

Property Acquisition and Non-Residential Relocation Handbook



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Property Acquisition and Non-Residential Relocation Handbook

Your rights and benefits as a displaced
Business/Farm/NPO

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Declaration of Policy

In order for Sound Transit to build and operate a regional transit system made up of Sounder commuter trains, Link light rail trains, ST Express regional buses, HOV (High Occupancy Vehicle) lane improvements, transit centers, and park-and-ride lots, the agency must occasionally acquire real property.

In some cases, acquiring real property results in the relocation of the occupants. Sound Transit's intent is to treat such occupants fairly, to minimize hardships through equitable treatment, and to seek cooperative settlements of property acquisitions. Sound Transit's Real Property Acquisition & Relocation Policy, Procedures & Guidelines ("Procedures") were adopted to provide the agency with the ability to uniformly accomplish these goals.

Sound Transit's Procedures encourage the acquisition of real property in a cooperative manner to avoid prolonged disputes and litigation where possible. All properties acquired under this program are acquired under the threat of condemnation.

Introduction

To provide uniform and equitable treatment for persons displaced by federally funded public projects, the federal government passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. This regulation, together with Chapter 8.26 Revised Code of Washington (RCW), Chapter 468-100 Washington Administrative Code (WAC), and Sound Transit's Procedures, are the foundation for the information contained in this handbook.

Displaced owners and tenants may be eligible for relocation advisory services and payments. If you are required to move, a relocation agent will contact you, answer your questions, and provide additional information about relocation assistance advisory services and relocation payments eligibility. However, all properties obtained under this program, whether acquired cooperatively or through eminent domain litigation, are acquired under threat of condemnation.

This handbook is intended to provide general information about real property acquisition and relocation assistance for eligible property owners and/or tenants. Specific information about relocation assistance is contained in the laws stated above. While every effort has been made to ensure the accuracy of this handbook, it does not have the force and effect of the law. Should any difference or error occur in this handbook, the law will take precedence.

Definitions

Displaced Business

Any lawful activity, except a farm operation, which is conducted:

- A. Primarily for the purchase, sale, lease, and/or rental of personal and/or real property, and/or for the manufacture, processing, and/ or marketing of products, commodities, and/or any other personal property; or
- B. Primarily for the sale of services to the public; or
- C. Primarily for outdoor advertising display purposes, when the display must be moved as a result of the project; or
- D. By a nonprofit organization that has established its nonprofit status under applicable federal or state law.

Farm operation

Any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

Initiation of negotiations

The date the initial written offer from Sound Transit is delivered to the owner or the owner's representative to purchase real property for the project for the amount determined to be Just Compensation.

Just Compensation

An amount paid to a property owner for property acquired for public purposes which is not less than the market value of the property acquired, including damages or benefits to the remaining property.

Nonprofit organization (NPO)

An organization that is incorporated under the applicable laws of a state as a nonprofit organization and exempt from paying Federal

income taxes under section 501 of the Internal Revenue Code (26 U.S.C. 501).

Person

Any individual, family, partnership, corporation, or association.

Procedures

Sound Transit's Real Property Acquisition & Relocation Policy, Procedures & Guidelines.

Program

Sound Transit's real property acquisition and relocation program, comprised of the Procedures and any administratively adopted procedures and policies regarding real property acquisition and relocation.

Project

Sound Transit's plan for building and operating a regional high-capacity transit system in the Central Puget Sound region.

Tenant

A person who has temporary legal use and occupancy of real property owned by another.

Uneconomic remnant

A parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property and which the agency has determined has little or no value or utility to the owner.

Section I: Real Property Acquisition

Acquiring real property

Sound Transit was approved by voters to meet the region's needs for a high-capacity transit system. In order to build and operate the system, Sound Transit must acquire real property.

Guided by federal and state regulations, Sound Transit Procedures are designed to provide consistent and equitable treatment of all affected property owners and tenants.

Public Meetings and Community Outreach Program

Sound Transit has a complex and highly proactive public outreach program designed to address the project impacts on a relatively broad basis.

Public meetings are held during the project's location determination and design stages. Those meetings provide the opportunity for public participation and ensure that the location and design of transit facilities are consistent with federal, state and local goals and objectives. Any person contacted by Sound Transit is offered the option of having an interpreter present at any meetings. Sound Transit will pay for the interpreter.

