


R/W MANUAL CHANGE

RWMC- 209

PROCEDURAL HANDBOOK
 (1984 Edition)

RWPH-____-____-____
 TRANSMITTAL#____

TITLE: APPRAISALS	APPROVED BY:  WAYNE HARROLD	DATE ISSUED: APR - 5 2011 Page 1 of 1
SUBJECT AREA: CHAPTER 7 - APPRAISALS	ISSUING UNIT: OFFICE OF APPRAISALS AND LOCAL PROGRAMS	
SUMMARY OF CHANGES: Updates Exhibit 7-EX-14, "Poster Panel Removal (English Units)," including Schedules A, C, D, E, F, G, and H. Also, updates the formatting to Section 7.11.00.00 with no change to its content.		

PURPOSE

This manual change updates the R/W Manual's Exhibit 7-EX-14, Poster Panel Removal (English Units), Schedules A, C, D, E, F, G, and H. It also updates the formatting to Section 7.11.00.00 from two columns to one column. The content in Section 7.11.00.00 was not changed.

BACKGROUND

The Signboard Schedules' use originally began in the 1960s as a master agreement between the signboard companies, FHWA, and the State of California to fairly compensate the signboard companies for signs removed due to the transportation project construction. The agreed compensation was based on actual costs and then updated every other year based on applicable construction costs. In the 1980s, by mutual agreement the schedules were audited and adjusted. From the same base amount, we now update the schedules according to the "Constant Quality (Laspeyres) Price Index of New One-Family Houses Under Construction." This index is considered the best indicator for the current costs associated with the signboard industry. The costs associated with the index have dropped approximately 3.3% since the last revision. Though the statisticians that provide the index only look at the raw numbers from the industry, the decline can be attributed to the continued reduction in construction creating a surplus in supplies and resulting in the overall decrease in prices.

EFFECTIVE DATE

Immediately.

MANUAL IMPACT

- Remove the superseded pages and insert the attached pages in the Manual.
- Record the action on the Revision Record.

REVISION SUMMARY

<u>Chapter</u>	<u>Remove Old Pages</u>	<u>Insert New/Revised Pages</u>
	Remove the following in its entirety:	Replace with the following in its entirety:
7 - Sections	7.11.00.00 (Rev. 3/2001)	7.11.00.00 (REV 1/2011)
7 - Exhibits	7-EX-14 (REV 1/2009)	7-EX-14 (REV 1/2011)

7.11.00.00 - OUTDOOR ADVERTISING SIGNS

7.11.01.00 Valuation

- A. Signs owned by grantors or occupants, located on a subject property, and identifying or advertising the business or activity conducted on that property (known as on-premise signs) will be valued on the Appraisal Page under "Improvements" at depreciated value in place. If relocation of such signs is feasible, the relocation costs may be shown in parentheses for information purposes, or may be included on Alternate Appraisal Pages.

Grantor or occupant-owned business signs located off the subject parcel may be subject to severance damages.

- B. Signs owned by outdoor advertising companies will be valued by use of payment Schedules A, B, C, D, E, G, and H (Exhibit 7-EX-14). This valuation will be shown on the Summary of Outdoor Advertising Structures, Form RW 7-8. If the outdoor advertising company refuses the schedule, the signboard structure will be appraised as an improvement. See Section 7.11.05.00.

7.11.02.00 Definitions

- A. On-Premise Sign - A sign identifying or advertising the business or activity conducted on the property where the sign is located.
- B. Off-Premise Sign - All outdoor advertising signs other than on-premise signs.
- C. Poster Panel - A structure designed to support a flat surface of 300 square feet upon which printed advertising or other messages are pasted to the panel built on one or more posts imbedded in the ground or attached to the wall of a building.
- D. Back-To-Back Poster Panel - A structure designed to support two or more flat surfaces of 300 square feet built on one or more posts imbedded in the ground.

Printed advertising or other messages are pasted to the panels.

