STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

MANUAL CHANGE TRANSMITTAL

RW 0001 (REV 10/2007)

XX	R/W MANUAL CHANGE	**RWMC- 249**
	PROCEDURAL HANDBOOK (1984 Edition)	RWPH-___-___-___ TRANSMITTAL#___

TITLE:	APPROVED BY:	DATE ISSUED:
APPRAISALS	LINDA W. TONG	AUG 3 1 2015 Page 1 of 2
SUBJECT AREA:	ISSUING UNIT:	
CHAPTER 7 - APPRAISALS	OFFICE OF APPRAISALS AND LOCAL PROGRAMS	

SUMMARY OF CHANGES: Revises and updates Right of Way Manual Sections 7.02.00.00, 7.17.00.00, Exhibit 7-EX-25, and Section and Exhibit Tables of Contents.

PURPOSE AND BACKGROUND

This manual change revises, clarifies and updates both R/W Section 7.02.00.00 and Section 7.17.00.00, Exhibit 7-EX-25, and Section and Exhibit Tables of Contents. General typographical errors were corrected where applicable. Where the section referenced another R/W Manual section, policy, exhibit or form and a recent change had been made, the language was made consistent.

7.02.12.00	The value limit for Noncomplex was raised to $25,000 after the decision by the Appraisal Functional Council and to make consistent the spelling of the term "Noncomplex." The limit was raised per the "Increased Limit for Noncomplex Valuations" memo dated March 12, 2015.
7.02.14.00	Where the amount is incalculable or having no effect on the parcel's market value, the notations changed from "$0.00 (Nominal)" to "Nominal."
7.17.18.00	The maximum benefit amounts for business reestablishment were revised per FHWA's memo entitled *"GUIDANCE: Implementation of MAP-21 – Uniform Act Benefit and Eligibility Change"* dated March 25, 2014. October 1, 2014 is the effective date for the increase.
7-EX-25	The Exhibit, 7-EX-25, is also updated to reflect the $25,000 increase and to make consistent the spelling of the term "Noncomplex."

PROCEDURES

No procedural changes to Sections 7.02.00.00 and 7.17.00.00. Also, no procedural changes to Exhibit 7-EX-25, only the amount limit has been increased.

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- Remove the superseded pages and insert the attached pages in the Manual.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

Chapter	Remove Old Pages	Insert New/Revised Pages
	Remove the following in its entirety:	Replace with the following in its entirety:
7 – Sections	Table of Contents (REV 9/2014) 7.02.00.00 (REV 9/2010) 7.17.00.00 (REV 1/2009)	Table of Contents (REV 8/2015) 7.02.00.00 (REV 8/2015) 7.17.00.00 (REV 8/2015)
7 - Exhibits	Table of Contents REV 3/2014 7-EX-25 (NEW 12/2005)	Table of Contents REV 8/2015 7-EX-25 (REV 8/2015)

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7.02.00.00 - APPRAISAL REPORTS

7.02.01.00 Federal Project Numbers

Federal project numbers are required for projects involving Federal participation in Right of Way costs. The Federal project number will appear on the following:

A. All appraisal correspondence (including a letter of transmittal, if used)

B. The Front Cover (7-EX-1)

C. Appraisal Title Page (7-EX-21)

D. Parcel Summary Page, if used (RW 7-4)

E. Appraisal Summary (RW 7-9)

F. Appraisal Maps

7.02.02.00 Report Identification Numbers

Appraisal Reports will use Phase 9 Expenditure Authorizations and be numbered in sequence. Each expenditure authorization will have its own series of report numbers. If an expenditure authorization is subdivided, each new expenditure authorization number will warrant a separate series of numbers. The Title Page will also show the Control Expenditure Authorization.

Project post mile and project limit descriptions of each report must coincide exactly with Phase 1 Expenditure Authorization limits. Right of Way Planning and Management can provide the most current description.

7.02.03.00 Organization, Content, and Sequence

The material in most reports shall be arranged in the following order as applicable. All pages in the report shall be numbered consecutively and completed as described.

A. Front Cover

HQ R/W copy of the report will be bound and the information shown on Exhibit 7-EX-1 will be typed in the upper right-hand corner of the cover sheet.

For a revised parcel, place the word “Revised” and the old report number in parentheses following the parcel number. All parcels appraised together as a larger parcel will be listed in parentheses under the lowest parcel number of the group, regardless of number sequence.

B. Title Page

The Title Page will be organized substantially as shown on Exhibit 7-EX-21 if the cumulative review process is used or Exhibit 7-EX-21B if the review appraiser concept is used.

One signed original or a scanned copy of the Title Page will be submitted to HQ R/W so one hard copy with the Headquarters approval signature can be returned to the Region/District as a receipt. The hard copy of the approved Title Page will be bound into the report, inside the front cover. This procedure provides the Region/District with a positive verification of HQ R/W having received their copy of the appraisal and any revisions.

Each person signing this page certifies the appraisal has had appropriate review for accuracy and the report is approved or recommended for approval. Signatures shall be in accordance with current delegations.

The person verifying the calculations certifies that all mathematical calculations have been checked, verifies the accuracy of the maps in comparison with parcel appraisals, and certifies that no typographical errors or content inconsistencies exist in the report.

C. Parcel Summary Page (if used)

This will be prepared in accordance with RW 7-4.

D. Senior Field Review Certificate

This will be organized substantially as shown on 7-EX-24. The Senior Agent supervising preparation of the appraisal will sign the Certificate which summarizes the Senior's field review and certification statements regarding all parcels in the report. The 7-EX-24A will be used when the Senior has not performed a field review. The 7-EX-24D will be used by the Review Appraiser.

E. Certificate of Appraiser

This is executed by the Appraiser and by any other Agent who participated in preparing the appraisal. A new Certificate is required whenever a parcel appraisal is revised resulting in a change in value. See RW 7-6.

F. Excess Land Review Certificate

The Excess Land Review Certificate is an internal document. This will not be included in the appraisal report, but transmitted separately for review with reports proposing purchase of excess. A new Certificate will be submitted with any change in excess parcels. See RW 7-7.

The Certificate will be executed by the Region/District Excess Land Manager. The purpose of the excess land review is to minimize or eliminate fragmentary excess land parcels.

G. Introduction

The Introduction shall contain information of a general nature applying to the Appraisal Report as a whole. It may also contain parcel description or valuation information pertaining to several parcels, if more than one parcel is included in a supplement (e.g., more than one parcel in a single ownership or Waiver Valuation).

