Billboard Structures Valuation Guide Workshop

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Local Government Division

Course Outline

- Overview and Billboard Design
- Listing and Valuation Methods
- Navigating the Valuation Guide
- Appraising Billboards
- Site Valuation
- Court Cases

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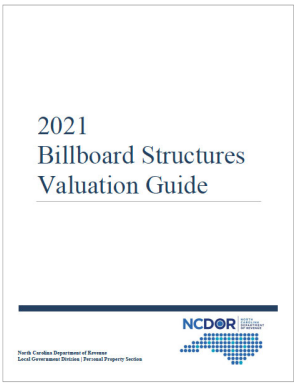

Follow along!

https://www.ncdor.gov/news/reports-and-statistics/billboard-structures-valuation-guide

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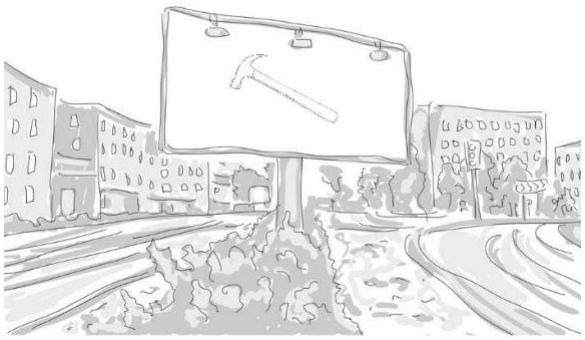

Overview and Billboard Design

What is a billboard?

- Large panel designed to carry outdoor advertising
- Typically found in high-traffic areas
- Can be seen from a long distance
- Promotes business, product, service or entertainment
- Typically located off premise of business

What is a billboard?

- Older construction is wood or angle iron frames
- Newer construction is steel
- Face is poster paper, painted, vinyl, or digital
- Contains one or more display panels and framework
- Freestanding, mounted to buildings, or attached to other structures
- Assessment based on building materials and features

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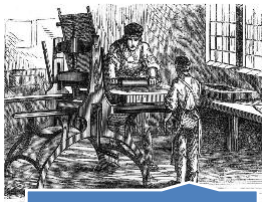
History of the Billboard

1440: Printing Press Invented



1796: Lithograph Invented

1835: First Billboard

1867: Leasing Begins

1900: Standard Structures

2005: First Digital Billboard

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Billboards Today

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Billboards Today

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Billboards Today

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Billboard Construction

STRUCTURE

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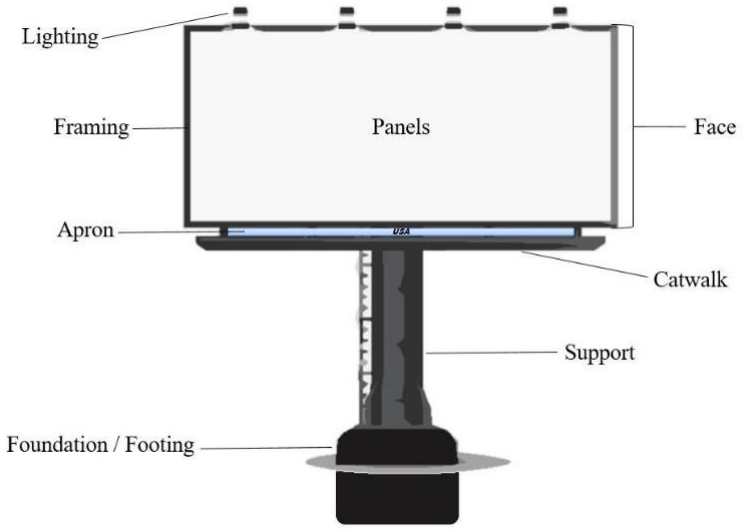
Billboard Components

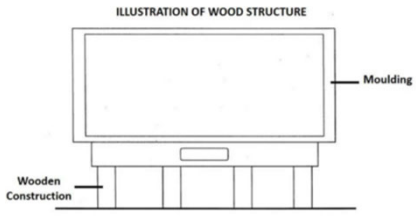


Wood

- Constructed of wood posts or pole supports
- Secondary A-frame dimensional lumber supports
- Wood or metal catwalk
- Single display panel
- Supports embedded in ground
- Foundation could be concrete or gravel
- Lighting is fluorescent or mercury vapor