- E. Roof Poster Panel - A Poster Panel built on one or more posts imbedded into the roof of a building. Each flat surface supported by such post(s) is a separate Roof Poster Panel.
- F. 8-Sheet Poster Panel - A structure designed to support a flat surface of 72 square feet upon which printed advertising or other messages are pasted to the panel, built on one or more posts embedded in the ground.
- G. Offset Sign - A sign constructed so that the advertising surface is supported upon horizontal members not less than 2 feet in length, and these members are joined to vertical posts imbedded into the ground.
- H. Special Build - Any sign not covered under Schedule A, D, E, F, G, or H. Usually this type of structure is on one post imbedded in the ground and utilizes torque bar construction.
- I. Urban Rotate - Painted bulletins which always have full illumination and the advertising facing sections are in modular form, designed and constructed to be moved from one structure to another on a periodic basis. The standard size is 14' x 48', but they are often larger and may have special embellishment features, such as cutouts, special lighting effects, freestanding letters, neon and space extensions to cover the advertisement of a specific product. The structures are usually steel and always have two back decks designed and constructed to State and local safety standards so that working crews can have easy and safe access to the back of the facing sections during the rotation process. They are generally

found in urban areas in the more desirable locations at points of maximum advertising exposure. Their advertising message is most often of a national product or of regional interest.

- J. Painted Bulletin - A structure designed to support one or more flat surfaces upon which at least one advertising or other message is painted in whole or substantial part, built on one or more posts imbedded into the ground or attached to the wall or roof of a building.
- K. Wood Sign - A sign with wood posts.
- L. Steel Sign - A sign with steel posts.
- M. Illuminated Sign - A sign with attached lighting fixtures to make the advertising message visible at night.
- N. Outdoor Advertising Company - This refers to any business or individual who erects or maintains an outdoor advertising display.
- O. Professional Signs - Well constructed signs with quality materials and workmanship evidenced throughout, providing a uniform appearance and extended physical life with minimum necessary maintenance. The advertising message is normally professionally lettered.

Schedules A, B, C, D, E, G, and H should be utilized for signs in this classification.

- P. Miscellaneous Signs - Signs normally built with minimum quality and amounts of material and may be characterized by “do it yourself” workmanship. This type of construction tends to shorten physical life and increase the necessity for maintenance over the life of the sign. In many instances, the advertising message is of a nonprofessional type and advertises the sign owner’s business.

Signs in this classification should be valued by the use of Schedule F.

7.11.03.00 **Process**

- A. When starting an appraisal that includes outdoor advertising signs, the appraiser will take the following steps:
 - 1. Send a request to the Region/District Outdoor Advertising Coordinator for determination of the legality of the sign and feasibility of relocation. Use Exhibit 7-EX-11 as a format.
 - 2. When Schedule B is utilized for a special build, send a letter to the sign company requesting the information required on Exhibit 7-EX-12.
- B. If a sign may be relocated pursuant to Business and Professions Code Section 5412 or 5443.5 or onto the grantor’s remaining property, the relocation payment should be determined as follows:
 - 1. Poster Panel - Use Schedule C.
 - 2. Special Builds, Painted Bulletins or Urban Rotate Bulletins:
 - a. Obtain an estimate from the sign company by use of Exhibit 7-EX-13, or
 - b. Obtain an estimate from the Region/District Building Cost Estimator, or
 - c. Obtain estimates from at least two sign companies other than the company that owns the sign to be relocated.

- C. For each structure, show the average height of the bottom of the sign panel above the ground (HAGL) on the Outdoor Advertising Structures Page. A close-up photograph of each sign will be included.
- D. The photographs shall be placed in the Appraisal Report immediately following the Summary Page.
- E. The appraisal must include the results of the legality and relocation determination from the Region/District Outdoor Advertising Coordinator. When a sign may be relocated, the relocation cost will be shown with the removal (i.e., purchase) cost shown in parentheses. If it is necessary to receive information from the sign company to complete the valuation and it is not available by the time the Appraisal Report is ready for completion, the sign will be listed in the "Summary" with the valuation space showing "N.A." The Remarks section should state when the letter was sent to the sign company.
- F. Signs within the existing right of way are not entitled to payment but will be listed in the Summary of Outdoor Advertising Signs at a zero value.
- G. Signs located on property under the Williamson Act (Government Code Sections 51200-51295) contract as an agricultural preserve may or may not be compensable, depending primarily on when they were erected.
 1. A structure erected on property after the land is placed in an agricultural preserve is illegal and payment must not be made for its removal. Removal of such structure should be enforced by the county or the local entity as a party to the Williamson Act contract. It will be listed on the Summary Page.
 2. Property placed in an agricultural preserve with an existing structure in place.

