

COMPANY **SAFEWAY STORES INC**
SANTA CRUZ COUNTY STORE COUNT: 7

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LIEN DATE JANUARY 1, 2017

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SAFEWAY™

**BUSINESS ASSESSMENT FACTORS
JANUARY 2017
CAA Position Paper 17-001
(USE FOR LIEN DATE JANUARY 1, 2017)**



FOREWORD

This document recommends several tables of equipment index, percent good, and valuation factors for use by all California Assessors in mass appraisal programs designed to derive the market value of California business property within a band of value that meets California property assessment appraisal standards.

If property is accurately reported on the California Business Property Statement for 2017 then application of the factors in this document will produce market value as of lien date 2017.

As first initiated by the California Assessors' Association in 2001, the commercial equipment index factors and the industrial equipment index factors in Tables 1 and 2 have been averaged into a single category of factors for each table. Use of a single category of factors for each type of equipment will provide replacement cost estimates within a reasonable band of value for assessment of business property.

Prior to approval of this document for 2002, county certified appraisers researched the issue of whether use of the index factors in Tables 1, 2, and 3 results in an estimate of replacement cost new or reproduction cost new. Assessor staff contacted representatives from the publications used to derive the index factors (Marshall and Swift Publication Company and the U. S. Bureau of Labor Statistics) while investigating this issue. Based on written material and oral responses, staff reaffirmed the conclusion drawn in prior years that use of index factors in this publication, when applied to a property's original cost, typically results in the equivalent of replacement cost new.

Section VI provides the recommended composite factors that were calculated using the Assessor's Handbook AH581 and the appropriate minimum percent good. Statewide equalization and assessment uniformity is enhanced through use of the composite factors.

Section I: Use of Equipment Index Factors

For Commercial equipment, use *Table 1* found at the conclusion of Section I of this publication. *Table 1* is a replication of *Table 1* found in the 2017 version of *AH581*. In 2004 the Board of Equalization (BOE) switched to the same single index methodology recommended by the CAA. The *BOE AH581* commercial factors are derived using data published by the Marshall and Swift Publishing Company, *Marshall Valuation Services*. The table is an average of eleven separate commercial equipment indexes.

For industrial machinery and equipment, use *Table 2* found at the conclusion of Section I of this publication. *Table 2* is a replication of *Table 2* found in the 2017 version of *AH581*. In 2004 the BOE switched to the same single index methodology recommended by the CAA.

For Agricultural and Construction equipment use *Table 3* found at the conclusion of Section I of this publication. *Table 3* is a replication of *Table 3* found in the 2017 version of *AH581*.

Table 2 and Table 3 are averages of Producer Price Indexes that are published by the Bureau of Labor Statistics.

Effects of Technological Progress

If technological progress has occurred since the acquisition date of a piece of equipment the cost of producing a functionally superior piece of equipment may now be higher or lower. However, the impact of technological progress is excluded from the *Table 1* and *Table 2* index tables based on methodology used to remove price changes associated with "quality" enhancements. Since "quality" enhancement costs have already been identified and adjusted out of the tables, no additional adjustment is necessary.

Maximum Recommended Equipment Index Factor

Use a maximum equipment index factor when valuing equipment. The recommended maximum factor is the factor for an age equal to 125 percent of the estimated economic life.

Clarification is needed when application of the 125% rule does not produce a round number. (Example: 6 year life x 125% = 7.5 years). The recommended rounding convention when applying the 125% calculation for the index factor is as follows:

round down if the remainder is less than .5 and round up for .5 or greater

Here are two examples:

6 year life: 6 year life x 125% = 7.5 years (you would use the maximum index factor associated with 8 years of age)

17 year life: 17 year life x 125% = 21.25 years (you would use the maximum index factor associated with 21 years of age)

Exceptions to use of “Equipment Index Factors”:

If the “Remarks” Section of the Economic Life and Minimum Percent Good Table found in Section IV of this document contains an indexing recommendation, then that recommendation takes precedence. (As an example, some categories of property include the remarks, “untrended”. Do not apply any indexing to those categories of property.)