Valuation Guide Pgs. 1-2

Wood

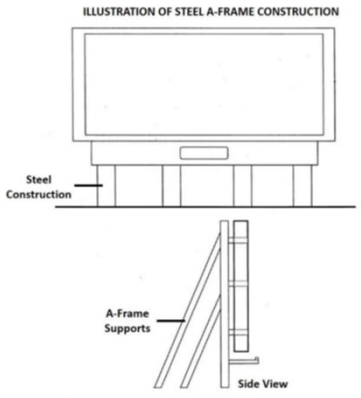


Steel A-frame

- Constructed of angle iron or steel supports
- Wood or metal catwalk
- Single display panel
- Supports embedded in ground
- Foundation could be concrete or gravel
- Lighting is fluorescent or mercury vapor

Valuation Guide Pgs. 3-4

Steel A-frame

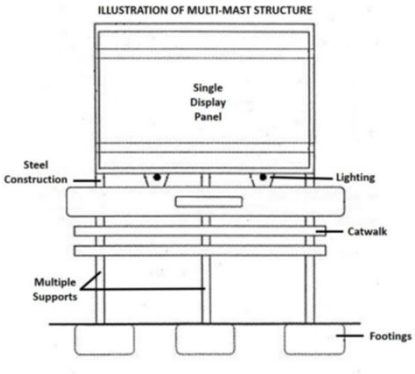


Multi-mast

- Constructed of steel pole, I-beam or equivalent
- Catwalk and one or more display panels
- Lighting is fluorescent or mercury vapor

Valuation Guide Pgs. 5-6

Multi-mast

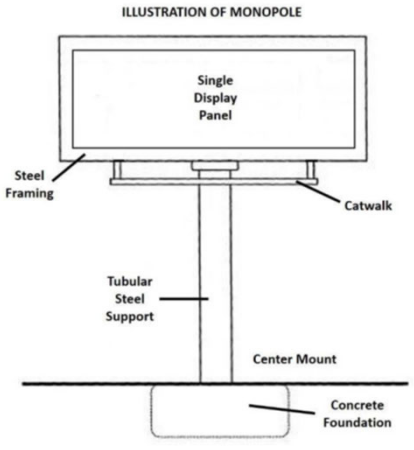


Monopole

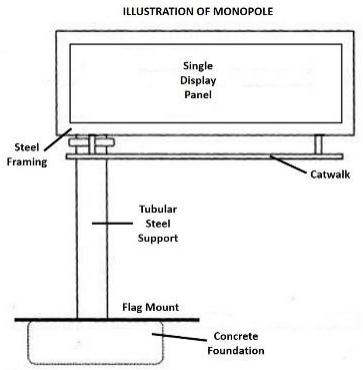
- Constructed of a tubular steel support
- Additional tubular steel framing
- Metal catwalk and one or more display panels
- Foundation is concrete
- Lighting is fluorescent or mercury vapor

Valuation Guide Pgs. 7-10

Monopole

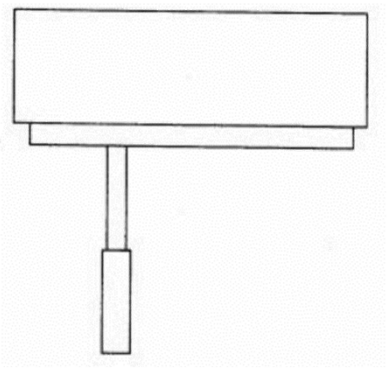


Monopole

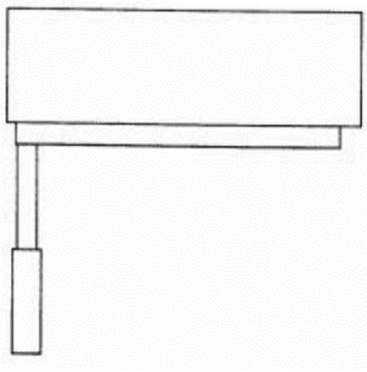


Monopole

Partial Flag Mount



Full Flag Mount



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Billboard Construction

DISPLAY CONFIGURATION

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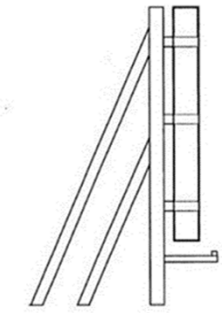
Single Face



