

Contents

Overview of Special Use Commercial Properties.....3

Understanding Fast Food Restaurants.....3

Understanding Gasoline Service Stations4

Understanding Self-Service Cashier Booths.....5

Understanding Public Restrooms.....5

Understanding Detached Canopies6

Pricing Special Use Properties7

Calculating the Remainder Value8

Calculating the True Tax Value8

Calculating the Total True Tax Improvement Value9

Tables

Table 8-1. Cashier Booth Quality Ratings5

Table 8-2. Detached Canopies Quality Ratings6

This chapter describes the process used for valuing special use commercial properties. This chapter first presents an overview of the special use commercial properties. The rest of this chapter provides step-by-step instructions for calculating and entering information about special use commercial properties in the “Summary of Improvements” section of the property record card. The necessary cost schedules are provided in Appendix G and depreciation tables in Appendix F.

Special use commercial properties include:

- fast food restaurants
- gasoline service stations, with and without service bays
- self-service cashier booths
- public restroom buildings
- detached canopies.

Note: For paving, use the “Paving” schedule in Appendix G

Overview of Special Use Commercial Properties

The pricing schedules for special use commercial properties consist of square foot unit values based on C quality grade construction. Data collection for special use commercial properties consists of identifying the square foot area of the structure, the use, the grade, and the year of construction.

Both the fast food restaurant model and the gasoline service station model have a basic layout or floor plan.

The basic layout for a fast food restaurant may include, but is not limited to, the following:

- a small office
- two restrooms
- areas for the following:
 - employee dressing
 - storage
 - food preparation
 - serving
 - dining.

The basic layout for a gasoline service station may include, but is not limited to, the following:

- a sales and office area
- a utility area
- two restrooms
- one or more service bays.

Understanding Fast Food Restaurants

The term fast food restaurant does not always describe the amount of time a customer waits for food. Fast food restaurants are pre-designed and normally are built with different variations of the same plans, with periodic updates of design to characterize changing patterns within the industry.

Example: Solariums are a popular building feature that have been added throughout the past few years. The solarium is included in the square footage calculation of the structure and is *not* valued as an exterior feature. Fast food restaurant services may vary from counter-style serving to sit-down dining.

The general construction features for all grades of fast food restaurants include the following:

- foundation grade walls on spread footings

- reinforced concrete floor slab
- exterior wall and roof construction as specified
- entrance doors and plate glass sales front
- frame partitions
- interior finish as specified
- utility service
- fluorescent lighting
- heating
- bibs and drains
- plumbing fixtures.

Understanding Gasoline Service Stations

Some gasoline service stations have converted the original mechanic service bays into mini-grocery stores. The assessor must determine whether these converted structures more resemble the service station without bay model or the convenience market model.

The general construction features for all grades of gasoline service stations include the following:

- foundation grade walls on spread footings
- reinforced concrete floor slab
- exterior wall and roof construction as specified
- entrance doors and plate glass sales front
- masonry partitions
- interior finish as specified
- utility service
- fluorescent lighting
- heating
- bibs and drains
- plumbing fixtures.

Specially designed self-service stations generally feature a cashier's booth and multiple pumps covered with a large canopy. If there is a canopy, select the type of construction and value it on a square footage basis as a separate line entry in the "Summary of Improvements" section. There is a +25% cost adjustment factor if the canopy is round in design.

If the station has an unfinished basement, refer to the "Add for Unfinished Basements" table in the schedule in Appendix G and value the basement as part of the primary structure.

Understanding Self-Service Cashier Booths

A cashier's booth may or may not include restroom facilities. Often, there is a separate structure housing public restroom facilities and a storage area. The replacement cost schedules for a cashier booth include the following:

- unit heaters
- reinforced concrete floor slab
- exterior walls of various materials measuring 7 to 8 feet in height
- flat, built-up roof
- finished interior walls and ceiling.

Cashier booths are divided into three quality ratings, described in Table 8-1.

Table 8-1. Cashier Booth Quality Ratings

This rating	Indicates
Low cost	Open style with minimum electricity and no plumbing.
Average	Steel construction with good electrical service but no plumbing. Adjust the square foot cost by +25% for bullet-proof glass. Also, <i>if the facility has plumbing</i> , add the whole dollar amount identified on the schedule for each plumbing fixture.
Good	Steel construction with good security (bullet-proof glass), and two plumbing fixtures. Adjust the cost by adding a whole dollar amount for each additional plumbing fixture and deducting if there are fewer than two plumbing fixtures. Also, <i>if the facility has an intercom system</i> , adjust the value using a whole dollar amount.

Understanding Public Restrooms

Public restroom buildings are rated by the area in square feet. The replacement cost schedules for public restroom buildings include the following:

- four plumbing fixtures
- electric or unit heaters
- foundation grade walls on spread footers
- reinforced concrete floor slab
- exterior walls of various materials measuring 8 to 9 feet in height
- flat built-up roof
- masonry partitions
- painted interior walls and a painted drywall ceiling.

Understanding Detached Canopies

The replacement cost schedules for detached canopies include the following:

- lighting
- soffits
- supports

Detached canopies are rated on quality, and square footage. Table 8-2 lists the quality ratings.