Tables 1, 2, and 3 start on the next page.

Section J: Equipment Index Factors**Table 1: Commercial Equipment**

Year	Average
2016	100
2015	100
2014	100
2013	102
2012	103
2011	105
2010	109
2009	108
2008	111
2007	115
2006	121
2005	125
2004	134
2003	138
2002	141
2001	141
2000	142
1999	145
1998	145
1997	146
1996	149
1995	151
1994	156
1993	161
1992	164
1991	166
1990	170
1989	174
1988	183
1987	191
1986	194
1985	196
1984	199
1983	205
1982	210
1981	219
1980	240
1979	262
1978	286
1977	308

Section I: Equipment Index Factors**Table 2: Industrial Equipment**

Year	Average
2016	100
2015	101
2014	101
2013	103
2012	104
2011	105
2010	108
2009	108
2008	109
2007	114
2006	116
2005	120
2004	124
2003	128
2002	129
2001	129
2000	130
1999	131
1998	132
1997	134
1996	136
1995	138
1994	143
1993	146
1992	148
1991	151
1990	155
1989	160
1988	167
1987	174
1986	177
1985	180
1984	184
1983	189
1982	192
1981	203
1980	223
1979	249
1978	274
1977	299

Section I: Equipment Index Factors

Table 3: Agricultural and Construction Equipment

Year	Agricultural	Construction
2016	100	100
2015	101	101
2014	101	102
2013	104	104
2012	104	107
2011	107	111
2010	110	114
2009	112	115
2008	116	118
2007	121	122
2006	125	125
2005	128	130
2004	135	138
2003	139	143
2002	141	145
2001	143	147
2000	145	147
1999	147	149
1998	149	151
1997	150	154
1996	152	157
1995	156	160
1994	163	164
1993	167	166
1992	173	170
1991	178	175
1990	184	180
1989	190	187
1988	198	196
1987	204	201
1986	205	205
1985	206	208
1984	207	211
1983	213	214
1982	224	219
1981	241	235
1980	268	260
1979	300	294
1978	326	324
1977	352	353

Section II: Use of Equipment Percent Good Factors

Use the "Table 4: Machinery and Equipment Percent Good Factors" found in the *January 2017 Assessors' Handbook Section 581*. Table 4 is replicated in this document. See the additional narrative in this section to determine if a minimum percent good factor needs to be applied.

To use Table 4, apply the economic life recommendations found in Section IV of this document.

When valuing Construction Mobile Equipment, use the appropriate "New" or "Used" percent good factors found in Table 5 of the *January 2017 AH587*. When valuing Agricultural Mobile Equipment, use the appropriate "New" or "Used" percent good factors found in Table 6 of the *January 2017 AH587*. These "New" and "Used" factors may not be averaged unless the taxpayer does not indicate if the property was acquired new or used.

Minimum Recommended Equipment Percent Good Factor

Use a minimum equipment percent good factor when valuing the property categories identified in Section IV of this document unless Section IV remarks indicate otherwise. The minimum percent good factor is applied after you determine replacement cost new (RCN). Application of a minimum percent good factor is necessary because the market place recognizes that property in the late stages of its economic life still maintains a minimum fair market value.

Assessors' Handbook Section 501, Basic Appraisal, discusses minimum value and defines salvage value as "the value of a property at the end of its economic life in its present use; the estimated market value for an entire property or for a part of a property that is removed from the premises for use elsewhere."

Marshall Valuation Services publishes suggested salvage value in terms of percent good for a variety of commercial and industrial equipment and fixtures by industry. The average minimum percent good of the twenty-one commercial industries listed is 10 percent. The average minimum of the twenty-seven industrial industries listed is 9 percent.

