



Rural Impact Mitigation Program

Presenter

Location or Group

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Rural Impact Mitigation Program

- The 'Rural Impact Mitigation Program' (RIMP) seeks to relocate and re-establish businesses, farms, and nonprofit organizations affected by the FM Area Diversion Project. It does this by identifying farmsteads and businesses directly displaced by the Project, so that construction will not harm the economic vitality of the local farm and rural business community.
- The RIMP is for situations where a suitable replacement site is not available for the displaced business to relocate to.
- The just compensation paid for acquisition of properties may not be sufficient to acquire and build (if necessary) a suitable replacement property. To assist with this problem, displacees may be eligible for RIMP compensation to assist with covering the "gap" between the cost of a replacement site and improvements and the just compensation payment for acquisition of the displaced site and improvements.
- Displacees may be entitled to payments for real property and relocation benefits under the Uniform Relocation Act, depending on individual circumstances. RIMP provides additional assistance to make it possible for these businesses to remain and in the area.



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RIMP Details

- Property owner must operate a business, farm, or non-profit from the displacement site to be eligible for RIMP payment
- Displaced landlords must make reasonable efforts to accommodate displaced business tenants for them to be eligible for RIMP payments
- The RIMP payment would be in the form of a forgivable loan. The displacee would be required to spend the RIMP payments on re-establishment of their operations and continue operating for 10-years after the RIMP payment is made to receive full loan forgiveness. The loan amount would be fixed at full-value for 5-years, then be reduced 20% per year for the next 5-years.



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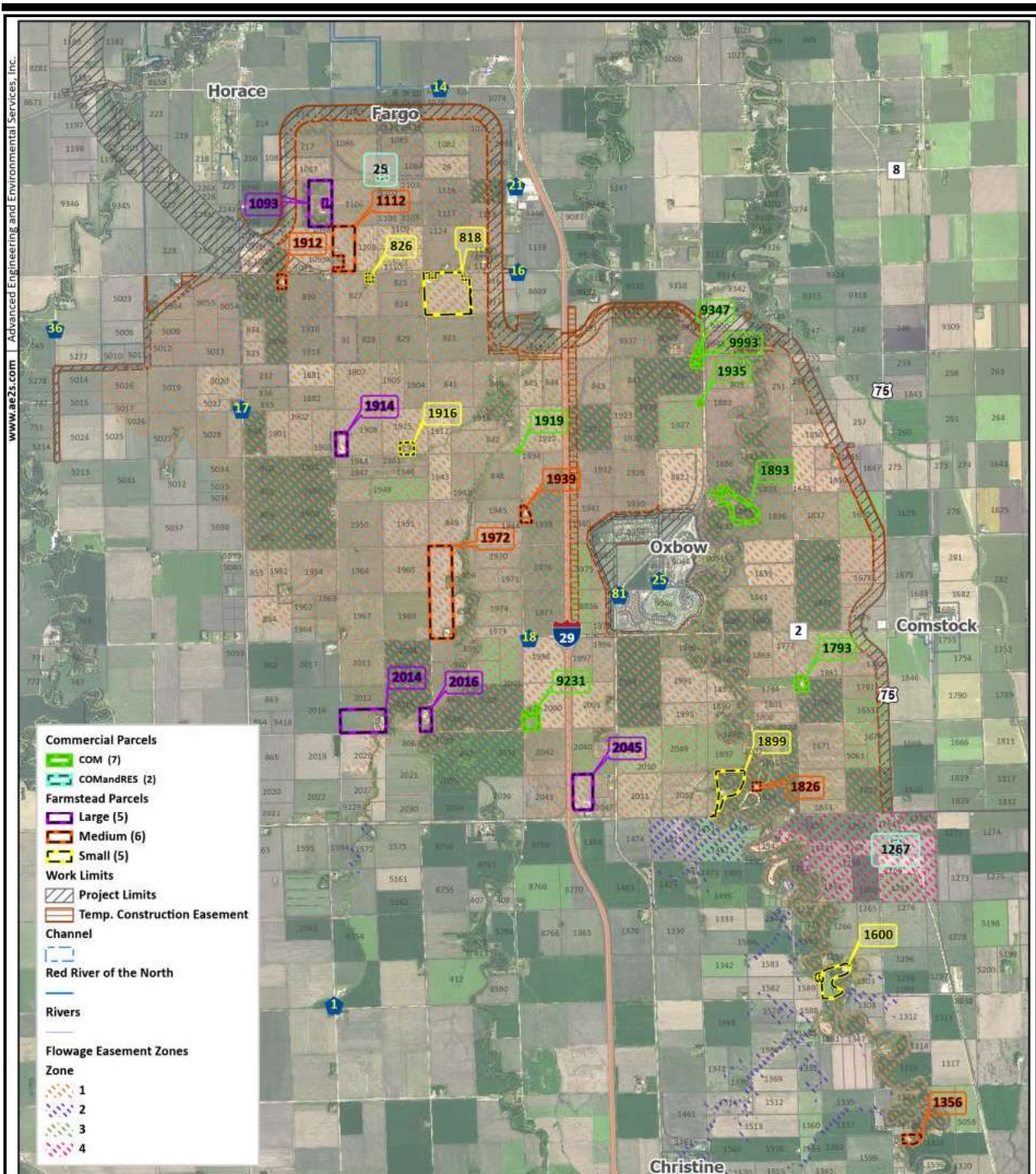
RIMP By The Numbers

Affected Farmsteads and Rural Businesses

- 16 Farmsteads
 - 15 in ND
 - 1 in MN
- 9 Known Rural Commercial Properties
 - 7 in ND
 - 2 in MN
 - (3 are utilities, which will be mitigated via an MOU)



DRAFT Farmstead and Rural Business Map



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Comprehensive Mitigation Package for Businesses, Farms, & Non-Profits

Existing Real
Property for
Business
Operation

Just
Compensation

Determined by
Market Based
Appraisal

Certified
Appraiser

URA Benefits

Relocation &
Re-establishment
Benefits

Determined by
Uniform
Relocation Act
(URA)

Relocation
Specialist

RIMP

Business
Replacement
Benefits

Determined
based on
“functionally
equivalency”
guidance



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RIMP Process

- An appraisal will be obtained to establish the market value of the site needing to be acquired.
- A relocation consultant will work with the owner of the property to identify and classify items as real estate or moveable personal property.
- Farm or business specialist(s) will help establish what is required to recreate a functionally equivalent farmstead or business site.
This may include:
 - Determining the replacement cost for construction of a functionally equivalent farmstead or business
 - Determination of costs of site improvement necessary for the farmstead or business
 - Prepare a report for each farmstead or business site, summarizing the rebuild and functionally equivalent replacement cost analysis
 - On site meetings/inspections with farmstead or business site owners/operators
- Land Agent will be responsible for preparing the comprehensive mitigation report including the market value, relocation benefits, and RIMP benefits



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Hypothetical Example

What we offered them

- Farmstead Appraised Value \$500,000
 - Total Purchase Price \$500,000

RIMP Calculations

- Functionally Equivalent Replacement Cost \$900,000
- Site Improvements plus \$75,000
 - Total Estimated Replacement Cost \$975,000
- Payment for Existing Farmstead (real property) less \$500,000

Estimated RIMP Subsidy \$475,000