Data which apply only to individual parcels should be shown on the pages for those parcels and not in the Introduction.

H. Outdoor Advertising Structures

All outdoor advertising structures owned by entities other than grantor or occupants of the subject property will be listed on the Summary of Outdoor Advertising Structures prepared in accordance with the format and instructions shown on RW 7-8.

The cost of outdoor advertising structures appraised will be carried forward to the Parcel Summary Page (RW 7-4), if used, and to the Appraisal Summary (RW 7-9).

I. List of Access Openings

A list will be included in each report noting parcels with proposed private access openings within the access - restriction line. The list will show the openings by parcel number, station location, width, and type (permanent, temporary, or locked gate). The list and pertinent maps will be reviewed and confirmed with Region/District Project Development immediately prior to submission of the report for approval.

J. Photographs

Each Parcel Appraisal and each Comparable shall include photographs. They are to show all major improvements. Approximate location and direction of the view and the right of way line should be indicated where possible. Each photograph will be clearly identified with the parcel number, date, and photographer's initials or other suitable identification.

K. Appraisal Summary

Separate Appraisal Summary pages will be included covering all parcels (and subparcels when necessary) included in the report. See RW 7-9. An Appraisal Summary may be used to recapitulate the values for all subparcels in the parcel appraisal and for all parcels appraised together as a larger parcel.

L. Parcel Remarks

The Parcel Remarks shall contain information of a specific nature, applying to the individual parcel only. Included in this narrative section are site descriptions, improvement descriptions, Highest and Best Use, valuation analysis, damages/benefits discussions, and reconciliation.

To aid the acquisition agent with the preparation of either the Appraisal Summary Statement (8-EX-15A or B) or the Valuation Summary Statement (8-EX-15C), in compliance with Section 7267.2 of the Government Code, the appraiser shall provide a paragraph entitled, "Summary of the Basis for Just Compensation." The paragraph shall be reproduced, verbatim, and inserted by the acquisition agent into either the Appraisal Summary Statement or the Valuation Summary Statement. This paragraph shall provide a concise summary of the reconciliation of value, (i.e., method most heavily relied upon, and reason); the reason for damages, or the lack thereof; the reason that damages can or cannot be cured; and a discussion of benefits, or a lack thereof. Numerical calculations should not be included in the narrative discussion.

M. Sales Data

The subject's sales history will be reported on the form and according to the instructions shown on RW 7-10. Each change of vesting of the subject during the last five years will be explained on a separate Sales Data form. Starting with the most recent sale that occurred during this period, all sales shall be verified by the appraiser with both the grantor and the grantee if at all possible. If not verified with both parties, efforts to do so must be described.

A complete verification shall be made, not only as to price paid and terms of the sale and what the sale included, but why the seller sold the property, why the buyer purchased the property, was the buyer aware of the State's proposed construction and acquisition, if the buyer had knowledge of the proposed construction and the effect it had on the purchase price, and how the purchase price was determined.

Any difference in appraised value and sales price must be explained.

This page is not required for sales of portions of the subject ownership outside the right of way.

N. Summary of Comparable Data

All comparable data used in a report should be separately summarized in tabular form similar to Exhibit 7-EX-2.

A specific comparable or group of comparables may be related to one or more specific subject properties.

O. Comparable Data

All comparable data will be carefully investigated with as many parties involved as warranted. All reasonable attempts should be made to confirm the transaction with both the seller and the buyer. In the rare instance when the sale cannot be confirmed with one or both of the principals to the transaction, the appraiser will provide the full explanation on the Comparable Data form. In these cases, confirmation with secondary sources such as brokers, closing agents, and lenders with direct knowledge of the transaction should be included. Information solely obtained from the Assessor, Recorder, or private data services such as Costar, FARES, and Multiple Listing Service is not adequate for verification and confirmation purposes. Comparable improvements should be inspected when possible and/or appropriate, including interiors, and square feet obtained. If not possible, the Comparable Data form will so state.

Recent listings of the subject parcel should be investigated, considered, and discussed in the appraisal. If the listing is considered to be a reliable indicator of value, it may be included in the comparable data. In this case, it will also be referenced as a subject parcel.

All comparable data will be described on Comparable Data forms in accordance with RW 7-11 or RW 7-11A.

Other State appraisals or settlements will not be used for comparable data purposes.

An appraiser using the data verified previously by another State appraiser must investigate and analyze the data as appropriate, to enable reliance on the information for valuation purposes. This does not require reverifying the data with the principals unless the circumstances warrant. It does require viewing the data in the field and reviewing all pertinent information necessary to become familiar with the data in all the aspects necessary for reliable comparison purposes. It is imperative that each appraiser analyze any zones of land value or contributory value of improvements indicated on the Comparable Data form. Independent judgment will be documented by appropriate comments on the sales sheet to the effect that the figures have been reviewed and found reasonable or changes made to reflect the second appraiser's judgment. Each appraiser is free to change items on sales sheets previously used if he or she disagrees with the judgment of the original appraiser.

The Comparable Data form will show the date and name of the agent who originally verified the data. If the comparable data is used by other appraisers in subsequent appraisals, the date and name of the using appraiser will be shown immediately below that of the verifying appraiser.

Not all comparable data discovered need be included in the report. Include only that data considered most reliable and indicative of market value and which has been referenced in support of the parcel appraisal. Additional data should be retained in the Region/District's files.

The Comparable Data form shall be numbered, indexed, and filed for easy and rapid retrieval.

The inclusion of an Assessor's Plat of the comparable is strongly encouraged for clarity and understanding.

See Section 7.05.02.00 for further information on comparable data.

P. Appraisal Maps

The report will contain all the maps necessary for proper analysis, identification, and documentation. Each report will contain an Index Map (if available from Right of Way Engineering), an Appraisal Map, and a Comparable Data Map.

The report will include any additional maps required for proper understanding and documentation of specific parcel valuations, such as contour maps, topographic maps, or design plans. Significant topography should be included for partial acquisitions. Where a total ownership is very large, it can be shown on a reduced sketch, plat, or map.

Exhibit maps showing pertinent design detail are required for parcels with damages, benefits, and/or construction contract work of other than routine curative nature, utility relocations, or road approaches. Such exhibit maps may be on a reduced scale and need show only the affected parcels. The maps should show the main lanes, frontage roads, and the nearest interchanges, drainage structures, construction contract work locations, and information regarding cuts and fills (if significant) for the affected parcels. At the Region/District's discretion, this information may be on separate maps, or plotted on the Appraisal Maps. If a large number of parcel appraisals are involved, the possibility of consolidating the Appraisal Map and the topographic design map should be investigated.