Based on minimum percent good market data it is recommended that you use a minimum percent good factor of nine (9) percent for industrial property, ten (10) percent for commercial property, ten (10) percent for untrended property, and eleven (11) percent for fixed agricultural property when applying the Table 4 percent good factors for lien date 2017.

Here is an example for applying the minimum percent good factor: Property is identified as "commercial" with a 10-year average service life. The property is 13 years old on lien date.

First, calculate the replacement cost new (RCN) for the property by applying the appropriate index factor from Table 1 and considering the maximum recommended index factor using the 125% rule. After calculating RCN, you now apply a percent good factor from Table 4. The factor for 13-year old equipment that belongs in a 10-year average service life category is 9%. Since 9% is less than the minimum percent good recommended for commercial property, do not use the 9% factor. Use the minimum percent good factor for commercial equipment, which is 10%.

Table 4: Machinery and Equipment Percent Good Factors
Individual Properties – Average Service Life
5.00% Rate of Return

Year Acq'd	Age	3	4	5	6	7	8	9	10	11	12	13	14	15	17	18	20	22	25	30	35	40	Age	Year Acq'd	
2016	1	66	75	80	84	86	88	90	91	92	93	94	94	95	96	96	96	97	98	98	99	99	1	2016	
2015	2	37	52	61	68	73	77	80	82	84	86	87	88	89	91	92	93	94	95	96	97	98	2	2015	
2014	3	16	31	44	53	60	65	70	73	76	78	80	82	84	86	87	89	91	92	94	96	97	3	2014	
2013	4	6	17	29	39	47	54	59	64	68	71	74	76	78	82	83	85	87	90	92	94	95	4	2013	
2012	5		8	17	27	36	43	50	55	60	64	67	70	72	77	78	81	84	87	90	93	94	5	2012	
2011	6		3	10	17	26	34	41	47	52	56	60	64	67	72	74	77	80	84	88	91	93	6	2011	
2010	7			5	11	18	25	32	39	44	49	54	58	61	67	69	73	77	81	86	89	92	7	2010	
2009	8			1	6	12	18	25	31	37	42	47	51	55	62	64	69	73	78	84	88	90	8	2009	
2008	9				3	8	13	19	25	30	36	41	46	50	57	60	65	69	75	81	86	89	9	2008	
2007	10					4	9	14	19	24	30	35	40	44	52	55	61	66	72	79	84	88	10	2007	
2006	11					1	6	10	14	19	24	29	34	39	47	51	57	62	68	76	82	86	11	2006	
2005	12						3	7	11	15	20	24	29	34	42	46	53	58	65	74	80	85	12	2005	
2004	13							4	8	12	16	20	24	29	38	41	49	55	62	71	78	83	13	2004	
2003	14							2	6	9	12	16	21	25	33	37	44	51	59	69	76	81	14	2003	
2002	15								3	7	10	13	17	21	29	33	40	47	56	66	74	80	15	2002	
2001	16								1	4	8	11	14	17	25	29	37	43	52	64	72	78	16	2001	
2000	17									2	5	8	11	15	22	25	33	40	49	61	70	76	17	2000	
1999	18										3	6	9	12	18	22	29	36	46	58	68	75	18	1999	
1998	19											1	4	7	10	16	19	26	33	43	56	65	73	19	1998
1997	20											2	5	8	13	17	23	30	39	53	63	71	20	1997	
1996	21												4	7	12	14	21	27	36	50	61	69	21	1996	
1995	22												2	4	10	12	18	24	33	47	59	67	22	1995	
1994	23													3	8	10	16	21	31	45	56	65	23	1994	
1993	24													1	7	9	14	19	28	42	54	64	24	1993	
1992	25														5	7	12	17	25	39	52	62	25	1992	
1991	26														2	5	11	15	23	37	49	60	26	1991	
1990	27														1	4	9	13	21	35	47	58	27	1990	
1989	28															2	8	12	19	32	45	56	28	1989	
1988	29															1	6	10	17	30	42	54	29	1988	
1987	30																4	9	16	28	40	52	30	1987	
1986	31																3	7	14	25	38	49	31	1986	
1985	32																1	6	13	23	36	48	32	1985	
1984	33																	5	11	22	34	45	33	1984	
1983	34																		3	10	20	32	44	34	1983
1982	35																		2	9	18	30	41	35	1982
1981	36																			7	17	28	40	36	1981
1980	37																			6	16	26	38	37	1980
1979	38																			4	14	24	36	38	1979
1978	39																			3	13	23	34	39	1978
1977	40																			2	12	21	32	40	1977

