Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ File Reference: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

On \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, the Department of Transportation made an offer to purchase all or a portion of the property that you own. As a potential eligible owner of the property, you may be eligible for certain benefits under the Department’s Relocation Assistance Program if the Department determines you meet the following criteria:

1. You lease or rent the entire property to another and you have no personal property nor do you conduct any business at this site.
2. The leasing or rent activity is a legitimate business and not considered an investment as determined by a review of your income tax records.
3. The income from the lease or rented site contributed materially to your income.
4. Your operation is considered a “small business” and is not a franchise or chain operation.

If it is decided that you meet the above criteria, you may be eligible for a Non‑Occupant Owner Reestablishment Payment that is outlined below. *It is vitally important that you understand the conditions described below which must be met before any payments can be made.*

As a small business owner, you may be eligible to receive a payment, not to exceed $25,000, for expenses actually incurred in relocating and reestablishing your leasing activity at a replacement site. Reestablishment expenses must be reasonable and necessary as determined by the Department. They may include, but are not limited to, the following:

1. Repairs or improvements to the replacement real property as required by Federal, State, or local law, code or ordinance.
2. Modifications to replacement property to accommodate the business operation or make replacement structures suitable for conducting the business.
3. Construction and installation costs for exterior signing to advertise the business.
4. Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.
5. Advertisement of replacement location.
6. Estimated increased costs of operation during the first two years at the replacement site for such items as:
7. Lease or rental charges.
8. Personal or real property taxes.
9. Insurance premiums.
10. Utility charges, excluding impact fees.

In order to receive relocation benefits, you must, within 18 months of the Department’s acquisition of your property:

1. Acquire a new replacement property; other property acquired prior to the Department’s initiation of negotiations for this site is ineligible.
2. The new site must be leased or rented to another as evidenced by an executed agreement with the proposed occupant.
3. Provide documentation (invoices, proof of payment, contracts) to be reimbursed for any of the eligible expenses as listed above.

To ensure you expend funds on items that are considered eligible for reimbursement, you should review proposed expenditures with your Relocation Agent prior to entering into any contractual agreements.

However, you should be aware that you are not entitled to payment under reestablishment regulations for any of the following:

* Purchase of capital assets, such as office furniture, filing cabinets, machinery or trade fixtures.
* Purchase of manufacturing material, production supplies, product inventory or other items used in the normal course of the business operation.
* Interest on money borrowed to make the move or purchase the replacement property.
* Any expenditures related to any other property you had owned prior to the Department’s initiation of negotiations to acquire this property.

Under the Relocation Assistance Advisory Assistance Program, the Department will assist you in finding a replacement property. If you want assistance, please contact your relocation advisor.

Reestablishment expenses are not considered as income for the purposes of personal income tax laws. Relocation payments are normally made within 60 days of the date that the Department receives your completed claim.

Your lessee or tenant will be given at least 90 days’ written notice before they will be required to move their personal property from this real property. You will be given an opportunity to rent the vacated site to the Department at fair market value if the acquisition of the site has not been completed.

It is important that you understand the matters explained above which relate to your eligibility. If at any time you want assistance, please contact me by writing, telephoning, or visiting me at the address listed below.

**IMPORTANT:**To receive payment for reestablishment expenses outlined above, you must file a claim for expenses actually incurred in reestablishing the small business at a replacement site within 18 months after the displacement or the date of the final payment for the acquisition of your real property, whichever is later.

The Uniform Act provides that a person may appeal to the head of the responsible department if the person believes that the Department has failed to properly determine the person’s eligibility or the amount of the payment authorized by the Uniform Act. You have the right to be represented by legal counsel at your own expense, but their presence is not required. If you still believe a proper determination has not been made by the Relocation Appeals Board, you may seek judicial review. You may submit an appeal in writing to:  Caltrans, Right of Way Office, Relocation Appeals Board, 1120 N Street, Sacramento, CA 95814.

Displacees not lawfully present in the United States are ineligible for relocation payments and assistance. Certification of legal U.S. residency status must be on file with the Department for all business owners in order to receive benefits.

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Relocation Agent

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Relocation Agent Address

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone

# ACKNOWLEDGEMENT

I was personally contacted by the above Relocation Agent for the Department of Transportation. I have had the available services and entitlements explained to me. I have been advised that the Department of Transportation Relocation Services Section will be available to assist me if any questions arise or assistance is needed. I have been given a copy of this letter.

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Displacee’s signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_