

10.3 PROCEDURES

10.3.1 Identify Signs Early

A property that includes a sign and/or sign site takes longer to analyze, appraise, realign, acquire and/or relocate, than a typical property acquisition. The region must identify all signs that will be affected by a project as early in the project planning process as possible. This should ideally be done at or before 30% of design. Identification will typically be done by the RE project manager or negotiator. They should invite the regional outdoor advertising sign coordinator to accompany them as they drive the entire project, identifying all signs that will be impacted. They must photograph any signs, and begin the process to determine the status and category of the signs. While driving the project, complete the Outdoor Advertising Survey (RE 1676).

10.3.2 Identify Impact Type

For signs affected by a project, the region must determine the extent to which the billboards will be impacted. For example, will a sign need to be moved, or is just a temporary limited easement (TLE) required around the sign during construction? RE staff should work with the design engineers to determine whether the sign can be avoided and remain after the project. The real estate plat must identify all parcels from which any off-premise sign structure or sign interest is impacted by the project. (See FDM 12-1).

10.3.3 Review Plat

The RE project manager or negotiator must review the plat to ensure that off-premise signs on parcels affected by the project have been identified on the project plat. Owners' names must be included. The OASIS number must be included in the schedule if the sign has one. See FDM 12-1 for more about platting requirements when signs exist.

10.3.4 Determine Sign Status and Category

The RE project manager or negotiator and the regional outdoor advertising sign coordinator must determine each sign's category and status. This step is critical, because the status and category of the sign determines whether the sign can be realigned, relocated, or acquired, and the amount (if any) of compensation due the landowner and/or sign owner. There are a number of steps involved in this determination:

 Request that the regional outdoor advertising sign coordinator provide a copy of any sign permit and any other OASIS information for each sign impacted by the project; also request copies of any outstanding removal order that can be issued for any of the signs impacted. The fact that a permit has been issued for the sign infers, but does not confirm, that a sign is legal.

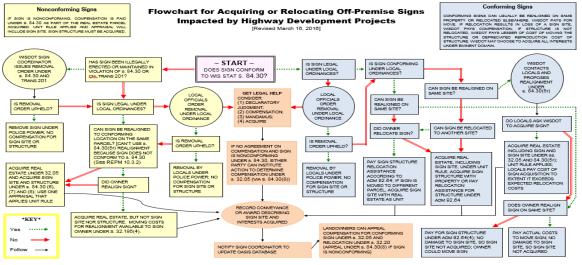
- 2. Request that the regional outdoor advertising sign coordinator examine whether the sign has been changed in a manner that renders it illegal and subject to removal without compensation.
- 3. Talk to the property owner to find out the ownership and/or rental situation of each sign. Find out who owns the sign, and if the landowner is the same as the sign structure owner. If they are different, find out if the sign structure owner is renting from the landowner. Obtain a copy of a lease if one exists. Review the lease to determine the conditions and what effect the conditions of the lease may have on the sign realignment, relocation, removal or acquisition. When talking to the property owner, explain the impact that the project will have on the sign, and the process WisDOT will use to ensure they receive just compensation and/or relocation benefits, if applicable.
- 4. The title report should be reviewed for ownership details such as easements or notices related to a lease. If the parties refuse to provide documentation of their ownership or leasehold interests, consult the BTS-RE statewide acquisition facilitator.
- 5. Contact the BTS-RE statewide acquisition facilitator if sign status or category is not easily determined, or if there are other questions.

10.3.5 State-Municipal Agreement

The state-local municipal agreement for the project should include a provision requiring local officials to remove any signs that are illegal under local ordinances, or require the local unit of government to pay the cost to WisDOT for removing any illegal signs.

10.3.6 Process Overview

This flowchart, also found in Appendix A, provides a general process to remove, acquire, relocate or realign a sign. For a sign that conforms to Wis. Stat. §84.30, follow the blue colored portion of the chart on the right. For a nonconforming sign, follow the yellow portion on the left. The process details will vary, depending on the status and category of the sign and various other factors that can affect the process. Note: Although a sign may not initially be determined to be illegal, this determination could change at any time during the acquisition process, for example, if previously unknown facts are discovered. This may make it necessary to revisit the previous steps.