Section III: Use of Valuation Factors

When valuing computers use the “*Table 7: Non-Production Computer Valuation Factors*” found in the *January 2017 Assessors’ Handbook Section 581*.

When valuing semiconductor manufacturing equipment and fixtures, use the “*Table 8: Semiconductor Manufacturing Equipment & Fixtures Valuation Factors*” found in the *January 2017 Assessors’ Handbook Section 581*.

When valuing “Biopharmaceutical Industry” equipment and fixtures, use “*Table 9: Biopharmaceutical Industry Equipment & Fixtures Valuation Factors*” found in the *January 2017 Assessors’ Handbook Section 581*.

When valuing “Document Processors” (copiers), use “*Table 10: Document Processor Valuation Factors*” found in the *January 2017 Assessors’ Handbook Section 581*.

When valuing billboards in 2017, use the following methodology based on the analysis and recommendation of the CAA Billboard Committee: When billboards change ownership or are newly constructed, establish the base year value using the current Caltrans schedule. The Caltrans *Payment Schedule for Poster Panel Removal* is available at the Caltrans website www.dot.ca.gov/hq/oda. Each year thereafter, compare the factored base year value of the billboard to the fair market value as established by the current Caltrans schedule and enroll the lower value. Historically, Caltrans current values have been more than the factored base year value. For those billboards for which a base year has been previously established, the ability to correct base year values is statutorily limited pursuant to Revenue and Taxation Code Section 51.5. Questions regarding billboard assessments should be addressed to the Business Property Subcommittee members who will direct your question to the Billboard Committee.

When valuing Offset Lithographic Printing Presses, use “*Table 11: Offset Lithographic Printing Presses Valuation Factors*” found in the *January 2017 Assessors’ Handbook Section 581*.

Set-Top Box Factor Table

The Set-Top Box Factor Table (Table J) is intended to be used on set-top boxes defined as an information appliance device that connects to a television with an external source of signal that displays on the television screen or other display device. These are typically used in cable and satellite television. This lifing study was completed by the CAA Ad Hoc Valuation Committee and approved by the CAA in August 2015.

Gaming Equipment Factor Tables

The Gaming Equipment Tables (Table L & M) are intended to be used on casino gaming equipment. These are based on the annual publication: State of Nevada Department of Taxation Personal Property Manual (www.tax.state.nv.us).

Examples of Electronic Slot Machines (Table L):

- Electronic Slot Machines
- Player Tracking Systems
- Electronic Slot Machines Signs

Examples of Mechanical Slot Machines and Other Gaming Equipment (Table M):

- Players Tables (i.e.: poker, craps, roulette)
- Playing Cards Shuffler
- Gaming Chips

Section IV: Economic Life and Percent Good

Use the recommended “life” and “minimum percent good” factors from the table contained in this section. The table is intended for use when valuing property reported on Schedule A of the California Business Property Statement.

The Section IV Table starts immediately following the “Section V: Technical Clarifications” narrative.

Section V: Technical Clarifications

High Technology Medical Equipment – The following definition of high tech medical equipment has been adopted by the CAA for use with the Business Factors.

Computerized, software intensive, tangible personal property which experiences rapid technological advances and is used for screening, monitoring, analyzing and interpreting data for the diagnosis and/or treatment of human patients in a medical or hospital environment. "High Technology Medical Equipment" includes equipment, which because of the level of computer and applied technology content, can reasonably be expected to become obsolete before the expiration of its physical useful life.