Just compensation

Owners of real property required for a project are offered Just Compensation for their land and improvements. Just Compensation is based on an appraisal completed by an experienced and qualified, independent appraiser under contract with Sound Transit. If only a portion of a property is acquired, Just Compensation will include any measurable loss in value, and/or benefits accruing to the remaining property due to the partial acquisition.

The independent appraiser will conduct a detailed inspection of the property during the appraisal process. Property owners are given the opportunity and encouraged to accompany the appraiser during the inspection.

The value of the real property will be determined using applicable appraisal methodology. Methods used may include analysis of recent comparable sales, analysis of income and expenses, and/or consideration of the cost to rebuild a comparable replacement property. When determining the property's value prior to Sound Transit's acquisition, any increase or decrease in the value of the property caused by public knowledge or influence of the upcoming transit project will not be considered.

The appraisal report will be reviewed for completeness and accuracy by a review appraiser, and Just Compensation will be established by Sound Transit based on the reviewed appraisal. Sound Transit will offer to purchase the property in full, if the agency determines the acquisition of only a portion of the property would leave an uneconomic remainder parcel that has little or no value or utility to the property owner.

Alternately, in cases where Sound Transit's proposed acquisition is uncomplicated and low-value, Just Compensation may be estimated using a waiver valuation. The waiver valuation, which is not an appraisal, will be prepared by a qualified individual and will be reviewed by Sound Transit staff for accuracy.

Acquisition procedure

The acquisition agent who presents the offer to the property owner will have studied Sound Transit's valuation of the needed property. Sound Transit's offer will be confirmed in writing and will include an acquisition summary statement and an appraisal describing the basis for the amount. Owners are provided a reasonable opportunity to consider and respond to Sound Transit's offer.

In addition to Just Compensation, Sound Transit may reimburse you for certain expenses as described below. In order to be considered for reimbursement, documentation of the services received, detailed invoices, and proof of payment must be provided to Sound Transit. If granted, reimbursement of approved expenses will occur at or after closing for voluntary transactions. Fees and expenses incurred to challenge or litigate Sound Transit's right to acquire the property interests needed, the scope of acquisition, or Just Compensation will not be reimbursed.

If you decide to enlist a certified appraiser to attain your own appraisal or have Sound Transit's appraisal reviewed, Sound Transit may reimburse your reasonable appraisal evaluation expenses up to a maximum of \$5,000.00. If you decide to have an attorney evaluate the offer, Sound Transit may reimburse you for reasonable attorney fees up to a maximum of \$7,500.00. If you enlist a certified public accountant or other licensed tax professional to evaluate the potential tax implications of selling your property, Sound Transit may reimburse you for reasonable professional fees up to a maximum of \$2,500.00.

Acquisition payment

When the purchase and sale agreement has been signed by the property owner and authorized and executed by Sound Transit, an escrow account will be opened. The escrow officer will obtain all necessary releases and, with the assistance of the acquisition agent, will prepare all documents for transfer of title.

Sound Transit will pay for all normal sale expenses including escrow fees, title insurance, pre-payment penalties, mortgage release fee, recording fees and all typical costs related to conveying title. The sale will be exempt from real estate excise tax. No real estate commissions will be involved.

The transaction will close at the earliest possible time. Funds remaining after payment of mortgages, judgments, taxes and other liens will be released to the seller(s) of the acquired property at the close of escrow.

If a condemnation action has been filed, the amount established by Sound Transit as Just Compensation will be deposited with the court for distribution in accordance with the order of the court.

Possession

Owners are not required to transfer possession of their property until they have been paid the agreed purchase price or an amount equal to Sound Transit's established estimate of Just Compensation has been deposited with the court.

Owners and tenants will not be required to move their business without first being given at least 90 days' written notice by Sound Transit.

The relocation section of this handbook provides additional information regarding relocation advisory services assistance, reestablishment, and moving benefits provided to eligible business owners and tenants by Sound Transit.

Section II: Relocation Assistance Advisory Services



Relocation Advisory Services

Businesses, farms, and NPOs displaced by a Sound Transit program will be offered relocation assistance advisory services. Qualified relocation agents are assigned to work with displaced persons throughout the process of locating replacement property and making the transition to the new location. The goal of the relocation agent is to assist the displaced person in locating a replacement site and successfully completing their move.