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Flowchart Diagram: WisDOT's flowchart shown above is for acquiring, realigning, removing or relocating off-premise signs. See APPENDIX A for link to a larger view and printable version; printing in color on 11 x 17 (or 11 x 15 legal sized) paper is recommended.

10.3.7 Illegal Signs - Procedures

If the regional RE team and outdoor advertising sign coordinator considers a sign illegal, the region, in conjunction with the regional outdoor advertising sign coordinator and OGC, must be careful to document the basis for this determination properly.

If WisDOT concludes a sign is illegal under state law, the regional outdoor advertising sign coordinator will issue a removal order to the sign owner and landowner. A sign owner has 30 days to appeal to the Wisconsin Department of Administration's (DOA), Division of Hearings and Appeals. In either case, the sign will be removed due to the project right of way needs, and if a sign is later determined to be legal, compensation will be determined at that time.

When a local unit of government orders a sign removed for violation of local ordinances, the procedure and timeline will be determined by local ordinances and officials. However, coordination is necessary to ensure the sign is removed in time for project construction.

If, after going through the sign removal process described above, it is determined that a sign is illegal, WisDOT may remove the sign without compensation. Often, the sign owner prefers to remove the sign in order to retain the materials from the sign. Illegal signs are not eligible for reimbursement of costs to realign the sign on the same site or any relocation benefits.

The legality of the sign should be determined before the appraisal is ordered. If, however, due to project timing issues, WisDOT may need to appraise the sign structure and site before the legality of the sign is resolved. For any sign determined to be illegal, the value of the sign site and the structure will removed from the appraisal.

10.3.8 Conforming Signs - Procedures

As stated above, the RE project manager or negotiator must contact the regional outdoor advertising sign coordinator to inventory the signs affected by the project and determine each sign's category and status. After this is complete, follow procedures 10.3.1 - 10.3.7.

10.3.8.1 Realignment of Conforming Signs to State and Local Requirements

If a sign is conforming to state law and local ordinances, a sign can likely be realigned on the same property. If the sign can be realigned, the acquisition of the sign site may not be needed, and there may be no need to appraise the sign site or structure. This process applies both to signs owned by the landowner and tenant owned signs.

- 1. The project manager or negotiator verifies through research that the sign can be realigned on the same property. Notify the relocation specialist if realignment is permissible.
- 2. The negotiator should inform the sign owner that realignment on the same site is allowable under state law.
- 3. A relocation specialist shall provide a 90-day notice to vacate (with a firm date) to the sign owner for removal of the sign and realignment on the same site. The letter must

include a description of benefits provided for realignment, an identification of the twoyear claim period for reimbursement, and indicate that verifiable state and local permits and an OASIS number will be required for reimbursement. This mailing must also include a relocation claim form and the relocation specialist's contact information.

- 4. A signature from the sign owner of the Certification of Legal Residency form is required prior to any reimbursement.
- 5. The relocation specialist must work directly with the sign owner to coordinate the vacate date and document the sign owner's intentions for moving and reinstalling the sign. No betterments to the existing, relocated sign will be reimbursed.
- 6. The relocation specialist must obtain two estimates to move the sign to another location on the same property, including the cost to uninstall, move and reinstall the existing sign structure and any existing electrical service to the sign or other elements/components. The sign structure owner is eligible to receive the lower of the two move estimates, if a self-move is chosen. A self-move agreement must be signed.
- 7. Upon receipt of a claim for reimbursement for realignment of personal property on the same parcel, the relocation specialist will verify costs, receipts, all required permits and photos of the reinstalled sign on the same property. The specialist should visually verify the new location of the sign on the same property.

10.3.8.2 Realignment of Conforming Signs to State, but Not Local Requirements

If a sign is conforming to state law, but nonconforming to local ordinances, the RE project manager or negotiator will determine if the sign may be realigned on the same parcel. See REPM 10.2.2.1.