Connection of equipment to a computer does not in and of itself constitute high technological medical equipment. Each type or category of equipment should be evaluated to determine its status as high tech medical equipment.

Examples of High Technology Medical Equipment:

- Single-Photon Emission Computed Tomograph equipment (SPECT)
- Intensity Modulated Radiation Therapy (IMRT)
- Automated Three Dimensional Conformal Radiation Therapy (3D-CRT)
- Computed Axial Tomography equipment (CAT)
- Magnetic Resonance Imaging equipment (MRI)
- Positron Emission Tomography scanners (PET)
- Digital radiographic systems
- Digital fluoroscopic systems
- Computer controlled surgical equipment
- Diaphanography equipment

The life of this high tech medical equipment is an eight year untrended life.

The following categories are generic and could contain either non-high tech or high tech medical equipment; therefore the entire category should not be considered high tech.

- Cardiac telemetry equipment
- Diagnostic ultrasound scanners
- Clinical chemistry analyzers
- Image analyzers
- Various monitoring systems

Section IV

**California Assessors' Association
Economic Life and Minimum Percent Good Table
January 2017**

Category	Life (In Years)	% Good (See Explanation in Section II)	Remarks
Aerospace Industry (Airframe)	12	Table 4 and apply minimum percent good	Manufacturing machinery
Agriculture / Farm	15	Table 4 and apply minimum percent good	Use Table 3 for Index
Agriculture / Mobile	See Remarks	Table 6 and apply minimum percent good	Use Table 6 as published in AH581 and Table 3 for Index
Airlines - Commercial	16 or 20 - S.L.		Methodology set by CAA Aircraft Subcommittee
Amusement (Miniature Golf etc.)	10	Table 4 and apply minimum percent good	Includes miniature Race Car, Batting Practice Cages
Amusement (Theme Parks)	15	Table 4 and apply minimum percent good	Disneyland type parks
Apartment Equipment/Furniture	8	Table 4 and apply minimum percent good	
Apparel Mfg.	12	Table 4 and apply minimum percent good	
ATM (Composite)	12	Table 4 and apply minimum percent good	Los Angeles Study
ATM (Only)	10	Table 4 and apply minimum percent good	ATM units only with no peripherals. Los Angeles Study
Automotive Repair - Service	10	Table 4 and apply minimum percent good	
Bakeries - Small	15	Table 4 and apply minimum percent good	
Bakeries - Large	15	Table 4 and apply minimum percent good	
Bank Fixtures (Composite)	15	Table 4 and apply minimum percent good	If no property detail is provided
Banks (Category 1. Counter Lines, etc.)	15	Table 4 and apply minimum percent good	Category description is from BOE-571 alternate schedule A
Banks (Category 2. Signs, Cameras, etc.)	10	Table 4 and apply minimum percent good	Category description is from BOE-571 alternate schedule A
Banks (Category 3. Carpets, Drapes)	8	Table 4 and apply minimum percent good	Category description is from BOE-571 alternate schedule A
Banks (Category 5. Vault Doors, Night Dep.)	40	Table 4 and apply minimum percent good	Category description is from BOE-571 alternate schedule A
Banks (Category 6. Drive Up Windows, etc.)	20	Table 4 and apply minimum percent good	Category description is from BOE-571 alternate schedule A
Barber Shop	12	Table 4 and apply minimum percent good	
Batch Plants (Concrete & Asphalt)	20	Table 4 and apply minimum percent good	
Beauty Salon	12	Table 4 and apply minimum percent good	
Billboards	See Remarks		Use Caltrans schedule as described in Section III