Table 8-2. Detached Canopies Quality Ratings

Self-Service Stations and Detached Canopies		
This rating	Indicates	
Low cost	Steel	Corrugated metal with light metal supports, minimal lighting and soffit.
	Frame	Composition wood decking on light wood framing supports, minimal lighting and soffit.
Average Cost	Steel	Corrugated metal or steel decking with light metal supports, average quality lighting and average finished soffit.
	Frame	Composition wood decking on light wood framing supports, average quality lighting and average finished soffit.
Good	Steel	Corrugated metal or steel decking steel supports, good quality lighting and finished soffit.
	Frame	Composition wood decking on wood or steel framing supports, good quality lighting and finished soffit.
High	Steel	Steel decking or an elaborate metal finish on steel supports, high quality lighting and finished soffit, elaborate installation.
	Frame	Composition wood decking on wood or steel framing supports, high quality lighting and finished soffit, elaborate finish and decor.

Note: If the canopy is round, add 25% to the base rate.

Fast Food Detached Canopies

Low cost	Corrugated metal or composition wood decking with supports, minimal lighting, and no soffit.
Average cost	Corrugated metal or steel decking with supports, average quality lighting, and unfinished soffit.
Good	Corrugated metal or steel decking with supports, good quality lighting, and finished soffit.

High	Corrugated metal or steel decking with supports, high quality lighting, and finished soffit, as well as elaborate finish and decor.
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NOTE: Quality grade factors are not applied to the canopies listed above due to the fact that they are priced according to quality from the pricing schedules.

Pricing Special Use Properties

The special use commercial property cost schedules are based on a square foot unit value applicable to certain types of designed structures. Each schedule represents the typical size variations of the structure and the appropriate base price. To determine the replacement cost of a special use commercial property and record this cost on a commercial and industrial property record card, perform these steps:

Step 1 Calculate the area of the structure and insert the square foot amount near the top of the pricing ladder. If the area of the basement is more or less than the area of the first floor, price the basement area in the "1" column and the first floor area in the "2" column.

Step 2 Find the area on the schedule that approximates the area of the structure. There is no need to interpolate the base rates when the structure square footage falls within the ranges of the pricing schedule.

Step 3 Calculate the subtotal by multiplying the base rate by the area.

$$\text{Subtotal} = \text{Base rate} \times \text{Area}$$

Step 4 Calculate the adjustment for any special features and exterior features and add the value to the subtotal.

Step 5 The total base equals the subtotal plus any adjustments for special features and exterior features.

$$\text{Total base} = \text{Subtotal} + \text{Adjustment for special features and exterior features}$$

Step 6 In the "Location Multiplier" cell, enter the location cost multiplier found in Table G-1 in Appendix G.

Step 7 In the "Grade Factor" cell, enter the grade multiplier, which is applied to the total base value to account for variations in quality grade and design. Instructions for determining grade are provided in Appendix E.

Step 8 Calculate the replacement cost by multiplying the total base value obtained in Step 5 by the grade and location multipliers.

$$\text{Replacement cost} = \text{Total base value} \times \text{Grade multiplier} \times \text{Location multiplier}$$

Round the replacement cost to the nearest \$10 and enter it in the “Replacement Cost” cell.

- Step 9 In the “Replacement Cost” column in the “Summary of Improvements” section of the property record card, enter the replacement cost calculated in Step 8.

Calculating the Remainder Value

The structure’s remainder value is its replacement cost adjusted for total depreciation.

To calculate the remainder value of a special use structure, perform these steps:

- Step 1 Subtract the percentage determined for total depreciation (entered in the “Normal Depr.” column) from 100%.
- Step 2 Divide the result obtained in Step 1 by 100 to arrive at a multiplier.
- Step 3 Calculate the remainder value by multiplying the replacement cost of the structure (entered in the “Replacement Cost” column) by the multiplier obtained in Step 2.

$$\text{Remainder cost} = \text{Replacement cost} \times \text{Multiplier obtained in Step 2}$$

Round the remainder value to the nearest \$10. Enter the remainder value in the “Remainder Value” column.

Example: The replacement cost of a structure is \$120,000. The total depreciation percentage for the structure is 30%. The remainder value is:
 $100\% - 30\% = 70\% \div 100 = .70 \times \$120,000 = \$84,000.$

Calculating the True Tax Value

To calculate the true tax value of the structure, round the remainder value to the nearest \$100 and enter the amount in the “True Tax Value” column of the property record card.

Example: If the remainder value of a structure is \$83,960. The true tax value is \$84,000.

Calculating the Total True Tax Improvement Value

Calculate the true tax value for each special use structure by performing the necessary steps described in this chapter. If you run out of rows in the “Summary of Improvements” section of the property record card, use an additional card (or cards).

To calculate the total true tax value for the property, perform these steps:

Step 1 *If you used **only one** property record card to complete the “Summary of Improvements” for the property, sum the entries in the “True Tax Value” column, and enter the total in the “Total True Tax Improvement Value” cell.*

*If you used **more than one** property record card to complete the “Summary of Improvements” for the property, on each card except Card 001, sum the entries in the “True Tax Value” column and enter the total for each card in the card’s “Total True Tax Improvement Value” cell.*

Step 2 Sum the entries in the “Total True Tax Improvement Value” cell of all of the property record cards except Card 001.

Step 3 On Card 001, sum the entries in the “True Tax Value” column of Card 001 and add the result to the “Total True Tax Improvement Values” calculated in Step 2. Enter the grand total in the “Total True Tax Improvement Value” cell on Card 001.