



## INFORMATIONAL STATEMENT RELOCATION ASSISTANCE FOR DISPLACED BUSINESSES

---

### INTRODUCTION

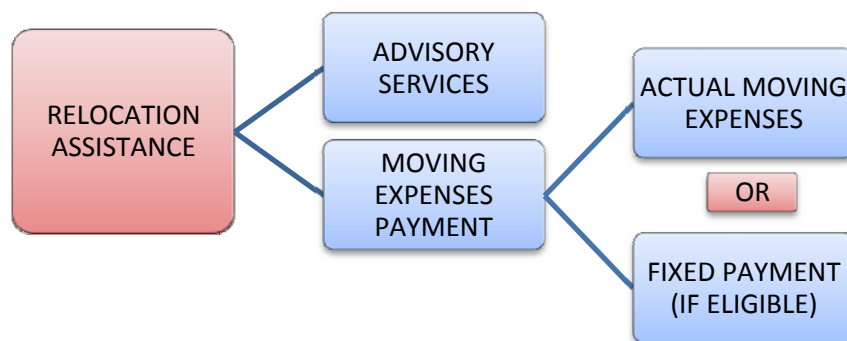
This Informational Statement describes the relocation payments and other relocation assistance provided by the CSU to displaced businesses as required by State Relocation Assistance Law. A displaced business includes any tenant that moves from real property, or moves personal property from real property, as a direct result of federal, state, or local funds being used for rehabilitation, demolition or acquisition of the property.

If you are notified that you will be displaced by such a project, it is **important** that you do not move before you learn what you must do to receive the relocation payments and other assistance to which you are entitled.

This Informational Statement may not answer all of your questions. If you have more questions about your relocation, please contact our office. Ask your questions before you move; afterwards, it may be too late.

### SUMMARY OF RELOCATION ASSISTANCE

As an eligible displaced business person, you will be offered the following advisory and financial assistance:



**Advisory Services.** These include referrals to suitable replacement locations, assistance in coordinating your move, help in preparing claim forms for relocation payments, and other assistance to minimize the impact of the move.

**Payment for Moving Expenses.** You may choose either a payment for *Actual Reasonable Moving and Related Expenses*, or as an alternative, a *Fixed Payment*.

## INFORMATIONAL STATEMENT – DISPLACED BUSINESSES

---

Every displaced business is eligible to receive payment for *Actual Reasonable Moving and Related Expenses*. If you choose this payment, you may also be eligible for up to \$10,000 of *Re-establishment Expenses*.

Certain businesses are eligible to choose a *Fixed Payment* as an alternative to the payments for moving and re-establishment expenses, up to a maximum of \$20,000.

If you disagree with CSU's decision about the relocation assistance for which you are eligible, you may appeal that decision.

### HOW WILL I KNOW IF I'M ELIGIBLE FOR RELOCATION ASSISTANCE?

You should receive two written notices explaining your eligibility for relocation assistance. The first is a *General Information Notice* notifying you that a government funded project **may** impact the property you're leasing, and includes general relocation assistance information. The other is a *Notice of Eligibility* informing you of your eligibility for assistance and specific details about that assistance. You should not move before receiving a *Notice of Eligibility*. If you do, you may not be eligible for relocation assistance. You'll also be notified if you are not eligible for any assistance.

### HOW WILL CSU KNOW HOW MUCH HELP I NEED?

You will be personally interviewed by our relocation consultant to determine your relocation needs, preferences for a replacement location, and other services. The interviewer will ask about your space requirements. It is to your advantage to provide the information so that the CSU can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

### HOW SOON MUST I MOVE?

Every reasonable effort will be made to provide you with sufficient time to find and reestablish your business in a suitable replacement location. If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90 days advance written notice. It is important, however, that you keep in close contact with the relocation consultant so that you are aware of the project schedule and the approximate date by which you will have to move.

### HOW WILL I FIND A REPLACEMENT LOCATION?

The relocation consultant will provide you with current information on available replacement locations that meet your needs. The consultant may also provide you with the names of real estate agents and brokers who can assist you in finding the type of replacement location you need.

While the relocation consultant will assist you in obtaining a suitable replacement location, you should take an active role in finding a location of your choice. No one knows your needs better than you. You will want a facility that provides sufficient space for your planned activities. You will also want to assure that there are no zoning or other requirements, which will unduly restrict your planned operations.

The relocation consultant will explain the kinds of moving and re-establishment costs that are eligible for payment and those that are not eligible. This will help you move in a manner most advantageous to your needs

### **WHAT OTHER ASSISTANCE WILL BE AVAILABLE TO HELP ME?**

The range of services depends on the needs of the business being displaced. You should ask the relocation consultant to tell you about specific services that are available. These should include information on federal, state, and local programs that may be helpful in reestablishing your business.