The Appraisal Branch is responsible for the completeness of the maps, and for requesting delineation of pertinent data and topography not previously included.

It is also the Appraisal Branch's responsibility to ensure that maps, including coloring, are correct. If corrections are required, the maps will be returned to R/W Engineering for correction.

Q. Comparable Data Map

This map will be produced from information supplied by the appraiser. The map must show the proper locations of the comparable data, the subject properties, and other pertinent information necessary for the understanding of the comparable data.

The map will be prepared by the appraiser or Right of Way Engineering. It will be of sufficient size or scale to show the following:

1. Size, shape, and location of subject property(ies) and comparable data as related to each other.

2. Zone(s) of the various properties (when pertinent).

3. Comparable sales colored orange, comparable listings colored green, and subject property(ies) colored red.

4. Utility service mains (when pertinent).

Additional information may be included when necessary or when considered by the appraiser to contribute to the understanding of the comparable data. A North arrow will be included on all maps.

7.02.04.00 Parcel Numbering

The parcel numbering shown on the Appraisal Maps and certified for right of way acquisition will be utilized in the report. If parcels merge prior to final Appraisal Maps being received by the Appraisal Branch, the parcel numbering will be revised. If a merger occurs after final Appraisal Maps are received, at the Region/District's option, the assigned parcel numbering will continue and the merged parcels will be appraised together as a larger parcel. Merged parcels will be colored one color; both separate and combined areas will be shown, and the correct vesting will be shown on the maps. The lowest parcel number will be used for reference and the other number(s) will be shown in parentheses. If the Region/District prefers, it can revise the maps and numbering and combine the parcels into one.

Occasionally, an ownership lies outside the right of way but has appurtenant rights affected by the project requirements (access rights, easements, etc.). The effect of the project requirements may not become known until the appraisal stage. Such rights may be cleared by quitclaim deed in the encumbered parcel transaction. Frequently, however, the right of way acquisition of the appurtenant rights may materially affect the dominant remainder. If a separate appraisal of the affected ownership is required, the Appraisal Branch will request a parcel number be assigned and the ownership delineated. Separate appraisals may be required when (1) improvements are affected, (2) damages occur to the remainder, (3) construction contract work is required, or (4) a separate escrow is necessary.

Subparcel numbers will be used to designate separate requirements. Occasionally, subsidiary interests, such as mining claims or oil rights, will require separate appraisals. These will be separately identified by subparcel letters by the Appraisal Branch and need not be delineated on Appraisal Maps unless required for clarity.

Parcel numbering for right of way purposes may not necessarily coincide with condemnation parcels nor with title company parcels.

It is the Region/District Appraisal Branch's responsibility to ensure that vestings, parcel numbering, and appurtenant rights are correct.

7.02.05.00 Number of Parcels Per Report

Generally, only one parcel will be contained in each report as the report will be provided to the Grantor in compliance with Section 102 of Streets and Highways Code. However, multiple parcels within a single ownership may be contained in a report. Waiver Valuations may also contain more than one parcel in a supplement.

7.02.06.00 Parcels Straddling an Expenditure Authorization

If requirements from a single ownership straddle an expenditure authorization, it will be acceptable to charge the total property cost to a single project expenditure authorization. Minor overlaps warrant investigation of possible project limit adjustments.

7.02.07.00 Parcel Groups - Mutual Owners

A project may contain multiple parcels with the same ownership, but the parcels not comprising an integrated operation. In these cases, the remarks for each parcel should contain clear references to other parcels required from the same owner. All requirements from a single owner on a project should be included in the same report, if possible.

7.02.08.00 Parcel Groups - Integrated Operation

A. General

Parcels that compose an integrated operation will be included in one appraisal with sufficient discussion to illustrate the relationship of the parcels. If the inclusion of all of the parcels in one appraisal is impractical, the Region/District may approve the variance.

B. Procedure

When appraising parcels which are part of an integrated operation, the following instructions apply:

1. All parcels in the group will be included together in the report regardless of numbering sequence. If revision of an unclosed transaction is necessary, either revised appraisal pages may be used or the entire group included in a revised appraisal.

2. A recapitulation Appraisal Summary (RW 7-9) will summarize the values for the total group. The page will reference in the upper margin all parcels included in the group. It will use the lowest parcel number as file reference.

3. Following the recapitulation will be the pro rata segregations of value for each parcel and subparcel, including excess portions. Subparcels will follow each parcel. Below the words "Parcel No." on the Appraisal Summary, insert the words "See also Parcel _____" and the lowest parcel number in the group.

4. Following the Appraisal Summary will be the basic appraisal data for the group.

5. On the Appraisal Report front cover and Parcel Summary Page, list the parcels appraised together as a larger parcel in parentheses showing the lowest parcel number regardless of number sequence. On the Parcel Summary Page, the total value of each parcel in the group will be shown.

6. On the Appraisal Maps, the group will be colored as a whole with the same color. A plot plan of the group will also be shown if the total group cannot be seen on one map.

7.02.09.00 Dual Report Process

When a Dual Report Process is utilized, the second report may be prepared by either a second staff appraiser or by a contract appraiser under the supervision of another Senior, or both reports may be done by contract appraisers. Contract appraisals shall comply with all pertinent appraisal instructions. This includes the front cover through the Appraisal Summary (RW 7-9) which will be prepared by the reviewing Senior from information in the report. The two reviewing Seniors shall act as a liaison between the appraisers to ascertain that both are following the same legal premises and have benefit of all the sales and other supporting data. (See 7.01.07.00 and 7.01.16.00, C.)

Senior Review Certificates will be prepared for each appraisal.

The excess property inventory valuation and replacement housing estimates will be prepared by Staff (following HQ R/W approval) and not by independent appraisers.

The report to be used for acquisition will be approved. The other report will be reviewed for documentation. The judicious use of joint factual data is encouraged; however, independent analyses, judgments, valuations, and conclusions are required. A joint factual data section may include any data of a factual nature mutually accepted as such by the appraisers, and other data such as acquisition authorization documents, list of access openings, photos, maps, and cost-new estimates.

7.02.09.01 Corrections and Revisions

Where two reports were prepared and revision or correction of the approved appraisal becomes necessary, the following guidelines are to be observed:

A. In general, only the approved appraisal need be revised; except,

B. In these situations where there is a major change which substantially affects the fair market value estimate, it is necessary to revise both reports.