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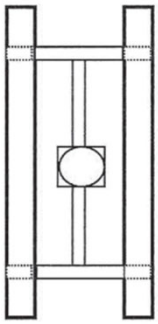
Double Face



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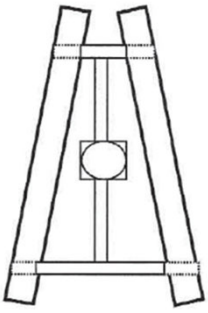
V-Built



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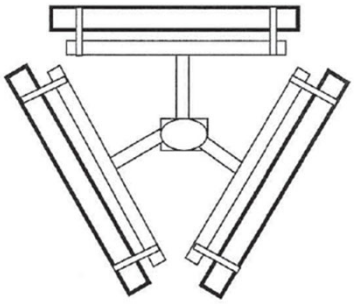
Tri-Sided



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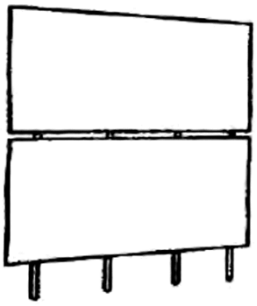
Stacked Display



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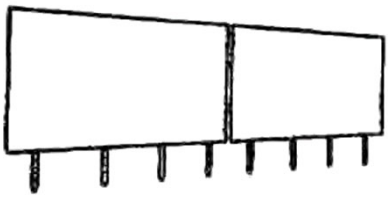
Side by Side Display



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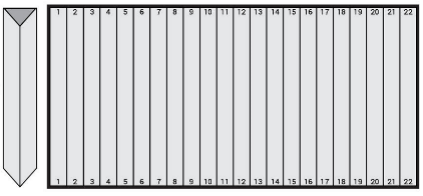
Billboard Construction

ADDITIONAL DESIGN FEATURES

Tri-vision

- Slatted face
- Allows for three different copy messages
- Revolves at intermittent intervals
- Additional enhancements require valuation adjustment

Tri-vision



Digital

- LED face
- Allows for multiple messaging at varying intervals
- Remote location control
- Eliminates need to go onsite or print copy
- Shorter life than structure
- Billboard face valued separately using cost

Digital

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Listing and Valuation Methods

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Listing

- Billboard companies must file a business personal property abstract
- NCDOR publishes the I-1 Schedule for billboards
- Schedule designed with Lamar Advertising Company

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Listing Form

SCHEDULE H — **REAL ESTATE IMPROVEMENTS**

During the past calendar year, did your business make improvements and/or other additions to real property owned by your business? If yes, attach separate Schedule H-1 with information on such improvements. ○ YES ○ NO

SCHEDULE I — **BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES**

Does your business own any billboards, or outdoor advertising structures?
If yes, attach separate Schedule I-1 with requested information. ○ YES ○ NO

SCHEDULE J — **LEASED EQUIPMENT**

Does your business lease equipment to others?
If yes, attach separate Schedule J-1 with requested information. ○ YES ○ NO

AFFIRMATION

LISTING MUST BE SIGNED BY A LEGALLY AUTHORIZED PERSON - Please check the capacity in which you are signing the affirmation.

For Individual Taxpayers: ☐ Taxpayer ☐ Guardian ☐ Authorized Agent ☐ Other person having knowledge of and charged with the care of the person and property of the taxpayer.