Generally, the Surface Transportation Act of 1978 requires payment for the removal of any structure located adjacent to an Interstate or Primary highway, if it was legally placed prior to November 6, 1978. Not all aspects of the compensation provisions are clear. These payment provisions do not apply to structures located adjacent to highways not included in the Interstate or Primary systems. The Region/District should seek advice from the Legal Division prior to proceeding with the appraisal and acquisition of signs in these locations.

7.11.04.00 Payment Schedules/Application Renewal Permit Fees

The sign payment schedules (see Exhibit 7-EX-14) are to be used as follows:

- Schedule A - Payment Schedule for Poster Panel Removal (straight or offset single and double plus rooftop).
- Schedule B - Payment for "Special Build" removal and relocation of "Special Builds," Painted Bulletins (Professional and Miscellaneous), and Urban "Rotate" Bulletins based on sign owner cost claims.
- Schedule C - Payment Schedule for Relocating Poster Panels onto Adjacent Property or pursuant to Business and Professions Code 5412 or 5443.5.
- Schedule D - Payment Schedule for Urban "Rotate" Bulletin Removal. Painted Bulletins that do not fall under the definition of an Urban "Rotate" should be covered by Schedules B, E, or F.
- Schedule E - Payment Schedule for the removal of Painted Bulletins in the "Professional" category.

This schedule is to provide a basis for payments in lieu of appraisals or cost claims (Schedule B) for painted bulletins not falling under the definition of Rotate Bulletin (Schedule D) or "Miscellaneous" Sign (Schedule F).

- Schedule F - Payment Schedule for “Miscellaneous” Sign Removal.
- Schedule G - Payment Schedule for 8-Sheet Poster Panel Removal.
- Schedule H - Payment Schedule for Relocating 8-Sheet Poster Panels onto Adjacent Property or pursuant to Business and Professions Code 5412 or 5443.5.

7.11.05.00 Appraisal Procedures for Outdoor Advertising Signs

If the schedule is not used, the valuation of the real property, including the sign structure, will follow normal appraisal practice and must adhere to the Uniform Act and applicable statutes. The following items must be considered when appraising a sign structure:

- The sign will be considered an improvement and will be analyzed as a primary or secondary use in appraising the value of the land as consistent with its highest and best use.
- Only cost information and that market and income data attributable solely to the real estate should be considered. Using this real-estate-only data, accepted real-estate-valuation methods should be used to the extent necessary and possible to value the land and improvements. Since data can be difficult to obtain, the cost approach may be of primary importance.
- If the fair market rent of the structure as real estate, in contrast to advertising business income, can be determined, that income may be processed to an indicated value or be reconciled with one or both of the other approaches.
- Sign structures will be appraised at the amount they contribute to the fair market value of the real property. The value of the structure will be shown on the RW 7-9 as an improvement at its value in place and included as part of the total value for the parcel. Tenant-owned sign structures will be indicated as such.
- Even though a sign structure alone may not represent the highest and best use of a site as though vacant, it may still have value. If the sign is located on the site in such a manner as to not interfere with development of the site to its highest and best use, it remains an economically viable asset.
- In considering the sales comparison approach, the Appraiser should make a reasonable search for comparable sales that included a sign structure considered as realty.
- The application of multipliers to the advertising income is not proper in arriving at the value contributed to the property by the sign structure. Advertising revenues are to be distinguished from the economic rent for land and improvements.
- The ground lease to the outdoor advertising company will generally add value to the fee. If the contract rent is less than the market rent, the outdoor advertising company may have a bonus value in the lease. The ground lease should be thoroughly reviewed to ensure a complete understanding of what it covers.
- As with any tenant business, the sign company compensation is provided for in the payment for the land and improvements or in the payment for compensable loss of goodwill.
- Each sign company should be advised of its right to claim a loss of goodwill due to the taking, and the fact noted in the diary sheet. If a claim and tax returns are filed, the business aspect and loss of goodwill, if any, can be determined by a goodwill appraisal.