7.02.09.02 Review Process

Region/District cumulative reviewers above the Senior level are responsible for resolving significant differences between reports due to factual matters only. Determining the reasons for major divergences is important. It may be necessary to inquire into the support for significant judgmental differences. However, any attempt to simply narrow the spread of values resulting from differences is inappropriate and contrary to the purpose for securing dual reports. HQ R/W will consider these differences in its review process.

The Region/District Appraisal Supervisor's signature recommending approval of both reports is not considered a recommendation of two separate fair market values. It is just indicating that both reports are based on sound appraisal theory and contain appropriate documentation and analysis to support the appraisers conclusions. HQ R/W is responsible for reviewing both reports and approving the report which best supports its conclusions.

7.02.10.00 Replacement Housing Valuation Reports

The Appraisal Branch may prepare these reports for use by the Relocation Assistance function. Instructions for preparing them are contained in Relocation Assistance, Chapter 10.

One individual cannot prepare both the Acquisition Appraisal and the Replacement Housing Valuation on the same dwelling unit. One Senior Right of Way Agent may review and recommend for approval both reports on the same dwelling unit as long as that Senior does not also have responsibility for the Region/District's Relocation function.

7.02.11.00 Calculations

All monetary appraisal calculations shall normally be carried accurately to the nearest cent without rounding of figures or adjustment of unit values to yield rounded figures. The total appraised value is to be rounded as follows:

A. From $500 to $2,500, to the nearest $50.

B. From $2,501 to $100,000, to the nearest $100.

C. Parcels exceeding $100,000, to the nearest $1,000.

When several approaches to value are used, the final value found after reconciliation will normally be a rounded figure. Minor rounding adjustments are permitted on condemnation appraisals for clarity of testimony presentation.

Generally, land areas should be shown to at least two decimal places where acres or front feet are used, and to the closest square foot where areas are so expressed.

Building areas should be calculated to the closest square foot.

All calculations shall be carefully checked prior to first level recommendation for approval.

7.02.12.00 Noncomplex Valuations of $25,000 or Less

Noncomplex parcel valuations of $25,000 or less may be appraised utilizing either the memorandum appraisal format (Exhibit 7-EX-25), or a very succinct narrative appraisal using RW 7-9. The $25,000 amount includes severance damages, but excludes minor construction contract work such as: replacement of existing facilities such as road approaches, fencing, irrigation pipelines, etc. A Noncomplex Valuation is still an appraisal and must meet all the requirements of 49 CFR 24.103(a) and applicable California State Statutes.

The determination as to which parcel valuations are noncomplex rests with the Region/District. Among the criteria to be considered in making the determination are:

A. There is no serious question as to highest and best use.

B. Adequate market data is available.

C. Substantial damages and benefits are not involved.

D. There is no substantial decrease in market value due to the presence of hazardous material/waste.

Exhibit 7-EX-25 shows the minimum content requirements for the narrative portion of the appraisal. The amount of analysis and degree of documentation should be in proportion to the appraisal problem and valuation involved. However, substance and brevity should be the norm. If RW 7-9 is used, then the narrative should be the same succinct format as the Memorandum Appraisal. A narrative paragraph, as described in Section 7.02.03.00, L., shall be included in the report.

All appraisals must include at least the following:

- Certificate of Sufficiency and HMDD
- Senior Field Review Certificate
- Certificate of Appraiser
- Photograph(s) of subject
- Summary of the Basis for Just Compensation
- Index map
- Appraisal map
- Comparable Data forms with photographs
- Comparable Data Map

Where applicable, the appraisal must also include: Summary of Outdoor Advertising Structures, List of Access Openings, and Sales Data form.

7.02.13.00 Waiver Valuation In Lieu of an Appraisal

An appraisal is not required if the Region/District determines one is unnecessary because the valuation problem is uncomplicated and the fair market value is estimated at $10,000 or less based on a review of available data. As stated in 49 CFR 24.102(c)(2), an appraisal is not required for parcels estimated at $10,000 or less.

The $10,000 amount should include severance damages, if any, but exclude any insignificant construction contract work. Authority to make this determination rests with the Right of Way Manager, who may delegate it.

The "Waiver Valuation" does not qualify as an appraisal under 49 CFR 24.103(a) and is to be used merely for documentation for support of the amount of just compensation to be paid to the property owner. A Waiver Valuation cannot be used in eminent domain proceedings.

The determination as to which parcel is uncomplicated rests with the Region/District. Among the criteria to be considered in making the determination are:

A. There is no serious question as to highest and best use.

B. Adequate market data is available.

C. Substantial damages and benefits are not involved.

D. There is no substantial decrease in market value due to the presence of hazardous material/waste.

The Waiver Valuation may be based on a review of available relevant data such as: comparable sales and listings already in the Region/District files, comparable sales and listings from multiple-listing services, and commercial databases, opinions of Assessor's Office appraisers or real estate brokers, and other data sources. Comparable Data forms and Comparable Data Maps are not necessary.

The documentation to support the Waiver Valuation is contained in Manual Sections 7.02.13.01 and 7.02.13.02. The required content will differ depending on whether the value is $2,500 or less, or $2,501 to $10,000.

Requirements regarding the Certificate of Sufficiency and HMDD for environmental clearance, project identification, certification date, confidentiality statement, and certification of need for the right of way and access control by Project Development still apply. A narrative paragraph, as described in Section 7.02.03.00, L., shall be included in the report.

Property owners of these parcels shall be sent the "Notice of Decision to Inspect" letter (7-EX-17A) with the appropriate Title VI information and booklet "Your Property, Your Transportation Project." Also, parcel diaries should be initiated and included in the estimate and the file.

A Waiver Valuation must be approved in accordance with present approval delegations. They may be prepared and recommended for approval by an Agent of less than Associate grade. It is strongly recommended that Agent preparing the Waiver Valuation have a good understanding of appraisal valuation concepts.

Members or candidates of professional appraisal organizations who are assigned to act in the dual capacity of Appraiser and Acquisition Agent should check their organization's Code of Ethics for specific prohibitions and disclosure requirements.

7.02.13.01 Waiver Valuation ($2,500 or Less) - Contents and Requirements

In addition to the documentation mentioned in Section 7.02.13.00, a Waiver Valuation valued at $2,500 or less can be documented with a diary entry. The diary entry should state the basis of the value conclusion, i.e., land value, improvement value, and severance/cost to cure damages. In addition, a photograph(s) of the subject must be included.