For Corporations, Partnerships, Limited Liability Companies, Unincorporated Associations:

☐ Principal Officer of the Taxpayer Title ____________

☐ Full-time employee of the taxpayer who has been officially empowered by a principal officer to list the property and sign the affirmation. Title ____________

☐ Authorized agent. If this capacity is selected, I certify that I have NCDOR Form AV-59 on file for this taxpayer: ☐ Yes ☐ No

Under penalties prescribed by law, I affirm that to the best of my knowledge and belief, this listing, including any accompanying statements, inventories, schedules, and any other information, is true and complete. (If this is signed by an individual other than the taxpayer, they affirm that they are familiar with the extent and true value of all of the taxpayer's property subject to taxation in this county and that their affirmation is based on all the information of which they have any knowledge.)

Signature ____________ Date ____________ Authorized Agent Address ____________

Telephone Number ____________ Fax Number ____________ Email Address ____________

Any individual who willfully makes and subscribes an abstract listing required by Subchapter II of Chapter 105 of the North Carolina General Statutes, which they do not believe to be true and correct as to every material matter, shall be guilty of a Class 2 misdemeanor. (Punishable by imprisonment up to 60 days.)

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I-1 Schedule

Name of Business: ____________ Account: ____________ County: ____________ Year: ____________

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number

I-1 Supplemental Instructions

Billboards and Outdoor Advertising Structures
Instructional Page

Follow these instructions when filing information related to Schedule I – 1:

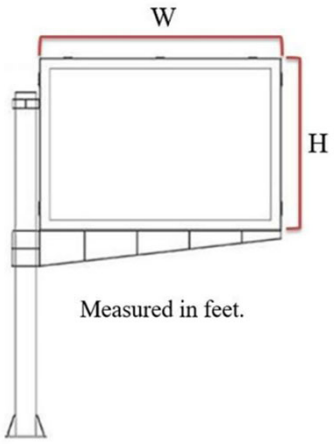
1. Complete the top section of the Schedule I-1 form by providing your company name, the county account number, the name of the county where the asset is located and the year of listing. See area "1" on diagram below.
2. Provide your company's billboard panel identification number. If there are multiple panels/faces on one structure, indicate all the panel numbers that are associated with that one structure. See area "2" on diagram below.
3. Fill in the NC Department of Transportation Permit Number assigned to this specific billboard if applicable. Refer to DOT form OA-1, "Application for Outdoor Advertising Permit" for permit number. Write "N/A" in column if DOT permitting is not required. See area "3" on diagram below.
4. Give a brief description of the sign location by using street names and mileage distances from nearby intersections. Please record the county parcel identification number (PIN) for this site if available. See area "4" in diagram below.
5. Indicate what jurisdiction the billboard sign is located in. Record city name, fire or special district name, or "none" if the billboard sign is in the county jurisdiction only. See area "5" in diagram below.
10. Indicate whether the billboard faces are stacked one on top of the other in a vertical configuration. Record a "Y" for Yes or an "N" for No. See area "10" in diagram below.
11. Indicate whether the billboard faces are side by side in a horizontal configuration. Record a "Y" for Yes or an "N" for No. See area "11" in diagram below.
12. Indicate whether the billboard sign is illuminated (lighted) or not. Record a "Y" for Yes or an "N" for No. See area "12" in diagram below.
13. Provide all costs related to the construction of the Digital billboard face. Include the cost of any partial Digital sign face superimposed over a typical billboard display. Also, list all costs related to the construction of any Tri-Vision or Tri-Fold billboard face. If the guide is followed, the county appraiser will value these sign faces on an I-8 depreciation schedule. Then the county appraiser will use the additional information in columns "2" through "12" to appraise the billboard structure itself minus the billboard face. The calculated value of the face will be added to the calculated value of the structure for a total valuation for digital and tri-vision/tri-fold billboard signs. Area "13" on the diagram below is the place for listing the cost of the face of the Digital and Tri-Vision/Tri-Fold signs.