Displaced persons are advised to make full use of the relocation services offered by Sound Transit. Displaced persons are encouraged to ask questions to help them to fully understand all of their rights and entitlements.

A relocation agent will personally visit each displaced person to explain relocation entitlements and determine the following:

- Explain relocation services and payments available, eligibility requirements, and procedures for obtaining assistance.
- Determine the relocation needs and preference for your operation by completing an occupancy survey form.
- Provide advice as to other sources of assistance and technical help.
- Explain substitute personal property and actual direct loss of tangible personal property so you can make informed decisions regarding your relocation.

The level of advisory services may be different for each displaced person depending on the complexity of the business operation.

Sound Transit will provide information on the availability, purchase price, and rental costs of suitable commercial and farm properties and locations and/or refer you to real property specialists in your area. The relocation agent will assist a business or farm operation to become established in a replacement location.

It is important to understand that the law does not require Sound Transit to find a replacement location for the business operation or farm. Assistance will be offered, but ultimately it is the displaced business owner's responsibility to locate a suitable replacement site.

Eligibility

Eligibility for relocation assistance begins on the date of initiation of negotiations or notice of intent to acquire the real property you occupy.

Displaced persons are urged to contact their relocation agent prior to moving, or making arrangements to move, to avoid jeopardizing their rights and benefits under the program.

Requirements of the Business

The displaced business must provide Sound Transit reasonable advance notice of the approximate date of the start of the move of the personal property, sign a moving expense agreement, and provide an inventory of the items to be moved. A relocation agent can help you prepare the inventory if you don't have one prepared already.

The displaced business must permit the relocation agent to make reasonable and timely inspections of the personal property at both the displacement site prior to the move and at the replacement site during and after the move. Sound Transit prefers the relocation agent monitor the move of the personal property as necessary.

Section III: Relocation Entitlements



Moving Expenses

Types of relocation entitlements businesses are eligible to receive:

1. Moving Expenses
2. Related Moving Expenses
3. Reestablishment Expenses
4. Fixed Moving Payment

Sound Transit will reimburse or make a payment on behalf of the displaced person for certain costs and expenses required to move the business, farm operation, or other personal property.

Sound Transit will reimburse the displaced business or farm operation for their documented actual moving and related expenses that Sound Transit determines to be reasonable and necessary, including those expenses described below. The relocation agent must participate in the monitoring of the move.

Displaced persons may be paid on the basis of actual reasonable moving costs and related expenses or, under certain circumstances, a fixed payment.

Not all limitations or conditions are listed in this handbook. Please contact your relocation agent for more details.

Moving Options

You may move yourself, be professionally moved, or choose a combination of both.

- **Self-Move** - If you choose to move yourself, the amount that Sound Transit pays you for your move will be based upon moving estimates. In most instances, Sound Transit will secure two moving estimates from professional movers to determine the reasonable and necessary amount for moving your operation. The relocation agent can develop an agent move estimate if the move is considered uncomplicated and less than \$10,000 in total move costs
- **Commercial Move** - If you choose a commercial move, the amount Sound Transit pays for your move will be based on the lowest acceptable estimate, as determined by Sound Transit.
- **Fixed Payment** - Alternatively, if you meet certain requirements, you may select a fixed payment move that is based upon your average annual net earnings for the last two years as determined by Sound Transit. The minimum statutory payment is \$1,000 and the maximum payment is \$204,000 (effective upon update to Chapter 468-100 WAC (est. June 2026) and every August 1st thereafter, the maximum payment will increase 2%). Landlords are not eligible to receive a fixed payment. More details follow in the Fixed Moving Payment section of this booklet.

Types of Eligible Moving Expenses

- Packing, crating, unpacking and uncrating, and transportation of the personal property up to a distance of 50 miles.
- Disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment, and other personal property.

- Modifications to the personal property necessary to adapt it to the replacement site.
- Storage of the personal property for a period not to exceed 12 months. This must be pre-approved by Sound Transit.
- Insurance for the replacement value of the personal property in connection with the move and necessary storage.
- Any licenses, permits, fees, or certification required to do business at the replacement location. Eligibility may be limited to the remaining useful life of the existing license, permit, fee, or certification.
- The replacement value of property lost, stolen, or damaged in the process of moving (not through negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft or damage is not reasonably available.
- Professional Services
 - Planning the move of the personal property
 - Moving the personal property up to 50 miles
 - Installing the relocated personal property at the replacement location

Depending on the complexity of your move, you may wish to hire a professional to help with planning the move of your personal property. Planning expenses include only those expenses necessary to plan the move, placement, and layout of the personal property and must be supported by documentation (e.g. floor plan layout, detailed log of work performed, etc.).