7.02.13.02 Waiver Valuation ($2,501 to $10,000) - Contents and Requirements

In addition to the documentation mentioned in Section 7.02.13.00, a Waiver Valuation with a value estimate of $2,501 to $10,000 must include the following:

- Waiver Valuation Title Page, Exhibit 7-EX-21A
- Senior Review Certificate Form - Waiver Valuation, Exhibit 7-EX-24B
- Certificate of Waiver Valuation, RW 7-6A
- Waiver Valuation, RW 7-15
- Photograph(s) of subject
- Index map (if available)
- Appraisal map

The Certification of Waiver Valuation may have to be modified as to the statements concerning comparable sales. It should also contain a statement as follows:

> "That I understand I may be assigned as the Acquisition Agent for one or more parcels contained in this report, but this has not affected my professional judgment nor influenced my opinion of value."

7.02.14.00 Nominal Values ($2,500 or Less)

Regardless of the type of valuation report prepared, i.e., narrative appraisal report, memorandum appraisal report, or Waiver Valuation, if the amount of all property rights or interests is $2,500 or less, the value of the required property is considered to be nominal. Calculations supporting this conclusion shall be shown in the valuation report to illustrate the basis for the $2,500 or less conclusion. For example, the report will show 0.025 acres at $5,000/ac = $125.

The word "Nominal," as discussed above, shall be shown in the $2,500 or less valuation report as the following:

A. If the value of the requirement is so minimal as to not be calculable or to not have an effect on the market value of the parcel, show "Nominal" in the amount column.

B. If the calculated amount is $500 or less, show "$500 (Nominal)" in the amount column.

C. If the calculated amount is between $501 and $2,500, show the actual amount rounded to the nearest $50 with "(Nominal)" in the amount column.

Under options A, B, or C, the word "Nominal" or the valuation amounts with Nominal in parenthesis shall be carried forward to the RW 7-9 value column, the Parcel Summary Page, if used, the Senior Field Review Certificate, and the Certificate of Appraiser.

The Senior Field Review Certificate and Appraisal Review Report shall be prepared substantially as shown on the 7-EX-24. Minor modifications may be made to suit the approval requirements.

7.17.00.00 - BUSINESS GOODWILL APPRAISALS

7.17.01.00 Statute - Compensation for Loss of Goodwill

Code of Civil Procedure, Title 7, Eminent Domain Law, Chapter 9, Article 6, Compensation for Loss of Goodwill, Sections 1263.510, .520, and .530 provide the basis for compensating the owner of a business for the loss of goodwill. These sections should be reviewed by the appraiser prior to completing any appraisal involving a commercial property. See the reference volume.

7.17.02.00 Interpretation of the Eminent Domain Law, Court Cases, and Legal Issues

The courts are continuing to interpret the statutes on loss of goodwill. The first major court ruling by the State Supreme Court was the Department of Transportation v. Muller. This case has established that the increased cost of doing business at the replacement site is a compensable cost.

The Regions/Districts should consult with HQ R/W concerning any problems with interpretation of the compensability for loss of goodwill. Requests for legal opinions must be directed through HQ R/W for action by Sacramento Legal.

7.17.03.00 Burden of Proof

The law provides that a business owner shall be compensated for the loss of goodwill if the owner proves that the loss is caused by the State's taking of the property and that the loss cannot reasonably be prevented by a relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt to preserve the goodwill. The business owner has the burden of proof for loss of goodwill.

7.17.04.00 Notification Letter to the Business Owner (Form RW 7-30)

At the initiation of each staff real estate appraisal of a parcel occupied by one or more businesses, the appraiser will provide each business owner a written notification of the owner's right to claim a loss of business goodwill using Notification of Right to Claim Loss of Business Goodwill (RW 7-30). It is highly recommended that the RW 7-30 be sent to the business owner by certified mail, with return receipt requested. Form RW 7-30 includes a questionnaire asking for information about the business for the owner to return when claiming a loss of goodwill.

The RW 7-30 will set a reasonable time limit for the owner to respond. No follow-up requests by the appraiser are required. The appraiser must not delay the initiation and completion of the real estate appraisal while waiting for the business owner to respond. If the appraiser does not have the business owner's name and contact information at the time the real estate appraisal report is written (such as when outdoor advertising signs are present), it will be the acquisition agent's responsibility to send the notification letter as soon as the name and contact information become available.

The date the notification letter is sent to the business owner and any responses from the owner, written or oral, must be documented in the parcel diary. The section of the parcel diary with entries relating to business goodwill shall subsequently be copied and attached to the parcel diary for the goodwill appraisal or a separate goodwill diary can be initiated.

If the owner does not submit a claim or makes a claim but does not furnish copies of State Income Tax returns, as required by California Code of Civil Procedure Section 1263.520, the appraiser must so document in the parcel diary and the real estate report. The appraiser must still make a preliminary analysis and tentative conclusion as to whether or not the business owner will be able to relocate without a loss. The research and analysis for the tentative conclusion will be included in a separate section of the staff real estate appraisal or in the addendum to the report. The research and analysis will include, as a minimum, a statement of the observed availability of replacement sites.

7.17.05.00 Timing for the Preparation and Completion of the Goodwill Appraisal

It will be prepared as soon as possible after receiving the claim from the owner with copies of the owner's tax returns and any other supporting financial data that is furnished. To ensure confidentiality, only HQ R/W copy of the appraisal report will contain the owner's income tax returns. All goodwill appraisals will be in separate reports and not part of the real estate appraisal report.

The appraiser will not complete the goodwill valuation appraisal if the owner does not furnish copies of the State Income Tax returns. The business' "in-house" financial records do not constitute acceptable income and expense information. The appraiser will make a statement in the real estate appraisal report that since the owner has not furnished income tax returns, there is insufficient data to estimate whether or not the business possesses goodwill value in the before condition. Therefore, any loss of goodwill is indeterminable.

7.17.06.00 The Goodwill Appraisal Report

The report may contain more than one business under the same ownership. Each business will be valued independently in the before condition and the after condition. If the business goodwill in the before condition is $0.00 or a negative number, it is not necessary to calculate an after condition value. The report will be prepared by or under the direct supervision of, and will be signed by, a Right of Way Agent of at least Associate grade. The duties and responsibilities of the appraisers and reviewers are the same as those for real estate appraisals.

Upon receipt of the goodwill questionnaire from the grantor, if the Senior Right of Way Agent determines it is obvious that there is no goodwill in the before condition (e.g., negative net income for the previous three years) as shown from the loss of business goodwill claim and tax returns for the previous five years, the Region/District has the option of utilizing a memorandum appraisal format or a very succinct narrative appraisal to document these conclusions. The memorandum is to give a full explanation of the valuation and will contain sufficient supporting documentation.