Business Name ① Account County Year

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

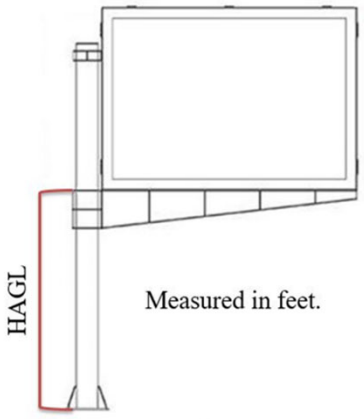
② Panel Numbers	③ DOT Permit Number	④ Location	⑤ City/District/None	⑥ Build Date	⑦ Class and Type	⑧ HAGL Feet	⑨ Display Face Sq. Ft.	⑩ Stacked Display? (Y or N)	⑪ Side-By-Side Display? (Y or N)	⑫ Illuminated? (Y or N)	⑬ Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	⑭ County Identification Number

Industry Standard Display Faces



Size	Square Footage
6 x 12	72 sf
8 x 12	96 sf
10 x 22	220 sf
10 x 24	240 sf
12 x 25	300 sf
10.5 x 36	378 sf
12 x 40	480 sf
14 x 48	672 sf
16 x 60	960 sf
20 x 50	1000 sf

NCDOR Height Above Ground Level (HAGL)



NCDOR I-1 Categories

Name of Business: Crystal Clear Advertising Account: 1234567 County: Wake Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
306, 307, 308, 309	078-368	US 701 Bypass	Holly Springs	2006	1C	25	300	N	Y	N		
510, 511, 512, 513	078-229	1302 S Madison St	Apex	2009	3B	40	378	Y	N	Y		
4402	078-520	SR 130, 1 mi E/O US 64	Knightdale	2010	4A	40	378	N	N	Y	150,000	

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Listing and Valuation Methods

VALUATION

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Approaches to Value

- Sales Comparison
  - Direct evidence of market's opinion of value
  - Estimates value by comparing subject to comparable sales
  - Not used in billboard valuation due to lack of individual sales
- Income
  - Present worth of future benefits of property
  - Estimates value by using the income stream of the property
  - Used for valuing billboard land site
- Cost
  - Broad applicability and availability of data
  - Estimates value by determining replacement cost new and subtracting depreciation
  - Most widely used for valuing billboard structures

Value Recommendation

- Cost Approach
- Consistently and uniformly reaches fair market value
- Easy to compute
- Industry wide usage
- Basis for Billboard Structures Valuation Guide

Best Practices

- Send guide and I-1 to taxpayer
- Require reporting by taxpayer on I-1 form
- Compare old worksheets to I-1 form
- Value billboard using the guide
- Use the income approach on the land
- Create an Excel workbook to value your billboards

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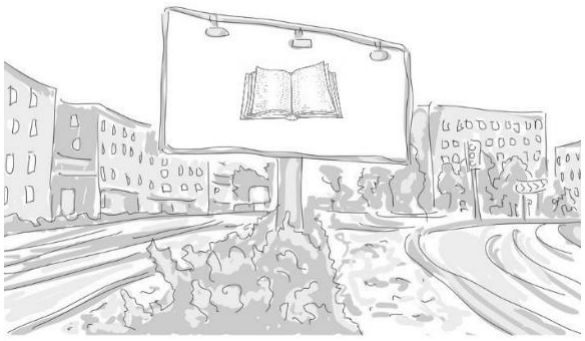

Navigating the Valuation Guide

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Introduction

- Methodology based on current data from Producer Price Index
- Considers changes in cost, labor and construction of billboards
- Guide simplifies the valuation process
- May not cover every possible sign type or configuration
- Published annually on NCDOR website

Valuation Worksheet

Billboard Valuation Worksheet

Total Base Cost of Structure *	$_____
Construction Adjustments:	
Additional Reported Costs	+_____ = _____
Stacked Steel Displays: Add 25%	+_____ = _____
Additional Wood Panels: Add 25%	+_____ = _____
No Illumination: Deduct 5%	-_____
Replacement Cost New (RCN)	=_____
Apply Percent Good from Depreciation Schedule *	x_____
Value of Billboard Structure	=_____ A.
Additional Adjustments (if needed):	
Tri-vision/Digital Face Cost	$_____
Apply Percent Good from I-8 Schedule *	x_____
Value of Tri-vision/Digital Sign Face	=_____ B.
FINAL BILLBOARD VALUE (Line A + Line B)	$_____

Special Valuation Information

Additional Reported Costs – Add any additional costs provided by the sign owner for non-typical construction costs such as foundational, electrical, or facade costs due to the design of the billboard.