Section IV

**California Assessors' Association
Economic Life and Minimum Percent Good Table
January 2017**

Category	Life (In Years)	% Good (See Explanation in Section II)	Remarks
Billiard Rooms	15	Table 4 and apply minimum percent good	
Biopharmaceutical - Manufacturing Equipment	See Remarks		Use AH581 Table 9
Biopharmaceutical - Specialized	See Remarks		Use AH581 Table 9
Blue Printing / Map Making	12	Table 4 and apply minimum percent good	
Book Binders	15	Table 4 and apply minimum percent good	
Bottling Plants (Other than Breweries)	15	Table 4 and apply minimum percent good	
Bowling Alleys	15	Table 4 and apply minimum percent good	
Breweries	15	Table 4 and apply minimum percent good	
Brick, Sewer Pipe, Terra Colta & Tile Mfg.	17	Table 4 and apply minimum percent good	
Cable Equipment			No recommendation at this time due to appeals and litigation.
Canneries	17	Table 4 and apply minimum percent good	
Casino--Electronic Slot Machines	See Remarks		Use Table L published in CAA Position Paper 16-001
Casino--Mechanical Slot Machines	See Remarks		Use Table M published in CAA Position Paper 16-001
Casino--Other Gaming Equipment	See Remarks		Use Table M published in CAA Position Paper 16-001
Car Wash	12	Table 4 and apply minimum percent good	
Cargo Containers	20	Table 4 and apply minimum percent good	
Cell Phone Tower	25	Table 4 and apply minimum percent good	
Cement Manufacturing	30	Table 4 and apply minimum percent good	Life revised in 2008 from 20 to 30 years
Chemicals and Allied Products Mfg.	15	Table 4 and apply minimum percent good	Except Refineries
Circuit Board Manufacturing	8	Table 4 and apply minimum percent good	
Cocktail Lounges (Bars & Saloons)	12	Table 4 and apply minimum percent good	
Cogeneration (Power Plants)	20	Table 4 and apply minimum percent good	
Computers - LAN Equipment	See Remarks		Use AH581 Table 7: Computer Valuation Factors
Computers - Personal Computers	See Remarks		Use AH581 Table 7: Computer Valuation Factors
Construction - Mobile	See Remarks		Use AH581 Table 5
Construction / Demolition Contractor	12	Table 4 and apply minimum percent good	Use AH581 Table 3 Index

Section IV

**California Assessors' Association
Economic Life and Minimum Percent Good Table
January 2017**

Category	Life (In Years)	% Good (See Explanation in Section II)	Remarks
Cotton Gins	15	Table 4 and apply minimum percent good	Use the AH581 Table 3 Agricultural Index
Dairies	15	Table 4 and apply minimum percent good	Use the AH581 Table 3 Agricultural Index
Dental Lab	12	Table 4 and apply minimum percent good	
Dentist	12	Table 4 and apply minimum percent good	
Document Processor Equipment (Copiers)	See Remarks		Use the AH581 Table 10 Document Processor Valuation Factors
Drug / Pharmaceutical Mfg	12	Table 4 and apply minimum percent good	
Dry Cleaners (Commercial)	15	Table 4 and apply minimum percent good	
Electronic Equipment Mfg.	10	Table 4 and apply minimum percent good	
Fab Metal Products Mfg. Suppliers	15	Table 4 and apply minimum percent good	
Facsimile	6	Table 4 and apply minimum percent good	UNTRENDED
Food Processing	15	Table 4 and apply minimum percent good	
Forklifts	10	Table 4 and apply minimum percent good	
Furniture Mfg / Wood Working	15	Table 4 and apply minimum percent good	
Gas Cylinders (Other than Propane)	20	Table 4 and apply minimum percent good	
Gas Distribution - Industrial	15	Table 4 and apply minimum percent good	Except for gas cylinders
Glass and Glass Product Mfg	15	Table 4 and apply minimum percent good	
Glass Bottle Forming Equipment	8	Table 4 and apply minimum percent good	
Golf Carts	6	Table 4 and apply minimum percent good	
Grocery Stores - Convenience	12	Table 4 and apply minimum percent good	Excludes Gasoline Service Property
Grocery Stores - Supermarkets	12	Table 4 and apply minimum percent good	
Health Clubs (Athletic Clubs)	10	Table 4 and apply minimum percent good	
Hospitals	12	Table 4 and apply minimum percent good	
Hotels & Motels (Furnishings)	8	Table 4 and apply minimum percent good	