7.17.07.00 Parcel Diary

The appraiser will initiate a parcel diary, Form RW 7-23, for each goodwill parcel appraisal. A copy of the diary shall be included in the report forwarded to HQ R/W.

7.17.08.00 Cross-referencing the Goodwill and Real Estate Appraisal Reports

The report for the goodwill appraisal will carry the same basic number as the real estate report with a subreference of the letter "G." For example, if the real estate report is AR-7, the goodwill report on a business located on the parcel will be numbered AR-7G1. Any subsequent reports made on other businesses located on properties appraised in AR-7 will carry AR numbers running consecutively, e.g., AR-7G2, AR-7G3, AR-7G4, etc.

A goodwill appraisal which supersedes a prior valuation of the same business will be given a new AR designation. The new report will cross reference the prior appraisal(s). For example, "AR-7G8: This appraisal supersedes AR-7G3, approved (date)."

7.17.09.00 Parcel Numbering

The parcel numbers for goodwill parcels will be the same as the parcel number for the real estate on which the business is located with a subreference of G-1, G-2, G-3, etc., i.e., 12345 and 12345G-1.

7.17.10.00 Review and Approval Process

All staff and in-lieu of staff goodwill appraisals will be reviewed for approval by Headquarters Right of Way.

7.17.11.00 Project Influence

Goodwill valuations shall not include any increase or decrease in the value of the business that is attributable to the project. See Section 1263.330 of the Eminent Domain Law.

7.17.12.00 Appraisal Report Components and Sequence

- Appraisal Title Page - Business Goodwill Valuation (RW 7-24)
- Parcel Summary Page – Goodwill (RW 7-25)
- Business Goodwill Valuation - Senior Field Review Certificate (RW 7-26)
- Business Goodwill Valuation - Certificate of Appraiser (RW 7-27)
- Appraisal - Business Goodwill Valuation (RW 7-28)
- Business Sales Data Page – Goodwill (RW 7-29)
- Business Comparable Data Page – Goodwill (RW 7-31)
- Purpose of Appraisal
- Date of Value

  The date of value shall be the date funds are deposited by the State into the grantor's escrow account unless the court otherwise stipulates the date. In the case of pre-condemnation, the date of value is the date of possession.

- Description of Business

  In addition to a comprehensive description of the business operation, include the name of business and the owner(s), location, history of the business ownership, areas of land and description of improvements used (owned or leased) by the business, lease/rental amounts and terms including expenses paid by tenant, geographical area served by the business, hazardous materials used by the business and hazardous waste observed.

- Recent sales of the subject business

  Each sale of the subject business during the last five years preceding the appraisal will be explained in detail. Use a separate sales data page for each sale. The most recent sale during the period shall be verified by the appraiser with both seller and buyer, if possible. If not verified with both parties, efforts to do so must be described. A complete verification of the most recent sale will be made including sale price, terms, and a breakout of the amount paid for tangible and intangible assets such as machinery, equipment, liquor licenses, and goodwill. Any difference between the appraised value of goodwill and the price paid for goodwill must be explained.

- Availability of suitable sites for relocation

  Include a detailed study of the availability or lack of availability of suitable replacement sites for the business. If the business has already relocated prior to the date of the appraisal, the analysis will state whether or not other suitable sites were available at the time of relocation and, if utilized, would have resulted in a lesser loss or no loss.

- Valuation

  The valuation section shall include a comprehensive analysis of the appropriate approaches to value and the conclusion of the goodwill value at both the existing location and the new or proposed location. This also applies to businesses affected by partial acquisitions that may continue operations on the remainder.

- Reconciliation of valuation approaches and final conclusion

  Where two or more approaches to value are used, the appraisal will reconcile the separate indications of value derived and include a reasonable explanation for the final conclusions of business goodwill. The final conclusion will state whether or not the business will suffer a loss of goodwill as a result of the taking. This will usually be a comparison of the goodwill valuation of the business at the old location and at the new or proposed location (before and after).

- List and valuation of tangible and intangible assets

- Comparable data pages and maps

- Index maps (if available), subject map, relocation site map

- Parcel diary

- Addendum

The addendum should include supporting data such as financial statements, copies of the State income tax returns, relocation site studies, market analysis studies, questionnaire supplied by business owners, etc.

7.17.13.00 Goodwill Valuation

The first step is to estimate the value of goodwill, if any, of the business at the location being taken or affected by the project.

The premises for the goodwill appraisal should be consistent with the premises used in the real estate appraisal. Examples of premises that are ordinarily expected to be consistent are highest and best use, economic rent, and value of business improvements such as fixtures, machinery and equipment. Any differences in these and other important elements must be explained in the report.

Normally, the value of the goodwill is not estimated directly but is derived by a residual process. The first step is to estimate the value of the total business enterprise and then subtract the value of the separately valued assets of the business, both tangible and marketable intangible, from the total value. The residual value, if any, represents the intangible asset of goodwill. The following is a summary of this residual process:

Total value of business
(-) less value of tangible assets owned by business
(-) less value of marketable intangible assets owned by the business
Value of goodwill (intangible asset)

(Intangible marketable assets are those which can be sold off separately from the business, such as a liquor license.)

If the analysis indicates no goodwill value, the appraisal process ends and the report is completed. If no goodwill value exists in the before condition, there cannot be a loss of goodwill.

If the analysis results in a goodwill value, the appraiser must proceed with the appraisal process. The next step is to repeat the above process for the business after project construction in the manner proposed (and if the business required relocation), to determine the value of the goodwill at the new or proposed location. If the business has already relocated at the time of the appraisal, the business operation must be analyzed by repeating the valuation process outlined above to determine the value of the goodwill at the new location.

The compensable loss is the amount, if any, that the value in the before condition exceeds the value in the after condition.

Example:

Estimated value of goodwill before	$15,000
Estimated value of goodwill after	-10,000
Estimated compensable loss of goodwill	$ 5,000

If the business has not been relocated at the time of the appraisal, the appraiser and the relocation agent will make a comprehensive study regarding the availability of either existing suitable sites or those sites that are expected to become available within a reasonable period of time to which the business can relocate. A suitable site is considered to be one which a prudent business owner would select in attempting to preserve goodwill to the greatest extent possible. The report will contain a section detailing the appraiser's study of the availability or lack of availability of suitable replacement sites. If suitable sites are or will become available, the appraiser will value the goodwill in the after condition as described above as if the business were relocated to a property which would be selected by a prudent business owner seeking to preserve or enhance the value of the business goodwill. This is in keeping with the Eminent Domain Law (CCP Section 1263.510).