- 1. The RE project manager must notify the governing body of the municipality or county where the sign is located in writing that WisDOT proposes to realign a sign on the same parcel. See APPENDIX B: Sample (5r) letter; Notice of Proposed Realignment of Sign. Upon receiving this notice, the municipality must decide if it will allow the sign to be realigned on the same parcel.
- 2. If the municipality does not allow the sign to be realigned, and asks WisDOT to acquire the sign, the municipality is required to pay the difference between the acquisition cost and the amount that would have been paid by WisDOT if the sign had been realigned. WisDOT is entitled to reduce the municipality's general transportation aid payment to recover costs of the acquisition when a municipality decides not to allow a conforming sign to be realigned on the same parcel. If this occurs, contact the BTS-RE acquisition facilitator for additional assistance. In this case, the sign site and structure will be appraised and acquired. See 10.3.8.3.
- 3. If the municipality allows the sign to be realigned on the same site and elects not to have WisDOT acquire the sign site and structure, WisDOT will reimburse the sign owner the costs to realign it on the same property. See process in 10.3.8.1. The relocation specialist must verify that the sign has a valid state permit and OASIS number. The sign site will not need to be appraised.

10.3.8.3 Realignment on Same Parcel Not Possible - Sign Site Acquired

Where realignment on the same site is not possible or where the municipality does not allow the sign to be realigned and directs WisDOT to acquire the sign site under Wis. Stat. \$84.30(5r), WisDOT will likely acquire the sign site.

If the sign structure is owned by the underlying fee owner, the region must decide whether to purchase the sign structure, or if they will allow the sign owner to retain it. If the structure is acquired by WisDOT, no relocation benefits are available, and the sign structure must be appraised. If the sign owner retains the structure, and plans to relocate it, see below.

If the sign structure is owned by a tenant sign owner, the sign structure is considered removable personal property of the tenant and not part of the real estate. However, for purposes of valuing a sign site, it is necessary to first place a value on the entire sign site package, which includes the sign structure. Once the value of the total sign site, with structure, is determined, the value of the sign structure can be carved out.

If WisDOT decides to buy the sign structure, then no relocation benefits are provided, and the value of the sign structure, from the appraisal, is paid to the sign owner.

If the sign owner retains the sign structure and plans to relocate the sign to another conforming site under Adm 92.64, the relocation specialist must:

- Provide a written 90-day notice to vacate (with a firm vacate date) to the sign owner for removal of the sign. This letter must include a description of benefits under Adm 92.64 and explain that there will be a two-year claim period for reimbursement, commencing on the vacate date. The letter must also indicate that a copy of applicable state and local permits and an OASIS number will be required for reimbursement. Include a claim form and the relocation specialist's contact information.
- 2. The relocation specialist must work directly with tenant sign owner to coordinate a vacate date and must fully understand the sign owner's intentions for moving and reinstalling the sign.
- 3. The relocation specialist must obtain two estimates to uninstall the sign, move the sign to the location as noted by the tenant sign owner, and reinstall the sign including the reinstallation costs of the existing electricity or other existing sign components. The sign owner may select a self-move in which the lower of the two estimates may be reimbursed. A self-move agreement must be signed.
- 4. The claim for reimbursement must include photos of the vacant site; photos of the reinstalled sign; and, a paid invoice from a mover/installer or in the case of reimbursement for a self-move, a signed self-move agreement. When receiving a claim for reimbursement for relocation of the sign, the relocation specialist must verify the costs, receipts, permits and photos of the reinstalled sign. If necessary, the relocation specialist should visually verify the new sign location.
- The claim documentation must include a copy of the WisDOT sign permit for the new sign location, including its assigned Outdoor Advertising Sign Inventory System (OASIS) number.
- 6. If the sign owner is a member of the Outdoor Advertising Association of Wisconsin (OAAW), the Moving Cost Agreement for the Relocation of Outdoor Advertising Signs (RE1033) (a.k.a., Outdoor Advertising Relocation Agreement) may be used instead of Adm 92.64 to determine relocation payments; however only the lower of the move estimates or the sign schedule is reimbursed.