Section IV

**California Assessors' Association
Economic Life and Minimum Percent Good Table
January 2017**

Category	Life (In Years)	% Good (See Explanation in Section II)	Remarks
Ice Plant	15	Table 4 and apply minimum percent good	
Janitorial & Maintenance Services	8	Table 4 and apply minimum percent good	
Laboratory Equipment	10	Table 4 and apply minimum percent good	
Laundries - Coin Operated	10	Table 4 and apply minimum percent good	
Laundries - Commercial	15	Table 4 and apply minimum percent good	
Machine Shops	12	Table 4 and apply minimum percent good	Composite includes Computer Numeric Control (CNC) property
Mailing & Shipping Services - Large	15	Table 4 and apply minimum percent good	eg. UPS
Medical Equipment - High Tech	8	Table 4 and apply minimum percent good	UNTRENDED. See Section V. for definition
Medical Offices and Clinics	12	Table 4 and apply minimum percent good	
Mineral and Construction Aggregate Extraction	20	Table 4 and apply minimum percent good	REVIEWED 2016- SEE www.calassessor.org
Mortuaries	15	Table 4 and apply minimum percent good	
Newspaper Publisher	15	Table 4 and apply minimum percent good	
Office Furniture & Equipment	12	Table 4 and apply minimum percent good	
Pagers (one-way) & Mobile Phones	4	Table 4 and apply minimum percent good	UNTRENDED. See LTA 96/25 Dated April 22, 1996
Paper Product Manufacturing	15	Table 4 and apply minimum percent good	
Photo Labs - Commercial	10	Table 4 and apply minimum percent good	
Photo Labs - One Hour	8	Table 4 and apply minimum percent good	
Plastics Manufacturing	15	Table 4 and apply minimum percent good	
Point-of-Sale	8	Table 4 and apply minimum percent good	UNTRENDED
Postage Meters	10	Table 4 and apply minimum percent good	
Print Shop	12	Table 4 and apply minimum percent good	
Printing Presses (Offset)		See Remarks	Use AH581 Table 11
Production Printers (High Speed)	8	Table 4 and apply minimum percent good	UNTRENDED
Propane Tanks	30	Table 4 and apply minimum percent good	
Radio / TV Broadcast Studios			No recommendation

Section IV

**California Assessors' Association
Economic Life and Minimum Percent Good Table
January 2017**

Category	Life (In Years)	% Good (See Explanation in Section II)	Remarks
Recyclers	15	Table 4 and apply minimum percent good	
Restaurants - Fast Food Chains	12	Table 4 and apply minimum percent good	
Restaurants - Regular	12	Table 4 and apply minimum percent good	
Retail Store - Others	12	Table 4 and apply minimum percent good	REVIEWED 2016- SEE www.calassessor.org
Retail Store - Warehouse	15	Table 4 and apply minimum percent good	
Sand / Dirt / Gravel- Retail / Wholesale Suppliers	15	Table 4 and apply minimum percent good	REVIEWED 2016- SEE www.calassessor.org
Satellite Dishes - Residential	6	Table 4 and apply minimum percent good	UNTRENDED
Schools	12	Table 4 and apply minimum percent good	
Security and Surveillance Equipment	10	Table 4 and apply minimum percent good	
Semiconductor Mfg. Equipment (excludes	See Remarks		Use AH581 Table 8
Service Stations (Excluding Tanks)	12	Table 4 and apply minimum percent good	Except for underground tanks
Service Stations (Underground Tanks)	25	Table 4 and apply minimum percent good	
Set-Top Boxes	See Remarks		Use CAA Table J
Sheet Metal Manufacturing	15	Table 4 and apply minimum percent good	
Ship and Boat Builders	15	Table 4 and apply minimum percent good	
Shopping Carts	5	Table 4 and apply minimum percent good	
Signs	12	Table 4 and apply minimum percent good	
Ski Lifts	15	Table 4 and apply minimum percent good	
Storage Bins - Trash	12	Table 4 and apply minimum percent good	
Sugar and Sugar Product Mfg.	20	Table 4 and apply minimum percent good	
Telephone and Communication	10	Table 4 and apply minimum percent good	
Test Equipment	8	Table 4 and apply minimum percent good	
Textile Mill Products Manufacturing	15	Table 4 and apply minimum percent good	
Theatres	15	Table 4 and apply minimum percent good	