POSTER PANEL REMOVAL (English Units)

7-EX-14 (REV 1/2011)

(Form #)

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SCHEDULE A - ENGLISH UNITS**PAYMENT SCHEDULE FOR POSTER PANEL REMOVAL**

	<u>Unilluminated</u>	<u>Illuminated</u>
Straight Single Poster Panel	\$16,373	\$17,752
Offset Single Poster Panel	17,737	19,150
Straight Double Poster Panel	19,879	22,044
Offset Double Poster Panel	21,265	23,437
Roof Top Poster Panel		23,691
Adjustments:		
1. For single signs on wood structures, deduct \$1,637.		
2. For back-to-back signs on wood structures, deduct \$1,986.		

SCHEDULE B - ENGLISH UNITS**SCHEDULE FOR SIGN PAYMENT BASED ON ITEMS OF DIRECT COST**

Labor	Equipment
Materials	Permits
Materials Handling	Outside Engineering

The cost of rotating sections shall be excluded in computing the direct costs of Urban "Rotate" Bulletins.

SCHEDULE C - ENGLISH UNITS**PAYMENT SCHEDULE FOR RELOCATING
POSTER PANELS ONTO ADJACENT PROPERTY**

	<u>Unilluminated</u>	<u>Illuminated</u>
Straight Single Poster Panel	\$11,465	\$12,431
Offset Single Poster Panel	12,411	13,413
Straight Double Poster Panel	13,919	15,427
Offset Double Poster Panel	14,891	16,411
Roof Top Poster Panel		16,664

SCHEDULE D - ENGLISH UNITS

PAYMENT SCHEDULE FOR URBAN "ROTATE" BULLETINS

Single Face	\$79,378
Double Face	\$99,591

ADJUSTMENTS

Wood Structures

If the sign is constructed of wood, deduct 10 percent from the scheduled amount.

Poster Panel Back-ups

For each standard 12' x 25' poster panel reverse facing, add:

if unilluminated	\$8,165
if illuminated	\$8,874

Painted Bulletin Back-ups

For painted bulletin reverse facings that are less than the standard size of the front facing, multiply the square foot area of the back-up by 50 percent of the appropriate square foot figure shown in the "Good" category from Schedule E.

Roof Top Urban "Rotate" Bulletins

Roof Top Urban "Rotate" Bulletins should be valued under Schedule B.

Embellishments

No adjustments in payment will be made for embellishing features, special lighting effects, freestanding letters, or space extensions over the standard advertising panel.

**SIGNBOARD DEPRECIATION SCHEDULE
FOR USE WITH SCHEDULES E AND F - ENGLISH UNITS**

CATEGORY	DESCRIPTION
Good	A sign will fall into this category when it is expected to have a remaining life of five or more years, the structure supporting the advertising panel is basically sound and the condition of the advertising copy is new or maintained in a reasonably good condition. The structure may show weathering and wear and tear curable with normal maintenance.
Fair	A sign in this category is one which extensive repair or replacing of uprights, stringers or metal parts is required because of deferred maintenance beyond that which is normal in the advertising business in the area or on which the copy is badly faded, blank or painted out. The sign is expected to have a remaining life of five or more years.
Poor	Signs in this category are those in an unsound condition when severe deterioration is evident, or it is apparent that the remaining life of the sign will not extend beyond five years because of imminent development on the property or adjacent property, or because of obstruction of view by growth of trees or shrubbery from the sign site.