You will need to secure a minimum of two scopes of work from potential planners and get preapproval of expenses from Sound Transit prior to entering into a contractual obligation. Your relocation agent will go over the scopes of work with you to determine which items are reimbursable.

- Relettering signs and replacing stationery on hand at the time of displacement made obsolete by the move that require an address or phone number change. This can include such items as invoices, business cards, and promotional items. Your relocation agent will require a documented inventory just prior to the move, a copy of the old item and the newly printed item. In some cases, rather than replacing printed materials, a “green” alternative would be to use stickers with replacement site address.
- Direct loss of tangible personal property (DLT). Displaced businesses, farms, and nonprofit organizations may be eligible for a payment for the actual direct loss of tangible personal property that is incurred as a result of the move or discontinuance of the operation. The payment shall consist of the lesser of:
 - The fair market value in place of the item, as is for continued use, minus any proceeds from the sale; or
 - The estimated cost of moving the item as is, but not including any allowance for storage; or for reconnecting a piece of equipment if the equipment is in storage or not being used at the acquired site.
- Substitute personal property (SPP)
If an item of personal property that is used as part of a business, farm, or nonprofit organization is not moved, but is promptly replaced with a substitute item that performs a comparable

function at the replacement site, the displaced person is entitled to payment of the lesser of:

- The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item; or
 - The estimated cost of moving and reinstalling the replaced item, but with no allowance for storage.
- Site Search Expenses

Displaced businesses, farms, and nonprofit organizations are entitled to reimbursement for actual reasonable expenses incurred in searching for a replacement property, not to exceed \$5,000. Expenses may include transportation, meals, and lodging when away from home; the reasonable value of the time spent during the search; fees paid to real estate agents or brokers, exclusive of any fees or commissions related to the purchase of such sites; time spent obtaining permits and attending zoning hearings, and time spent negotiating the purchase of a replacement site based on a reasonable salary or earnings. You will be required to document your search efforts in a site search log that will be provided by your relocation agent.

- Temporary Storage

You may be eligible for the cost to store your personal property in a commercial storage facility. Storage expenses will be reimbursed if they are considered reasonable and necessary by Sound Transit. Storage must be preapproved and is limited to 12 months. You cannot be reimbursed to store personal property on real property already owned or leased by you.

Related Moving Expenses

The following expenses, in addition to those provided as eligible moving expenses are also provided, if Sound Transit determines them to be actual, reasonable, and necessary.

- Connection to available nearby utilities from the replacement sites property line to the improvements at the replacement site.
- Professional services performed prior to the purchase or lease of a replacement site to determine the suitability for the displaced Person's business operation including, but not limited to, soil testing and feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site).
- Impact fees for utilities or one-time assessments for anticipated heavy utility usage, as determined necessary by Sound Transit.

Reestablishment Expenses

Sound Transit may reimburse a displaced business organization for reestablishment expenses up to a maximum of \$204,000 (effective August 1, 2025) for all combined eligible reestablishment expenses. Effective August 1, 2026 and every August 1st thereafter, the maximum payment will increase 2%. Payment of reestablishment entitlements cannot be made to a part-time business in the home which does not contribute materially to the household income.

Reestablishment expenses may include, but are not limited to, the following:

- Repairs or improvements to the replacement real property as required by federal, state, local law, codes, or ordinances.

- Modifications to the replacement property to accommodate the business operation or make replacement structure suitable for conducting the business.
- Construction and installation costs, for exterior signing to advertise the business.
- Redecoration or replacement of soiled or worn surfaces, e.g. carpeting, paneling, or painting.
- Advertising of replacement location.
- Estimated increased costs for two years at the replacement site for such items as:
 - Lease or rental charges
 - Personal or real property taxes
 - Insurance premiums
 - Utility charges, excluding impact fees.

Fixed Moving Payment

Displaced businesses, farms, and nonprofit organizations may be eligible for a fixed payment in lieu of moving, site search, and reestablishment expenses.