Section IV

**California Assessors' Association
Economic Life and Minimum Percent Good Table
January 2017**

Category	Life (In Years)	% Good (See Explanation in Section II)	Remarks
Tools / Tooling	5	Table 4 and apply minimum percent good	
Vending Equipment	8	Table 4 and apply minimum percent good	
Video Games	4	Table 4 and apply minimum percent good	UNTRENDED
Warehouse Equipment	15	Table 4 and apply minimum percent good	
Wind Machines - Agricultural	25	Table 4 and apply minimum percent good	Use Table 3 Agricultural Equipment Index
Winery (Except Tanks)	15	Table 4 and apply minimum percent good	Composite life except for tanks
Winery Tanks - Stainless Steel	40	Table 4 and apply minimum percent good	

Section VI: Valuation Factors

Section VI provides the recommended composite factors and specific equipment/fixture factors to be used in valuing personal property and fixtures for 2017. These valuation factors are based on the following:

- Assessors' Handbook Section 581, January 2017
- California Assessors' Association Economic Life & Minimum Percent Good Table (Section IV), January 2017

Deriving Composite Factors

These factors were calculated using Assessors' Handbook Section 581 and the appropriate minimum percent good is applied. An example of calculating these factors is as follows:

Example:

A taxpayer acquired restaurant equipment for \$10,000 in 2010. What is the composite factor and resulting assessed value?

Step 1: Determine the appropriate life using Section IV of the CAA Position Paper.

Section IV

**California Assessors' Association
Economic Life and Minimum Percent Good Table
January 2016**

Category	Life (In Years)	% Good (See Explanation in Section II)	Remarks
Restaurants - Regular	12	Table 4 and apply minimum percent good	

Step 2: Determine the appropriate percent good factor using Assessors' Handbook Section 581, Table 4. The appraiser estimates a 12-year life; therefore, the appropriate percent good factor is 57%.

**TABLE 4: MACHINERY AND EQU
Individual Properties—Average %**

Year Acq'd	AGE	3	4	5	6	7	8	9	10	11	12
2015	1	67	75	81	84	87	89	90	91	92	93
2014	2	37	52	62	68	73	77	80	83	85	86
2013	3	16	32	44	53	60	66	70	74	77	79
2012	4	6	17	29	39	48	55	60	65	69	72
2011	5		8	17	27	36	44	51	56	61	65
2010	6		3	10	18	26	34	41	48	53	57

Step 3: Determine the appropriate equipment index factor using Assessors' Handbook 581, Table 1. The equipment was acquired in 2010; therefore, the appropriate index factor is 109.

TABLE 1: COMMERCIAL EQUIPMENT INDEX FACTORS

2015 Cost = 100	
<i>Year</i>	<i>Average</i>
2015	100
2014	101
2013	103
2012	103
2011	106
2010	109

Step 4: Multiply the percent good factor and the index factor to determine the valuation factor.

$$57 \times 1.09 = 62\%$$

Step 5: Multiply the valuation factor and the historical cost of the restaurant equipment to determine the assessed value.

$$\begin{aligned} \$10,000 \times 62\% = \\ \$6,200 \end{aligned}$$