POSTER PANEL REMOVAL (English Units) (Cont.)
(Form #)

**SCHEDULE E - ENGLISH UNITS
PAYMENT SCHEDULE FOR PAINTED BULLETINS**

Structure	WOOD CONSTRUCTION						STEEL CONSTRUCTION					
	UNILLUMINATED			ILLUMINATED			UNILLUMINATED			ILLUMINATED		
Category*	1 to 100	101 to 300	301 and Larger	1 to 100	101 to 300	301 and Larger	1 to 100	101 to 300	301 and Larger	1 to 100	101 to 300	301 and Larger
Good	\$58.47	\$52.71	\$48.50	\$72.43	\$67.26	\$63.40	\$72.66	\$65.12	\$58.96	\$85.23	\$77.39	\$71.46
Fair	\$45.54	\$40.96	\$37.81	\$56.34	\$52.21	\$49.28	\$56.46	\$50.60	\$45.79	\$66.22	\$60.22	\$55.53
Poor	\$25.92	\$23.38	\$21.61	\$32.25	\$29.89	\$28.17	\$32.25	\$28.90	\$26.19	\$37.91	\$34.40	\$31.72

Adjustments:

- 1. ReflectORIZED Material:** To that portion of the sign that is reflectORIZED.

Category*			
Good	-	Add \$8.34/sq ft to the unilluminated square foot figure.	
Fair	-	Add \$6.43/sq ft to the unilluminated square foot figure.	
Poor	-	Add \$3.60/sq ft to the unilluminated square foot figure.	
- 2. For 12' x 25' Poster Panel Back-up on Wood Structures:**

Category*			
Good	-	Add	<u>Unilluminated</u> \$7,382
Fair	-	Add	5,741
Poor	-	Add	3,287
			<u>Illuminated</u> \$7,993
			6,210
			3,555
- 3. For 12' x 25' Poster Panel Back-up on Steel Structures:**

Category*			
Good	-	Add	<u>Unilluminated</u> \$8,163
Fair	-	Add	5,739
Poor	-	Add	3,640
			<u>Illuminated</u> \$8,874
			6,901
			3,946
- 4. For Painted Bulletin Back-up:** Multiply square foot area of back-up by 50 percent of appropriate square foot figure.

*See Depreciation Schedule for description of good, fair, and poor.

POSTER PANEL REMOVAL (English Units) (Cont.)
(Form #)

SCHEDULE F - ENGLISH UNITS
PAYMENT SCHEDULE FOR MISCELLANEOUS SIGNS

Category*	Structure Area in Sq Ft	WOOD CONSTRUCTION			STEEL CONSTRUCTION		
		1 to 100	101 to 200	201 and Larger	1 to 100	101 to 200	201 and Larger
Good	\$ Per Sq Ft	\$39.29	\$33.70	\$28.90	\$48.40	\$41.44	\$35.31
Fair	\$ Per Sq Ft	\$30.62	\$26.19	\$22.41	\$36.61	\$32.25	\$27.57
Poor	\$ Per Sq Ft	\$17.50	\$14.92	\$12.80	\$21.46	\$18.43	\$15.82

Adjustments:

1. ReflectORIZED Material: To that portion of the sign that is reflectORIZED.

Category*	
Good	- Add \$8.34/sq ft to the appropriate square foot figure shown above.
Fair	- Add \$6.43/sq ft to the appropriate square foot figure shown above.
Poor	- Add \$3.60/sq ft to the appropriate square foot figure shown above.
2. For Painted Bulletin Back-up: Multiply square foot area of back-up by 50 percent of appropriate square foot figure shown above.
3. Illumination:

Category*	
Good	- Add \$9.84/sq ft to the appropriate square foot figure shown above.
Fair	- Add \$7.63/sq ft to the appropriate square foot figure shown above.
Poor	- Add \$4.35/sq ft to the appropriate square foot figure shown above.

*See Depreciation Schedule for description of good, fair, and poor.

SCHEDULE G - ENGLISH UNITS

PAYMENT SCHEDULE FOR 8-SHEET POSTER PANEL REMOVAL

	<u>Unilluminated</u>
Straight Single	\$4,519
Offset Single	4,897
Straight Double	5,483
Offset Double	5,871
Adjustments:	
1.	For single signs on wood structures, deduct \$453.
2.	For back-to-back signs on wood structures, deduct \$549.

SCHEDULE H - ENGLISH UNITS

**PAYMENT SCHEDULE FOR RELOCATING 8-SHEET
POSTER PANELS ONTO ADJACENT PROPERTY**

	<u>Unilluminated</u>
Straight Single	\$3,165
Offset Single	3,421
Straight Double	3,839
Offset Double	4,112