The fixed payment is based on the average net earnings of your operation for the two taxable years immediately preceding the taxable year in which you are displaced. The minimum statutory payment is \$1,000 and the maximum payment is \$204,000 (effective upon update to Chapter 468-100 WAC (est. June 2026) and every August 1st thereafter, the maximum payment will increase 2%).

To be eligible for a fixed payment, your operation must move and you must meet the following requirements:

1. The business owns or rents personal property that must be moved due to the displacement.
2. The business cannot be relocated without a substantial loss of its existing patronage.
3. The business is not part of a commercial enterprise having more than three other entities which are not being acquired by Sound Transit, which are under the same ownership and engaged in the same or similar business activities.
4. The business is not operated at a displacement dwelling or site solely for the purpose of renting such dwelling or site to others (landlords are not eligible for the fixed moving payment).
5. The business contributed materially to the income of the displaced business operator during the two taxable years prior to displacement.

Eligibility requirements for farms and nonprofit organizations are slightly different than business requirements. If you are interested in a fixed payment, please consult your relocation agent for additional information.

The computation for nonprofit organizations differs in that the payment is computed on the basis of average annual gross revenue less administrative expenses for the two-year period specified above.

You must provide Sound Transit with proof of net earnings to support your claim. Proof of net earnings can be documented by providing recent complete certified copies of income tax returns.

Ineligible Expenses

- The cost of moving any structure or other real property improvement in which the displaced person reserved ownership.
- Interest on a loan to cover moving expenses.
- Loss of business, goodwill, profits, trained employees, or personal injury.
- Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before Sound Transit.
- Physical changes to the real property at the replacement location of a business or farm operation (see Reestablishment Expenses).
- Cost for storage of personal property on real property already owned or leased by the displaced person.
- Purchase of capital assets, manufacturing materials, production supplies, or other items used in normal business operation.
- Interior or exterior refurbishments of the replacement site for aesthetic purposes.
- Construction costs for a new building at the business replacement site, or costs to construct, reconstruct, or rehabilitate an existing building.

Payments not taxable

Relocation payments are not considered as income for the purpose of the Internal Revenue Code of 1986.

Lawfully Present in the United States

Federal law requires certification of residency status. You will be required to sign a certification form confirming you are lawfully present in the United States before the relocation process can begin.

Any person who is a noncitizen 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 WAC 468-100-208.

Right to Appeal

Any individual may file a written appeal with Sound Transit if the person believes Sound Transit has failed to properly determine his or her eligibility for, or the amount of, a relocation payment.

Persons with a grievance will be given a prompt and full opportunity to be heard. All displaced persons have the right to be represented by legal counsel or other representative in connection with the appeal, at their own expense.

Sound Transit will consider all pertinent justification and information available to ensure a fair and full review and will provide a written determination of the appeal. An explanation of the basis for the decision will also be included. The aggrieved party has a right to seek judicial review if he or she is dissatisfied with the relief granted.

Your relocation agent can provide you with assistance in filing an appeal and details of the appeal process.

If you disagree with any relocation determination you may appeal by simply explaining your grievance in a letter to:

Sound Transit
Real Property Division
Director of Real Property
401 South Jackson Street
Seattle, WA 98104-2826

Sound Transit Title VI Notice to the Public

It is Sound Transit policy to ensure that no person shall, on the grounds of race, color, national origin, as provided by Title VI of the Civil Right Act of 1964, be excluded from participation in, be denied the benefits of, or be otherwise discriminated against under any of its programs and activities. Any person who believes his/hers/they/others Title VI protection has been violated, may file a complaint with Sound Transit by either: emailing to stdiscriminationcomplaint@soundtransit.org; or mailing to Sound Transit, Attn: Customer Service, 401 S. Jackson St. Seattle, Washington 98104-2826; or visiting our offices located at 401 S. Jackson St. Seattle, Washington 98104.

For additional information regarding Title VI please visit <https://www.transit.dot.gov/title6> .

American with Disability Act (ADA) Information

This material can be made available in an alternative format including read in person by emailing (accessibility@soundtransit.org) or calling 800-201-4911. Person who are deaf or hard of hearing may make a request by calling the Washington State Relay at 711.

Notes

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For more information about
Sound Transit, visit www.soundtransit.org
or call 1-800-201-4900/ TTY: 711.

For information in alternative formats,
call 1-800-201-4900/ TTY: 711 or
email accessibility@soundtransit.org.