Valuation Guide Pg. 11

Base Cost

- Use base cost from guide, not taxpayer!
- Specific for type of construction, size, and HAGL
- Includes all direct and indirect costs of the structure
  - Materials
  - Labor
  - Permit fees
  - Shipping/freight
  - Engineering fees
  - Installation
- Base cost must be adjusted for additional construction features to arrive at replacement cost new (RCN)

Base Cost Tables

- Starting point for valuation
- Use data from I-1 Schedule

TOTAL BASE COST PER STRUCTURE

1A- SINGLE FACE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 7,710	$ 8,570	$ 10,270	$ 11,200		
378'	$ 9,040	$ 10,070	$ 12,110	$ 13,010		
480'	$ 10,690	$ 12,570	$ 16,340	$ 17,000		
672'	$ 14,430	$ 17,000	$ 22,150	$ 22,970		

1B- DOUBLE FACE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 10,070	$ 11,200	$ 13,460	$ 14,510		
378'	$ 11,700	$ 13,010	$ 15,640	$ 16,870		
480'	$ 14,380	$ 16,870	$ 21,930	$ 22,860		
672'	$ 19,520	$ 22,970	$ 29,820	$ 30,960		

1C- V BUILT AND SIDE BY SIDE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 15,420	$ 17,120	$ 20,570	$ 22,270		
378'	$ 18,100	$ 20,090	$ 24,090	$ 26,170		
480'	$ 21,360	$ 25,130	$ 32,680	$ 33,920		
672'	$ 28,970	$ 34,040	$ 44,200	$ 45,930		

Depreciation Schedule

- Use the schedule published in the guide
- Applied after calculating adjusted base cost (RCN)
- Considers loss in value from all causes
- Uses the age/life method for estimating depreciation

Valuation Basics

- Use percent good from depreciation schedule in guide (Pg. 25)
- 25 year life for wooden structures
- 50 year life for steel structures
- Residual value is 35%
- No additional adjustments for physical condition! If billboard can support a sign face, little effect on income stream.

EFFECTIVE AGE (in years)	YEAR	25 YEAR LIFE (wood)	50 YEAR LIFE (steel)
1	2020	96%	98%
2	2019	92%	96%
3	2018	88%	94%
4	2017	84%	92%
5	2016	80%	90%
6	2015	76%	88%
7	2014	72%	86%
8	2013	68%	84%
9	2012	64%	82%
10	2011	60%	80%

Additional Adjustments

- Appraiser must adjust for tri-vision and digital sign faces
- Adjustment is based on taxpayer's listed cost of face
- Apply percent good using Schedule I-8 in guide (Pg. 24)
- Sign face value is added to structure value for total value

2021 Cost Index and Depreciation Schedules

NC Department of Revenue
Local Government Division
Personal Property Section

Effective 1/1/2021

Schedules H, I, Valuation Table
Historical (Original) Cost
Percent Good Factors

		Schedule H						Schedule I					
Year		Trend	Life					Trend	Life				
Acq'd	Age	Factor	4	5		10	20	Factor	5	8		10	12
2020	1	1.00	75	80		90	95	1.00	80	87		90	92
2019	2	1.02	51	61		82	92	1.00	60	75		80	83
2018	3	1.04	26	42		73	88	0.99	40	62		69	74
2017	4	1.06	25	25		64	85	1.00	25	50		60	67
2016	5	1.07				54	80	1.00		37		50	58
2015	6	1.07				43	75	0.99		25		40	50

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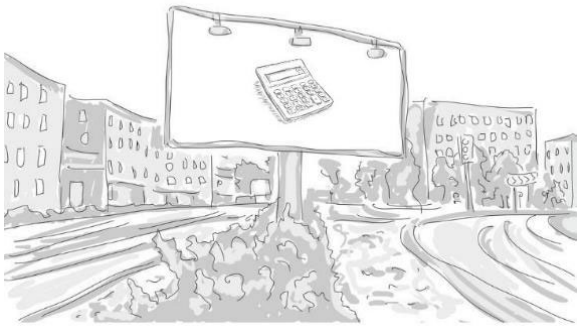