If the sign owner removes the sign by the date stated in the vacation notice, but chooses not to relocate it, discontinuing its use, Adm 92.64(4) will apply. Under Adm 92.64(4), *"an agency shall pay a person for direct loss of tangible property when a person does not*

relocate a conforming sign." The sign owner will only be entitled to payments that are equal to the depreciated reproduction costs or estimated moving costs, whichever is less. (See Adm 92.64(4).)

10.3.9 Nonconforming Signs - Procedures

As stated above, the RE project manager or negotiator must contact the regional outdoor advertising sign coordinator to identify the signs affected by the project and determine each sign's category and status. Follow steps 10.3.1 through 10.3.5.

If the sign is nonconforming under state law, it is unlikely that it will be realigned on the same property or relocated to a new site. If the sign is in the acquisition area, WisDOT will likely acquire the sign site as a part of any underlying real property acquisition. The real estate, including the sign site, must be appraised under the unit rule. The appraisal will consider the sign site, including any leasehold interest and any permit interest, and the sign structure. This is referred to in the appraisal section of this chapter as the Total Outdoor Advertising Real Property (TOARP).

Nonconforming sign structures that cannot be realigned must be acquired by WisDOT. (Wisconsin Statutes. §84.30(6), (7) and (8)). Subsection (6) requires just compensation be paid for a nonconforming sign. Subsection (7) provides that the compensation must include payment for the sign structure, any tenant sign owner's interest in the sign site (the lease), and the property owner's interest in the sign site. Although 84.30 (6) and (8) refer to relocation, the department's policy is generally to buy nonconforming signs outright, because the measure of damages is the same, and because this practice is more efficient for clearing the right of way in time for project construction.

When a sign structure is acquired pursuant to Wis. Stats. §84.30(6) and (7), no relocation benefits are provided under Adm 92.64, because the sign is owned by the department.

If a sign owner expresses an interest in retaining ownership of a nonconforming sign structure, contact BTS-RE or OGC for assistance. It might be possible for the sign owner to purchase the billboard structure back from the state after WisDOT acquires it.

10.3.10 Jurisdictional Offers - Conveyance Forms and Payments

WisDOT will provide payment for all land and sign interests in one check. The parties must make their own arrangements for the division of the proceeds; that is a private matter between the parties. WisDOT does not divide the unit interests into separate allocations. For litigation purposes, it must be clear that WisDOT paid one sum to all the parties for the entire real property unit (land, sign site, structure; referenced in the appraisal section as the TOARP). In any compensation appeal, this will help focus the court on the question it must consider – the value of the entire unit in the before and after condition, rather than on separate individual valuations for the component parts of the unit.

Likewise, the deed, and any jurisdictional offer or award of damages will have all parties of interest named. A single deed is preferred for acquisitions with multiple interests – the underlying fee interest, the sign site, and the sign structure. When using a single deed, it

must be signed by all parties of interest including the landowner(s) and the sign owner(s), and any other interest holders.

If WisDOT, the sign owner, and the landowner all agree on compensation for the land, the sign and sign site, the sign may be purchased and the sign site conveyed to WisDOT by deed. A purchase may be closed without issuing an award of damages. However, the typical appeal rights available to condemnees under Chapter 32 will not apply to the acquisition from the sign owner. Therefore, standard WisDOT deeds that include language regarding a right to appeal compensation for up to six months after recording may not be used. Special deed language is to be used for this circumstance, noting that the sign owner will not be able to appeal if they accept the offer and sign the deed. Sample language to add to the deed is provided here:

"Possible eligibility for payment of litigation expenses is not applicable to signs governed by Wis. Stat. Sec. 84.30(6)."

Whether acquired by deed or an award of damages, special language must be included on the conveyance stating that all rights to the sign site, sign structure (if applicable), permit and any leasehold interest are included in the acquisition. Sample language to be added to the conveyance document is provided here, but may need to be edited slightly depending upon exactly what we are acquiring (sign site and structure, or just structure, or just sign site):

"Also, included herein is all right, title and interest in and to any outdoor advertising sign site and sign structure including leasehold or permit interests, related to the sign known as OASIS number xxxxx (if applicable)."

Note: Every situation will be different; depending on the situation, this sample language or something similar must be drafted and added as appropriate to either the Jurisdictional Offer or Award of Damages.

10.3.11 Abandoned Signs

If a sign is abandoned by its owner, and the sign is removed at the department's expense after the date stated in the vacation notice, the sign owner is not eligible for relocation benefits under Adm 92.64(4). If the sign owner does not remove the sign by the date specified in the notice, WisDOT may remove the sign, as it will be considered "abandoned" under its permitted conditions. In this situation, the relocation specialist must contact the BTS-RE statewide relocation facilitator. Under Adm 92.64(5), the sign owner may choose a payment in lieu of actual and reasonable moving costs. (See REPM 5.7.13).

10.3.12 Leasehold Interest

A tenant sign owner may be concerned about "leasehold value," especially where the sign owner has rented property at below market rates. Although the value of the leasehold interest is included in the appraisal, WisDOT will not make any determination as to the leasehold value due to the tenant. WisDOT uses a single conveyance document for the entire unit acquired and will pay one check to all the parties of interest for them to divide according to their private agreement. Occasionally, the lease will address the issue of who is entitled to compensation in the event the property is condemned. This is a matter of contract between those parties, and does not affect the valuation of the unit or the need to treat the owners as one unit under a single payment.

10.3.13 Sign Inventory Maintenance Notification

If the regional outdoor advertising sign coordinator has not otherwise been made aware or involved in the process, the RE negotiator must notify their regional outdoor advertising sign coordinator when a sign has been acquired, relocated or realigned. Submit a Sign Inventory Maintenance Notification (RE2242) to the regional outdoor advertising sign coordinator. The regional outdoor advertising sign coordinator will update WisDOT's Outdoor Advertising Sign Inventory System (OASIS). See APPENDIX D: Sign Inventory Maintenance Notification (RE2242).

10.3.14 Leasing and Removal of Outdoor Advertising Signs on Highway Lands

The department has established through past practice that it generally does not allow the use of highway land for outdoor advertising signs. This practice is rooted in the intent of federal and state law to limit outdoor advertising signs to locations that are zoned and used for commercial or industrial purposes. In addition, the department, as the agency responsible for regulation of this industry, desires to avoid any potential conflict of interest related to that regulation. Because the department is responsible for regulating outdoor advertising, it is appropriate to avoid any real or perceived conflicts of interest regarding that regulation. In addition to potential conflicts of interest, the permitting of outdoor advertising on highway lands is prohibited by Wis. Stat. 86.19 except in accord with certain exceptions. Those exceptions include allowing certain signs promoting Wisconsin agricultural products, certain directional signs, and historical monuments.

Acquisition or condemnation of a parcel of land by the department quiets all prior right, title and interest in the property, as described in the deed or award. For both acquisition and condemnation, any existing leasehold interest, including any sign site leasehold, will be terminated so long as such interest is named in the deed or award. In either situation, a sign lease does not survive acquisition. By policy and practice, for the reasons stated above, WisDOT will not enter into new leases for outdoor advertising signs on lands acquired for highway purposes. Since a sign located on a parcel acquired by the department no longer enjoys a lease, it will be removed by either the owner or department, depending on the circumstances:

- In the case of an illegal sign, the department issues a removal order, which requires the sign owner to remove the sign. If they do not, the department may do so.
- In the case of a sign, which is <u>not</u> illegal, the department allows the sign owner to remove the same if the sign was not purchased as part of the real estate transaction. In this case, as well, the department may provide a notice to the sign owner that it will remove the sign in case the owner does not. This notice can be time determinate.
- Finally, in the case of a sign that the department purchases, the department will remove the sign as soon as practicable after acquisition. Depending on the timeframe of the project, this can be done as part of the real estate acquisition process or the construction process.