

[IDEAS 2 GO]

The Perils of Eminent Domain

It's unfair, but true: The government could seize pieces of your property for their own public projects. **BY PETER D. WALDMAN**

What if one day the government called you up and told you that in three years they will be seizing the right corner of your convenience store's lot because they have something else planned for that space? Sounds like a scene from George Orwell's 1984,

right? It could happen.

Loss of street access and ease of circulation of cars, a reduced stacking area for pumps and the inability of tankers to efficiently deliver gasoline to your stations are problems facing convenience stores as a result of the government taking property in the cause of eminent domain.

Although it doesn't sound quite fair, eminent domain enables the government to take private property, some or all of it, for a public project — something that could seriously affect and reduce the earning potential of your store.

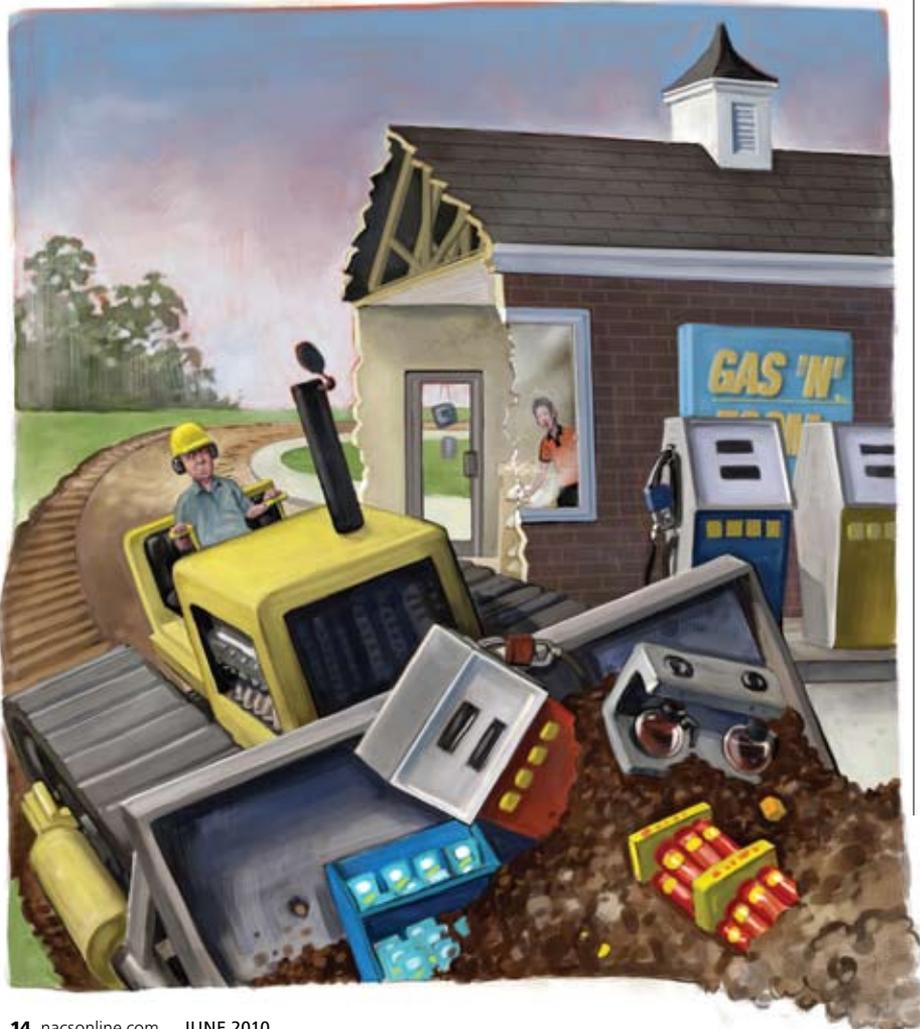
The seizing of your property, even the slightest bit of it, could result in a domino effect that could traumatize a thriving convenience store business. Think about it: A corner clip from your site could mean that you need to relocate your price sign, which could lead to the compression of your entire site.

And what happens when your drive aisles are reduced and cars can't easily move on and off your site? If your canopies no longer meet setback requirements how will your business cope if you are required to shut down for a period of time to relocate your pumps? These things could happen when a convenience store is hit by eminent domain.

REAL WORLD EXAMPLES

In one situation, one convenience store had primary pump islands aligned with two driveways on a heavily traveled road. As part of eminent domain, however, one of the station's two driveways was closed. At that point, the pump islands no longer had the right alignment for proper and convenient access and circulation, which required the entire station to be renovated to function with the new access points.

In another instance, a store had four pump islands (the islands were vertically aligned two and two along the site's two entrances) and service



bays. Due to eminent domain, the government took property 10 feet deep along one of the entrances and around the station's radius from the primary entrance to the secondary entrance.

As a result, one of the pump islands no longer met relevant setback requirements, which also held true for the canopy over that island and the one behind it. Additionally, the seized property ran through the station price sign, requiring that it be moved into the site. The final result was that a pump island was lost and overall site traffic circulation was affected because of the newly compressed site.

In both cases, eminent domain had a dramatic influence on the stores' sales and profitability. Think about what you would do if this had happened to you. How could your losses be minimized?

BE PREPARED

Convenience store properties are generally located at prime locations at the intersections of well-traveled roads, so they are often hit by eminent domain projects. Due to the need to maintain good traffic flow through heavily traveled intersections, well-located convenience stores often become caught up in road widening and improvement projects.

The projects are made known to the public about three to five years prior to the acquisition and construction. This window allows store owners time to plan for the potential effects on their

business operations and can also help reduce any negative impacts to your property.

Here are a few important steps to take if you are hit with an eminent domain request:

- If you anticipate a reduction in gasoline volume as a result, you can attempt to amend your supply agreements. Additionally, you can begin to access your stocking needs in regard to the detrimental effects that you anticipate influencing your business.
- If you are planning renovations to your facility you might want to delay that work, or rework your plan to accommodate the changes to your site.

An eminent domain professional is also well positioned to analyze the potential effects to your property and business, as well as assist in negotiating with the taking authority early in the process to minimize your losses. It is never too early to protect yourself and your property. Prepare for eminent domain now — or for greater damages in the future. **NACS**

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[NACS NEWS]



Zaneta Purvis



Matt Danzig

NACS Welcomes Zaneta Purvis

Zaneta Purvis joined NACS on May 12 as an industry analyst, where she will work with NACS retail and supplier members to design and communicate industry research initiatives, as well as deploy and deliver insights from industry-related surveys.

Purvis graduated magna cum laude from Virginia Tech with a B.S. in finance and a B.A. in German literature, where she researched supply chain management-benchmarking, cost-ratio analysis and probabilistic models for supplier selection. She also interned with a legal firm in Zurich, Switzerland.

Matt Danzig Steps Into New Role

Matt Danzig has been promoted to director of supplier relations and Hunter Club liaison. In his new role, he will develop and provide supplier membership benefits and build loyal and more robust relationships with Hunter Club members. Danzig will lead supplier recruitment and relationship management, and the sales and servicing of Hunter Club member companies. Danzig initially joined NACS in 2006 as supplier membership and sales manager.

NACS Calendar 2010



JUNE 19-21
NACS Global Forum
 Sydney, Australia

OCTOBER 5-8
NACS Show
 Atlanta, GA

SEPTEMBER 8-9
Advanced Category Management Seminar
 Charlotte, NC

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