### **I HAVE A REPLACEMENT LOCATION AND WANT TO MOVE. WHAT SHOULD I DO?**

Before you make any arrangements to move, provide the relocation consultant with written notice of your intention to move. This should be done at least 30 days before the date you begin to move. The relocation consultant will discuss the move with you, and advise you of the relocation payment(s) for which you may be eligible, the requirements to be met, and how to obtain a payment.

### **I PLAN TO DISCONTINUE MY BUSINESS RATHER THAN MOVE. WHAT SHOULD I DO?**

If you decide to discontinue your business rather than reestablish it, you may still be eligible to receive payment. Contact the relocation consultant and discuss your decision to discontinue your business operation. You will be informed of your eligibility and the requirements that must be met to obtain the payment.

### **WHAT IS A PAYMENT FOR ACTUAL REASONABLE MOVING AND RELATED EXPENSES?**

If you choose a payment for *Actual Reasonable Moving and Related Expenses*, you may include in your claim the reasonable and necessary costs of:

- Transportation of personal property from your present location to the replacement location. Generally, transportation costs are limited to a distance of 50 miles. If you plan to move beyond 50 miles, discuss your planned move with the relocation consultant.
- Packing, crating, uncrating, and unpacking the personal property.

## INFORMATIONAL STATEMENT – DISPLACED BUSINESSES

---

- Disconnecting, dismantling, removing, reassembling, and installing relocated and "substitute" machinery, equipment, and other personal property. This includes connection to utilities available nearby. It also includes modifications to the personal property that are necessary to adapt to the replacement structure, the replacement site, or the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property.
- Storage of personal property for a reasonable period of time, if required.
- Insurance for the replacement value of the personal property in connection with the move and necessary storage. Where insurance is not available on reasonable terms, the CSU may elect to "self-insure" the replacement value of property lost, stolen, or damaged in the move.
- Any license, permit or certification required of the displaced business at the replacement location. However, the cost must be reasonable and necessary for re-establishment at the replacement location and the payment cannot exceed the cost for the remaining useful life of the existing license, permit or certification.
- The reasonable cost of professional services, including but not limited to architects, attorneys, engineers and consultants, necessary for (1) planning the move of the personal property, (2) moving the personal property, or (3) installing relocated or "substitute" personal property at the replacement location.
- Re-lettering signs and replacing stationery on hand at the time of the displacement and made obsolete as a result of the move.
- The reasonable cost incurred in attempting to sell an item that is not relocated.
- Actual direct loss of tangible personal property. This payment provides compensation for property that is neither moved nor promptly replaced with a "substitute" item at the replacement location. Payment is limited to the lesser of (1) the estimated cost of moving and reinstalling the personal property, or (2) the fair market value of the property for its continued use at the old location, less any proceeds from its sale. To be eligible, you must make a good faith effort to sell the property, unless the CSU determines that such effort is not necessary.
- Purchase and installation of "substitute" personal property. This payment is made when an item of personal property is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site. Payment will be limited to the lesser of (1) the estimated cost of moving and reinstalling the item, or (2) the actual cost of the substitute item delivered and installed at the replacement location, less any proceeds from the sale or trade-in of the substituted item. It is important that you discuss your plans with the relocation consultant before you proceed.
- **Searching for a replacement location.** Generally, this payment may not exceed \$1000. It covers costs for:
  - Transportation expenses.
  - Time spent searching for a replacement location, based on reasonable salary or earnings.

## INFORMATIONAL STATEMENT – DISPLACED BUSINESSES

---

- Reasonable fees paid to a real estate agent or broker to find a replacement location (not fees related to the purchase of the site).
- Meals and lodging away from home.

The relocation consultant will explain all eligible moving and related costs, as well as those that are not eligible. You must be able to account for all costs that you incur; so keep all your receipts. The consultant will inform you of the documentation needed to support your claim.

You may minimize the amount of documentation needed to support your claim if you elect to "self-move" your personal property. Payment for a self-move is based on the amount of an acceptable low bid or estimate obtained by the CSU. If you self-move, you may move your personal property using your own employees and equipment or a commercial mover. If you and the CSU cannot agree on an acceptable amount to cover the cost of the "self-move", you will have to submit full documentation in support of your claim.

You may elect to pay your moving costs yourself and be reimbursed by CSU or, if you prefer, you may have CSU pay the mover. In either case, select your mover with care. The relocation consultant can help you select a mover.

When a payment for "actual direct loss of personal property" or "substitute personal property" is made for an item, the estimated cost of moving the item will be based on the lowest acceptable bid or estimate obtained by CSU. If not sold or traded in, you must transfer ownership of the item to CSU in order to receive the payment.

