



Top 10 Eminent Domain Business Relocation Mistakes

Having the right information at the right time is the one single variable which determines whether a business will thrive or simply survive a relocation

MARTYN DANIEL LLC

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Martyn Daniel, Eminent Domain and Business Relocation Consultant

TOP 10 MYTHS AND MISTAKES REGARDING EMINENT DOMAIN AND BUSINESS RELOCATION

By Martyn Daniel
Martyn Daniel LLC
mdaniel@martynldaniel.com

Are you worried that your business might be relocated by a city or state department claiming eminent domain?

These Top 10 myth-busters can help you avoid the common and costly mistakes business owners make under the pressure of relocation.

1. FAILING TO PLAN THE RELOCATION

Planning should start when you are first aware of the project impacting your business.

If you fail to plan the relocation, the government will help the best they can, but with their limited resources of time and restricted knowledge of your business' needs and desires, chances are you'll lose opportunities; suffer business downtime; and run the real risk of moving your business to *storage* instead of to a store-front, turnkey, operating business. "***Move them as you find them,***" is a common phrase used by government agencies. This means the government will try to have you set up as close as possible to the way you were, but no better.

Did You Know?

In 2005, the federal government determined the effectiveness of their **Eminent Domain Business Relocation Benefits Program**. This is the national program used by federal, state, and local governments enacting eminent domain. This study http://www.fhwa.dot.gov/realstate/nbrs2002_8.htm shows relocated businesses in their study area **failed** at rates ranging from 25% to 85%.

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2. PUTTING OFF PLANNING THE RELOCATION

Your options and benefits diminish the longer you wait to take charge of your relocation.

Don't let any controversy over the government's project schedule, project funding or project legitimacy delay your planning. Start planning immediately, and act as soon as any delays are cleared. The timing of your relocation determines whether you collect relocation benefits for a *planned relocation* or an *emergency move*. Emergency moves are the least desirable for businesses and will decrease the relocation benefits available to you. Adequate time for planning lets you decide how to use your available relocation benefits to their fullest extent, as well as allowing proper preparation for a move that ultimately *benefits* your business.

3. USING A “DO-IT-YOURSELF” APPROACH

You don't miss what you don't know, but by doing it yourself you are missing out on receiving all of your eligible benefits.

Most business owners who choose to relocate without professional assistance will get through their relocation; they just won't know what benefits they missed out on and what benefits they would have received with proper professional help.

A *relocation consultant* guides the business owner through the relocation process, coordinating with the agencies, contractors and other appropriate resources necessary to successful business relocation. *This includes getting all of the costs put together in a fashion that will be acceptable to the public agency for approval and presenting the total cost report to the agency with the owner.* Along with this general coordination, a relocation consultant also recommends resources commonly unknown to the business owner, removing a great deal of the confusion and anxiety common to a business relocation.

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This greatly reduces the business owner's time spent away from the daily operation of the business being relocated.

4. COUNTING ON THE AGENCY'S RELOCATION AGENT TO PLAN THE RELOCATION

Most business owners rely on the personnel representing the government to treat them fairly throughout the entire relocation process. ***That's like letting the IRS do your taxes!*** It's in your best interest to plan ahead for your relocation based on the needs and goals you have for your business and determine how relocation benefits will *help* accomplish those plans, not detract and delay your plans. ***You are the best and only person who knows what is best for your business.***

Why do business owners DIY?

They believe they understand the relocation guidelines

They trust that the government and the government relocation agent will provide all their needs and "take care of it;"

They believe the movers will "do it all"

They don't know that hiring a Relocation Consultant is an eligible, reimbursable benefit.

Government relocation agents are responsible for explaining your eligible relocation benefits, but they are not responsible for your planning. They tend to review costs you have already incurred during or after your relocation to determine your reimbursable costs, leaving you with un-reimbursed costs as well as unused benefits. Planning the best use of your relocation benefits is not always a priority for your assigned government relocation agent.

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Did You Know?

“A common complaint among business owners however, was that the agents assigned to their cases did not seem interested in assisting the businesses or were not qualified to provide meaningful assistance.”

U.S. Department of Transportation Federal Highway Administration

BUSINESS INTERVIEW FINDINGS - STATE-BY-STATE

http://www.fhwa.dot.gov/realestate/nbrs2002_8.htm

The assigned relocation agent’s main goals are to:

- Move the business off the right-of-way
- Advise the business on eligible relocation benefits
- Assist the business in filing relocation claims.

Proper relocation planning requires the knowledge and use of most, or all, of the following items:

- Business operations and management
- Relocation costs and eligible eminent domain relocation cost reimbursements
- Budgeting
- Project pro-forma preparation
- Scheduling

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- Property leases
- Equipment design and requirements
- Cost estimating
- Cost analysis
- Building and site design, space layout
- Construction costs and needed work, including a working knowledge of the 17 construction disciplines, including:
 - Design
 - Electrical
 - Plumbing and Mechanical

Most business owners lack experience in many of these areas. Unless you have experience as a contractor, builder, real estate agent and other related fields, using a professional relocation consultant will undoubtedly save the business money in potentially lost revenue and in otherwise unknown and eligible benefits or unnecessary costs associated with lack of information on one of the above topics.

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5. FAILING TO MAKE FULL USE OF THE AVAILABLE RELOCATION BENEFITS

Most businesses relocate without realizing how or where relocation benefits could have helped them improve their unique situation.

Early recognition of relocation benefits will benefit your business by helping you:

- Plan based on those recognized reimbursable costs
- Recognize your opportunity to change and improve your business
- Reveal the best replacement location for your business
- Evaluate the opportunity to change the size of your business
- Evaluate and enact a change in business functions
- Evaluate and enact a new business look, or change to a different type of business altogether

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6. MOVING BEFORE THEIR BUSINESS IS ELIGIBLE

Moving prior to proper notice can make a business ineligible for relocation benefits.

You must have one of these notices or occurrences before you are eligible for relocation benefits.

- Notice of Intent to Acquire
- Offer to purchase real property
- Notice of Eligibility

Business owners who think they are “getting a jump” on the relocation often jump right **out** of their relocation benefits. Follow all the procedures exactly as dictated by the responsible government agency. Never assume anything. Always act accordingly with written documentation, not conversations or online FAQ’s.

7. IGNORING GOVERNMENT NOTICES, CORRESPONDENCE, AND KEY DATES

To avoid losing your benefits, track each of the following notices, key dates and time frames:

- Notice of Intent to Acquire
- Notice of Eligibility
- Vacate date
- 90-day Notice

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- Notice of Eligible Benefits
- 18 months to file claims
- 60 days to appeal agency decisions

Along with tracking, and meeting, these dates, always act accordingly with your most recent information. The agency's non-responsiveness to your question DOES NOT justify an extension of your vacate date. Do not wait for the agency to respond to a relocation question or issue before scheduling your move. *A lack of response on the agency's part does not change your vacate date.*

8. COUNTING ON THE PUBLIC AGENCY TO MAKE THE BUSINESS WHOLE

The agency responsible for causing your business to relocate WILL NOT cover all your expenditures resulting from the disruption of your business from the relocation. The public agency will usually do its reasonable best to help relocate a business as part of its required advisory services.

Within the relocation guidelines, there are approximately 25 eligible cost categories of relocation benefits for a business. Making the business whole is not among those categories. In fact, it's stated that the public agency's job does not include making the business whole.

The agency's main goals and requirements are to:

- Clear the right-of-way for the project
- Provide business advisory services
- Pay *eligible* relocation benefits

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But even a well-informed business owner is at the mercy of whichever agency personnel are handling the process. Some civil employees will work with the best interests of the business owner in mind, while others will work toward their own agenda. Remember, they're trying to prove their own worthiness, and sometimes they think denying claims is a good thing for their department, and that it will reflect well on themselves. In either case, relocation is a tremendous amount of work.

Regardless of whether it feels like the public agency is for you or against you, it's in your best interest as a business owner to be knowledgeable, and to be prepared. Beware of pitfalls, mistaken assumptions, and common mistakes, as well as mistakes that occur as a result of misunderstanding the nuances of this complex undertaking. A business relocation is cause enough for unwanted stress. ***Who can sleep well knowing that what they don't know will likely result in lost benefits, as well?***

9. HAVE TROUBLE BALANCING THEIR AVAILABLE TIME BETWEEN PLANNING FOR THE RELOCATION AND OPERATING THEIR BUSINESS

It's a tremendous amount of work to plan for relocation and the relocation process always takes more time away from operating your business than planned. Most business owners and managers don't have the extra time that's needed to properly perform such a large and important undertaking. Working side-by-side with a relocation consultant, the business owner has a knowledgeable professional acting as an intermediary for them, coordinating with contractors, and finding the best necessary resources to make the relocation successful.

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10. ATTENDING THE APPRAISAL WALK-THROUGH WITHOUT KNOWLEDGE OF THEIR RELOCATION BENEFITS

During their initial walk-through of the property, the government's property appraiser will make decisions that impact the property owner and tenant. You, or your representative, must to be there *with the knowledge of what is best for your business*, including questions and considerations such as:

- Whether an item involved in the relocation is considered real property or personal property, and which determination is best for you.
- Which will benefit you most: Contributory Value Payment or Relocation Payment?
- What blind spots does the appraiser have regarding the property?

KNOW WHAT YOU DON'T KNOW

Business owners have limited free time to learn everything they need to know about business relocation. The relocation process is stressful and costly enough. Who wants the added stress of possible mistakes because they lack the right information? The owners of thriving relocated businesses either understand the restrictions and the proper use of eminent domain benefits or they understand how much they don't know and take appropriate steps to compensate for that lack knowledge.

Discovering the truth about these 10 common business relocation myths is a great place to start if you're planning on executing a prosperous relocation.

To your success!

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About Martyn Daniel

Martyn Daniel has helped hundreds of businesses successfully relocate; often to more prosperous locations. Martyn offers one-on-one consulting services, group workshops and online seminars for business clients who need the right facts to make an educated decision. To schedule a free 15-minute no obligation call with Martyn, please click here for an appointment <https://my.timedriver.com/F8VSS>

Sign up [here](#) to be added to Martyn's mailing list. You will receive periodic information you need to know before you have to move.

Be Informed. Know the facts about Eminent Domain.

Avoid an Emergency Move.