If the study shows that there are no available suitable relocation sites, and none can be expected within a reasonable period of time, then the estimated business goodwill value in the before condition will be the loss of goodwill shown in the report. In other words, there is a total loss of goodwill value to the business. If these circumstances exist, the appraiser must fully document, in detail, the reasons why the business is unable to relocate.

If a business is highly complex or specialized it may be necessary or advisable to contract with consultants for appropriate market analyses and/or relocation studies.

7.17.14.00 Business Valuation Methods

There are many methods by which the value of a business and its goodwill can be estimated. The following are three methods commonly used for business valuation:

A. Market Approach

The most common market approach is the utilization of income multipliers derived from the market transactions of similar businesses. For example, retail store businesses might sell for two times annual gross income. Particular market multipliers may be based on income or sales and vary widely, depending on the type of business.

B. Capitalization of Excess Earnings

This is an income approach where excess earnings are calculated by subtracting from business net profit, a return on and of depreciable tangible assets and a return on marketable intangible assets. The return of a depreciable tangible asset is made over the remaining economic life of the asset. If marketable intangible assets have a limited life, then it will be necessary to also subtract a return of the asset over its remaining economic life. The excess earnings of a business, if any, are then capitalized at an appropriate rate to estimate the value of the goodwill.

C. Discounted Cash-Flow Analysis

This approach is focused on the projected earnings and expenses of a business over a period of time (usually the anticipated investment period). Value of goodwill is the present value of the projected net cash flow (either before or after taxes) for a period of years plus any reversion value of the goodwill. This method takes into account the effects of changes in the net return each year.

These are brief descriptions of the more commonly used valuation methods. For a more detailed explanation of the various valuation methods, the appraiser must refer to appraisal text books or other instructional materials on business valuations.

7.17.15.00 Analyzing Financial Statements and State Income Tax Returns

In processing the various business valuation methods, such as the "capitalization of excess earnings," it will be necessary to analyze financial statements and State income tax returns. As part of this process, the appraiser must reconstruct the income and expenses reported to arrive at a net income applicable to the value of goodwill.

The following list includes examples of items that must be considered in reconstructing the income and expenses reported:

- Depreciation must be deleted.
- Payments (principal and interest) on loans used to purchase the business must be deleted.
- Payments (principal and interest) on loans used to purchase real property must be deleted and an economic rent for the real estate used by the business substituted for the payment.

- Use economic rent instead of contract rent in the statement. Also, economic rent must be used at the new location. This approach is based on legal interpretation of the law. The appraiser must look at the real estate report to see what was determined to be economic rent. An explanation must be made by the goodwill appraiser if the economic rent used in the goodwill appraisal is different than the economic rent used in the real estate appraisal. There could be a difference in the economic rents if substantial time elapsed between the dates of the two appraisals.

- Owner's salary and draws must be adjusted to reflect reasonable compensation for the owner's role or activity in the business operation. In some cases, corporation officers receive a salary even if they do not work in the business. These salaries may be disguised as profit-sharing compensation and must be deleted because they are not an expense.

- Use of unsupported future earnings are not acceptable. All earnings in the after condition must be factual and supportable. Expectations for growth on investment or changes in the economy cannot be utilized in the calculations.

7.17.16.00 Betterment at the Relocation Property

In the process of reconstructing and/or estimating an income and expense statement for the business at a relocated property, the appraiser must adjust the statement for avoidable property betterments. The following is an example of an avoidable betterment which must be adjusted in the income and expense statement as a part of the process of estimating goodwill value at the new business location.

Assume that the business at the old location occupied a building containing 9,700 sq ft with an economic rent of $10,000/month. Also assume that the business owner chose to relocate to a 15,000 sq ft building with an economic rent of $15,000/month, even though there were other suitable relocation properties on the market containing 9,700 sq ft at a rent of $10,000/month comparable to the old property. In this example, the appraiser must use an economic rent of $10,000/month in the statement instead of the actual rent of $15,000/month at the new location.

On the other hand, an adjustment should not be made if there were no other comparable replacement properties available in the market with 9,700 sq ft renting for $10,000/month, and the owner was forced to relocate to a 15,000 sq ft, $15,000/month rent in order to continue business and preserve the goodwill (patronage). This may be considered an "unavoidable betterment." In this case, the appraiser must use an economic rent of $15,000/month. However, if the business owner were forced to relocate to the larger 15,000 sq ft building, but could sublet the 5,000 sq ft of excess area for $5,000/month, then the appraiser must, of course, take that rental income into account at the new location.

The appraiser must be careful in deciding which betterments must be adjusted as part of the process of estimating the value of the goodwill at the relocated property in the after condition. The basis for the appraiser's decision that there is an "unavoidable betterment" must be included in the goodwill report. If the Region/District has any difficulty in identifying betterments which should be adjusted, HQ R/W Appraisal Branch should be consulted. There may be a need to request legal advice on specific issues.

7.17.17.00 Disadvantages at the Relocation Property

There may be certain conditions at the relocated property which cause a reduction of net income and, thus, a reduction from the level of goodwill value that the business had at the old location (loss of goodwill). Some examples are loss of net patronage and increased (economic) rent or other increased operating expenses. (The increased rent or other expenses must, of course, not be a result of avoidable betterments.)

Note that the phrase "loss of net patronage" is used in this section. The reason that the word "net" is used is because Eminent Domain Law Section 1263.510, paragraph (b), states "within the meaning of this article 'goodwill' consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill, or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage." Therefore, if some of the old patronage was lost by the move, but an equal amount of new patronage was gained at the new location, there would be no net reduction of patronage.

If the Region/District has any difficulty with a particular appraisal in determining which disadvantages must be considered in estimating the compensable loss of goodwill, HQ R/W Appraisal Branch should be consulted. There may be a need to request legal advice on specific issues.

7.17.18.00 Compensation to Business Owners Under the Relocation Assistance Program (Pursuant to Section 7262 of the Government Code and 49 Code of Federal Regulation Part 24)

Certain compensable goodwill losses and Business Relocation Assistance Program items may fall into overlapping areas of the various laws. An owner is entitled to only one payment for a loss. Therefore, the appraiser must furnish the best information possible as to identifying the components of a loss of goodwill. It is then up to the Acquisition and RAP Branches to apply the information appropriately in determining proper payments. This will ensure compliance with 49 CFR 24.3 regarding no duplication of payments. The statute for compensation for loss of goodwill, California Code of Civil Procedure Section 1263.510, provides that there shall be no duplication of payments for loss of goodwill which are provided to the business owner pursuant to the Relocation Assistance Program. In addition, Section 1263.010 of the CCP provides "where two or more statutes provide compensation for the same loss, the person entitled to compensation may be paid only once for the loss."

The following are items for which the business owner may receive compensation under the Relocation Assistance Program. Some of these may also be included in a particular finding of a loss of goodwill. The Relocation Assistance Program covers the following:

A. Moving and related expenses that are actual, reasonable and necessary (49 CFR 24.301 and 303).

B. Reestablishment expenses (limit $25,000) (FHWA Guidance Letter, Implementation of MAP-21 Uniform Act Benefit and Eligibility Change, HEPR-10, March 25, 2014. Effective date: October 1, 2014). Only "small businesses" are entitled to compensation for these reestablishment expenses. A small business is defined [49 CFR 24.2(a)(24)] as "a business having not more than 500 employees working at the site being acquired or displaced. Sites occupied solely by outdoor advertising signs, displays or devices do not qualify as a business for purposes of receiving reestablishment benefits under 49 CFR 24.304."

   1. **Eligible expenses** - Reestablishment expenses must be reasonable and necessary, as determined by the State. They may include, but are not limited to, the following:

      a. Repairs or improvements to the replacement real property as required by Federal, State, or local law, code, or ordinance.

b. Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business.

c. Construction and installation costs, for exterior signing to advertise the business.

d. Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.

e. Advertisement of replacement location.

f. Estimated increased costs of operation during the first 2 years at the replacement site for such items as:

(i) Lease or rental charges

(ii) Personal or real property taxes

(iii) Insurance premiums, and

(iv) Utility charges, excluding impact fees.

g. Other items that the State considers essential to the reestablishment of the business.

2. **Ineligible expenses** – the following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary, or otherwise eligible:

a. Purchase of capital assets, such as, office furniture, filing cabinets, machinery, or trade fixtures.

b. Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.

c. Interest on money borrowed to make the move or purchase the replacement property.

d. Payment to a part-time business in the home which does not contribute materially to the household income [49 CFR 24.2(a)(7)].

C. In Lieu or Fixed Payment for a business, a farm operation or a nonprofit organization for not less than $1,000 nor more than $40,000. (FHWA Guidance Letter, Implementation of MAP-21 Uniform Act Benefit and Eligibility Change, HEPR-10, March 25, 2014. Effective date: October 1, 2014). (This is a fixed payment in lieu of actual moving and related expenses, actual reasonable reestablishment expenses, and loss of patronage.)

A business owner may be entitled to payments for eligible items listed under both Categories A and B. As an option, a business owner may elect to receive a payment under Category C, "In Lieu of or Fixed Payment." If the owner selects the "In Lieu of or Fixed Payment," the owner is not entitled to any payments under either Categories A or B. It should be noted that the portion of the in-lieu of or fixed payment that is not moving and related costs must be offset against goodwill.

To enable the Acquisition and RAP Agents to comply with the law and fully compensate the business owner for proper costs and/or losses, but still ensure there is no duplication of payment, the appraiser must show the following in any goodwill appraisal which finds a compensable loss of goodwill:

> The appraiser must list in the loss of goodwill report each of the items listed above which contributed to the loss of goodwill, i.e., any of the eligible reestablishment expenses and/or loss of patronage which contributed to the loss of goodwill. The amount of loss of goodwill attributed to each such item shall be shown separately, if possible.
>
> Example:
>
> Total estimated loss of goodwill: $18,000
>
> Allocation (causes of the loss):

1.	Increased economic rent	9,000
2.	Necessary modification at new location	4,000
3.	Loss of patronage	5,000
	Total Loss	$18,000

If the goodwill appraisal report concludes a loss of goodwill, the appraiser is to include a statement in the appraisal that if any amounts relating to loss of goodwill were paid to the business owner under the Relocation Assistance Program, such amounts must be deducted from the amount of the loss of goodwill shown in the appraisal report. The purpose of the statement is to serve as a reminder to the acquisition agent and to the Relocation Branch that no duplication payments for loss of goodwill are to be made as provided in the Eminent Domain Code.

See the Relocation Assistance Chapter for further information.

CHAPTER 7

Appraisals
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EXHIBITS

Exhibit No.	Title
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7-EX-2	Summary of Comparable Data
7-EX-3	Documentation of Economic Rent
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7-EX-5	Cost Approach - Cost New Less Depreciation
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7-EX-7	Rental Schedule and Unit Inventory (Residential)
7-EX-8	Building Check Sheet
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7-EX-10	Appraisal of Outdoor Advertising Site Value
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7-EX-24D	Review Appraiser Certificate
7-EX-25	Noncomplex Valuations ($25,000 or Less)

NONCOMPLEX VALUATIONS ($25,000 OR LESS)

(Form #)

CONFIDENTIAL
This document contains personal information and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure.

Fed. Proj. No.	Parcel	AR#

Reg/Dist	Co	Rte	PM	Exp Auth	Project ID No.

DATE:

TO:

FROM: Project Limits:

SUBJECT: Noncomplex Valuation ($25,000 or less) $ _____

DATE OF VALUE:

OWNER: Dates:
ENV: CLEAR _____
CERT. _____

PROPERTY IDENTIFICATION:

DATE ACQUIRED:

INTEREST APPRAISED:

PROJECT DESCRIPTION:

PROPERTY DESCRIPTION:

ZONING and HIGHEST and BEST USE:

PARCEL VALUATION:

OTHER PERTINENT DATA:

NONCOMPLEX VALUATIONS ($25,000 OR LESS) (Cont.)

(Form #)

The appraisals contained herein are confidential and have been prepared for Department use only as a step in the eminent domain process upon which to base offers of settlement and thereafter acquire said parcels by condemnation if the offer is refused.

The undersigned appraised the properties contained herein and recommend approval of this report:

Appraiser, R/W Agent _____

Appraiser, Associate R/W Agent _____

The undersigned has reviewed and recommends approval of this report and certifies that the requirements of the R/W Manual have been met.

Chief, Appraisal Branch _____
Region/District _____

APPROVED:

Region/District Division Chief _____
Right of Way, Region/District _____

District Approval Date: _____

JUST COMPENSATION APPROVED
PER DELEGATED AUTHORITY:
$ _____ _____