### WHAT IS A PAYMENT FOR RE-ESTABLISHMENT EXPENSES?

If you choose to receive a payment for your actual moving and related expenses, you may also be eligible to receive *Payment for Re-establishment Expenses*, not to exceed \$10,000. To qualify for this payment, you must be a "small business", having less than 500 employees. Re-establishment expenses must be actually incurred, verified with receipts, reasonable and necessary, as determined by the CSU. Such expenses may include, but may not be limited to the reasonable and necessary costs of:

- Repairs or improvements to the replacement real property as required by federal, state or local law, code or ordinance.
- Modifications to the replacement property to accommodate the business operation, or making a replacement structure suitable for conducting the business.
- Construction and installation costs for exterior signs to advertise the business.
- Provision of utilities from the right-of-way to improvements on the replacement site.
- Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling or carpeting.
- Licenses, fees and permits that are not paid as part of moving expenses.

- Feasibility surveys, soil testing and marketing studies.
- Advertisement of the replacement location.
- Professional services and incidental expenses in connection with the purchase or lease of a replacement property.
- Estimated increased costs of operation during the first 2 years at the replacement site, for such items as (1) lease or rental charges, (2) personal or real property taxes, (3) insurance premiums, and (4) utility charges, excluding impact fees.

### WHAT IS A FIXED PAYMENT (ALTERNATIVE ALLOWANCE)?

Certain businesses are eligible to obtain a *Fixed Payment (Alternative Allowance)*, also known as an In-Lieu Payment. If you select this payment, you will not receive a *Payment for Actual Reasonable Moving and Related Expenses* or a *Payment for Re-establishment Expenses*. The *Fixed Payment* to a business is based on the average annual net earnings of the business for the two years prior to displacement, and will not be less than \$1,000, or more than \$20,000.

#### TO QUALIFY FOR A *FIXED PAYMENT*:

A displaced business must (1) either discontinue operations or be unable to relocate without a substantial loss of existing patronage (measured in terms of clientele or net earnings, at the discretion of the CSU), (2) meet certain minimum income requirements, and (3) not be part of a commercial enterprise having more than three other entities under the same ownership, engaged in the same or similar business activities that are **not** being displaced. Also, certain rental businesses are excluded.

Ordinarily, to be eligible for the minimum *Fixed Payment*, a displaced business must have (1) had average annual gross receipts of at least \$5,000, or (2) had average annual net earnings of at least \$1,000, or (3) contributed 1/3 of the owner's or operator's average gross income, for the two tax years prior to displacement. The CSU, however, may use other criteria if it determines that the test would cause an inequity or hardship.

The relocation consultant will inform you as to your eligibility for this payment and the documentation you must submit to support your claim.

Remember, when you elect to take this payment you are not entitled to reimbursement for any other moving expenses.

### WILL I BE PAID FOR LOSS OF CLIENTELE?

A business owner may be entitled to compensation for loss of goodwill under California Law. However, *Loss of Goodwill* payments are not relocation payments, but may be an additional eligible cost under the Acquisition provisions of the law. California State law defines goodwill as, "The benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in the

probable retention of old or acquisition of new patronage.” Additional questions regarding this payment should be discussed with the relocation consultant working with you.

### **MUST I FILE A CLAIM FOR A RELOCATION PAYMENT?**

**Yes.** You must file a claim for a relocation payment. The relocation consultant will provide you with the required claim form; help you to complete it, and explain the type of documentation you must submit in order to receive the payment.

**If you are a tenant, you must file your claim within 18 months after the date you move.** If you are displaced from property that you own, you must file within 18 months after the later of the date you move, or the date you receive the final acquisition payment.

### **DO I HAVE TO PAY FEDERAL INCOME TAXES ON MY RELOCATION PAYMENT?**

**No.** Section 216 of the Uniform Relocation Act states that you need not report relocation payments as part of your gross income for federal income tax purposes.

### **IF I DON'T RECEIVE THE REQUIRED ASSISTANCE, CAN I APPEAL?**

**Yes.** If you disagree with the CSU decision as to your right to receive a relocation payment or the amount of a payment, you may appeal the decision to the CSU. The CSU will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the CSU after you receive written notification of the CSU determination on your claim. Your appeal must be in writing. However, if you need help, the CSU will assist you in preparing your appeal.

Finally, if you are not satisfied with the CSU’s final decision on your appeal, you may seek review of the matter by the courts.

### **I HAVE MORE QUESTIONS. WHO WILL ANSWER THEM?**

If you have further questions after reading this booklet, contact the CSU and discuss your concerns with the Relocation Agent.

Agency :

Address:

Office Hours:

Telephone No.:

Person to Contact:

