reinstallation of equipment, and utility costs from the right of way. We caution you that failure to obtain WisDOT coordination and approval on these items may impact your ability to qualify or be reimbursed for costs associated with these items.

**SEARCHING FOR A REPLACEMENT FARM**

The owner of a farm to be displaced may be reimbursed for the actual reasonable expenses in searching for a replacement farm, not to exceed \$2,500. Such expenses may include: transportation, meals; lodging away from home; time spent in searching; fees paid to real estate agents or real estate brokers to locate a replacement site; time spent in obtaining zoning permits; attending zoning hearings; and, time spent negotiating the purchase of a replacement site.

*NOTE: Payment for time actually spent searching for a replacement site shall be based on the applicable hourly wage rate for the persons conducting the search but may not exceed \$30.00 per hour. Searching expenses are limited to a 50 mile radius.*

## ACTUAL DIRECT LOSSES OF TANGIBLE PERSONAL PROPERTY

A displaced person is entitled to relocate his personal property in whole, or in part; however, if the displaced person elects not to relocate their personal property, they may be eligible for a payment based on the actual direct loss of such property. Payment for actual direct losses may only be made after a bona fide effort has been made to sell the items involved.

### **If the farm is to be re-established:**

If the farm is to be re-established, and the item of personal property which is used in connection with the farm operation is not moved, but promptly replaced with a comparable item at the new farm location, the payment will be the **lesser of**:

1. The difference between the replacement cost, **minus** net proceeds of the sale.
2. The estimated cost of moving the item.

### **If the farm is to be discontinued:**

If the farm is being discontinued, or the item is not to be replaced at the reestablished farm, the payment will be the **lesser of**:

1. The difference between the depreciated value of item in place **and** net proceeds of the sale.
2. The estimated cost of moving the item.

### **If not sold (no offer received):**

If a bona fide sale is not affected because no offer is received, the farm would be eligible for the reasonable expenses of the sale and the estimated cost of moving or the depreciated value of the item in place, whichever is the lesser.

## EXCLUSIONS ON MOVING EXPENSES AND LOSSES

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

1. Additional expenses incurred because of doing farm in a new location.
2. Cost of moving structures, improvements or other real property in which the displacee reserved ownership, along with those items which have been included in the fair market value and paid for as real property and those items retained by the owner.
3. Improvements to the replacement site. *NOTE: Improvements to the replacement site are **not** reimbursable, even though they are required by law.*
4. Modification of personal property, **except** when necessary to adapt the personal property to the replacement site or structure.
5. Costs for storage of personal property on real property already owned or leased by you.
6. 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.
7. Interest on loans or the money borrowed to cover moving expenses.
8. Loss of good will or farm.
9. Loss of farm and/or profits.
10. Loss of trained employees.
11. Personal injury, annoyance or discomfort.

## FARM RE-ESTABLISHMENT EXPENSES

A farm operation may be eligible to receive a payment, not to exceed \$10,000, for expenses actually incurred in relocating and re-establishing your farm at a replacement site.

**Eligible Expenses.** These items must be actual, reasonable and necessary, as determined by WisDOT, and may include the following:

1. Repairs or improvements to the replacement real property as required by applicable federal, state or local codes and ordinances.
2. Modifications to the replacement property to accommodate the farm or make replacement structures suitable for conducting the farm.
3. 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.
4. Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.
5. **Construction and installation costs for exterior signing to advertise the farm.**
6. **Licenses, fees and permits, when not paid as part of moving expenses.**
7. **Advertisement of the replacement location.**
8. **Other items that the agency considers essential for re-establishment of the farm.**

**Limitations.** You shall be eligible for these reasonable and necessary re-establishment expenses, as determined by the Department of Transportation. **NOTE: If the Farm Replacement Payment (FRP) exceeds \$10,000, you are eligible for costs only under items 5 – 8 above.**

**Other ineligible expenses** that are not considered to be reasonable and necessary re-establishment costs include the following non-exclusive list:

1. Purchase of capital assets, such as: office furniture, filing cabinets, machinery or trade fixtures.
2. Purchase of manufacturing materials, production supplies, product inventory or other items used in the normal course of farm operations.
3. Interior or exterior renovations at the replacement site, which are for aesthetic purposes, except as provided in par. 5 under re-establishment eligible expenses.

**“IN LIEU OF” PAYMENT**  
(Fixed Farm Move Payment)

The “Fixed Farm Move Payment,” also known as the “in lieu of” all moving expenses payment includes: moving, re-establishment, searching, removal and reinstallation costs. For the owner of a farm to be entitled to receive this payment, the Department of Transportation must determine that:

1. The owner of a discontinued or relocated farm may be eligible to receive a payment equal to the average annual net earnings of the farm. (Not less than \$1,000 or more than \$20,000.)
2. The farm cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings). A farm is assumed to meet this test, unless WisDOT determines that it will not suffer a substantial loss of its existing patronage.
3. The farm is not part of a commercial enterprise having more than three other entities that are not being acquired by WisDOT, and that are under the same ownership and engaged in the same or similar farm activities.
4. The farm is not operated by an absentee owner solely for the purpose of renting to others.
5. The farm contributed materially to the income of the displaced person during the two taxable years prior to displacement.

*The term "average annual net earnings" means, half of any net earnings of the farm before federal, state or local income taxes during the two taxable years immediately preceding the taxable year in which the farm is relocated.*

*The term "loss of existing patronage," is the net annual average dollar value of farm during the two taxable years immediately preceding the taxable year in which the farm is displaced. Net loss would be determined by comparing this amount to the estimated net income of the farm for the 12-month period after relocation.*

In order for a farm to be considered for an “in lieu of” payment, the owner must provide information to support its net earnings. State or federal income tax returns are the best source of this information; however, if the tax records are not available other commonly acceptable methods may be utilized such as certified financial statements. An affidavit from the owner stating his/her net earnings providing the amount claimed did not exceed the minimum payment of \$1,000.

**OPTIONAL PAYMENTS (“IN LIEU OF”) FOR A FARM THAT HAS RELOCATED AND DISCONTINUED WITHIN A 2-YEAR PERIOD**

Any displaced farm owner who had relocated his/her farm to a new site due to a public improvement project, and had elected and was paid for his actual moving expenses may discontinue his/her farm at the new site within two years. This payment shall be calculated the same as the preceding “in lieu of” payment.

The total combined payments shall not be less than \$1,000, nor more than \$20,000, and shall be computed by subtracting:

- a. The amounts previously received as moving expenses.
- b. The “in-lieu of” move payment as described in the above section of this document.

For example: A farm owner has been paid \$12,500 for all moving costs of his farm, but elects to receive the “in lieu of payment.” When the taxes for the two preceding years are reviewed, it is discovered the farm owner is eligible for a \$20,000 “in lieu of” move payment, the amount previously paid is deducted from the \$20,000, and the owner would receive an additional \$7,500.

### **MULTIPLE OCCUPANTS OF A PROPERTY**

To determine if one or more farm or farms occupy a site, and may be eligible for relocation payments, pertinent factors to be considered include the extent to which:

1. The same facilities and equipment are shared;
2. Substantially identical or interrelated farm functions are carried out and financial affairs are commingled;
3. The entities are held out to the public, and to those customarily dealing with them as one; and,
4. The same person, or closely related persons own, control or manage the affairs of the entities.

### **APPEALS**

In the event that you have a grievance concerning your eligibility and/or relocation entitlements, you may file an appeal with WisDOT or the Department of Commerce. It is suggested that the appeal be made within eighteen (18) months after physical possession is taken of the acquired property to assure that if a disagreement still exists after both levels of appeal are taken, sufficient time still remains for you to initiate an appeal under Section 32.20 of the Wisconsin Statutes. You may also file a legal appeal to Circuit Court.