Appraising Billboards

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Valuation Guide Example #1 (Pg. 15)

1. Use Schedule I-1 to determine the features of the property.

Name of Business: Crystal Clear Advertising Account: 1234567 County: Wake Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

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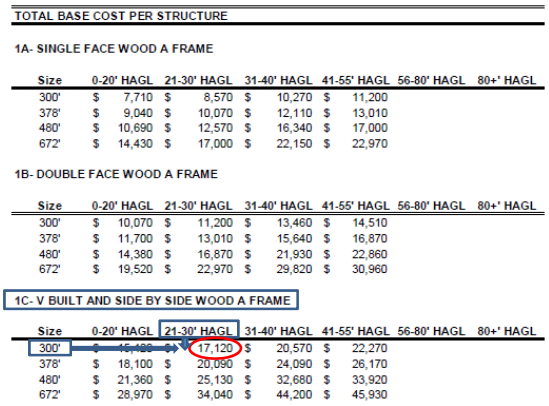
Ex. 1	306, 307, 308, 309	078-368	US 701 Bypass	Holly Springs	2006	1C	25	300	N	Y	N		
Ex. 2	510, 511, 512, 513	078-229	1302 S Madison St	Apex	2009	3B	40	378	Y	N	Y		
Ex. 3	4402	078-520	SR 130, 1 mi E/O US 64	Knightdale	2010	4A	40	378	N	N	Y	150,000	

1C, Side-by-side wood A-frame structure at a 25’ HAGL with the largest panel face at 300 square feet. Structure has four panels, double face configuration. No lighting, structure built in 2006.

NCDOR Valuation Guide Example #1 (Pg. 15)

2. Find the base cost using the base cost tables in the guide.



TOTAL BASE COST PER STRUCTURE

1A- SINGLE FACE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 7,710	$ 8,570	$ 10,270	$ 11,200		
378'	$ 9,040	$ 10,070	$ 12,110	$ 13,010		
480'	$ 10,690	$ 12,570	$ 16,340	$ 17,000		
672'	$ 14,430	$ 17,000	$ 22,150	$ 22,970		

1B- DOUBLE FACE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 10,070	$ 11,200	$ 13,460	$ 14,510		
378'	$ 11,700	$ 13,010	$ 15,640	$ 16,870		
480'	$ 14,380	$ 16,870	$ 21,930	$ 22,860		
672'	$ 19,520	$ 22,970	$ 29,820	$ 30,960		

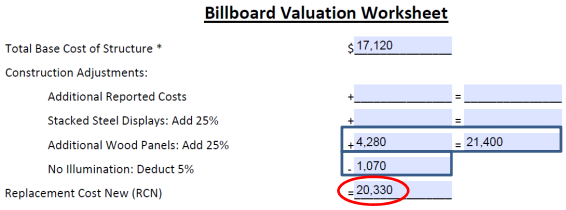
1C- V BUILT AND SIDE BY SIDE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 15,120	$ 17,120	$ 20,570	$ 22,270		
378'	$ 18,100	$ 20,090	$ 24,090	$ 26,170		
480'	$ 21,360	$ 25,130	$ 32,680	$ 33,920		
672'	$ 28,970	$ 34,040	$ 44,200	$ 45,930		

For Example #1, use the base cost tables for wooden structures found on page 2 of the guide.

NCDOR Valuation Guide Example #1 (Pg. 15)

3. Using the Billboard Valuation Worksheet, annotate the base cost and make construction adjustments to determine replacement cost new.



Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 17,120	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+ 4,280	= 21,400
No Illumination: Deduct 5%	- 1,070	
Replacement Cost New (RCN)	= 20,330	

Two additional panel faces = 25% increase

$17,120 x 0.25 = $4,280

No illumination = 5% decrease

$21,400 x 0.05 = $1,070

NCDOR Valuation Guide Example #1 (Pg. 15)

4. Using the depreciation schedule in the guide, find the percent good.

EFFECTIVE AGE (in years)	YEAR	25 YEAR LIFE (wood)	50 YEAR LIFE (steel)
1	2020	96%	98%
2	2019	92%	96%
3	2018	88%	94%
4	2017	84%	92%
5	2016	80%	90%
6	2015	76%	88%
7	2014	72%	86%
8	2013	68%	84%
9	2012	64%	82%
10	2011	60%	80%
11	2010	56%	78%
12	2009	52%	76%
13	2008	48%	74%
14	2007	44%	72%
15	2006	40%	70%
16	2005	36%	68%
17	2004	35%	66%

NCDOR Valuation Guide Example #1 (Pg. 15)

5. Calculate the initial estimate of value using the worksheet.

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 17,120		
Construction Adjustments:			
Additional Reported Costs	+		=
Stacked Steel Displays: Add 25%	+		=
Additional Wood Panels: Add 25%	+ 4,280		= 21,400
No Illumination: Deduct 5%	- 1,070		
Replacement Cost New (RCN)	= 20,330		
Apply Percent Good from Depreciation Schedule *	x 0.40		
Value of Billboard Structure	= 8,132		A.

RCN x Percent Good = Value

NCDOR Valuation Guide Example #1 (Pg. 15)

6. Calculate any additional adjustments and add to initial billboard value for final valuation.

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 17,120		
Construction Adjustments:			
Additional Reported Costs	+		=
Stacked Steel Displays: Add 25%	+		=
Additional Wood Panels: Add 25%	+ 4,280		= 21,400
No Illumination: Deduct 5%	- 1,070		
Replacement Cost New (RCN)	= 20,330		
Apply Percent Good from Depreciation Schedule *	x 0.40		
Value of Billboard Structure	= 8,132	A.	
★ Additional Adjustments (if needed):			
Tri-vision/Digital Face Cost	$		
Apply Percent Good from I-8 Schedule *	x		
Value of Tri-vision/Digital Sign Face	= 0	B.	
BILLBOARD VALUE (Line A + Line B)	$ 8,132		

NCDOR Valuation Guide Example #2 (Pg. 16)

1. Use Schedule I-1 to determine the features of the property.

Name of Business: Crystal Clear Advertising Account: 1234567 County: Wake Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

	Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
Ex. 1	306, 307, 308, 309	078-368	US 701 Bypass	Holly Springs	2006	1C	25	300	N	Y	N		
Ex. 2	510, 511, 512, 513	078-229	1302 S Madison St	Apex	2009	3B	40	378	Y	N	Y		
Ex. 3	4402	078-520	SR 130, 1 mi E/O US 64	Knightdale	2010	4A	40	378	N	N	Y	150,000	

3B, Stacked steel multi-mast structure at a 40’ HAGL with the largest panel face at 378 square feet. Structure has four panels, double face configuration. Illuminated, structure built in 2009.

NCDOR Valuation Guide Example #2 (Pg. 16)

2. Find the base cost using the base cost tables in the guide.

TOTAL BASE COST PER STRUCTURE

3A- SINGLE FACE MULTI MAST STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 23,630	$ 26,260	$ 31,260			
378'	$ 28,150	$ 31,290	$ 37,250			
480'	$ 32,700	$ 36,310	$ 43,250			
672'	$ 38,830	$ 43,190	$ 51,400			

3B- DOUBLE FACE MULTI MAST STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 31,950	$ 35,500	$ 42,270	$ 50,320		
378'	$ 38,100	$ 42,700	$ 50,840	$ 60,510		
480'	$ 43,530	$ 48,360	$ 57,570	$ 68,540		
672'	$ 51,110	$ 56,790	$ 67,610	$ 80,510		

3C- V BUILT MULTI MAST STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 38,430	$ 42,700	$ 50,840	$ 60,510		
378'	$ 47,320	$ 52,600	$ 62,600	$ 74,510		
480'	$ 53,720	$ 59,670	$ 71,030	$ 84,600		
672'	$ 63,910	$ 70,980	$ 84,530	$ 100,610		

For Example #2, use the base cost tables for multi-mast steel structures found on page 6 of the guide.

NCDOR Valuation Guide Example #2 (Pg. 16)

3. Using the Billboard Valuation Worksheet, annotate the base cost and make construction adjustments to determine replacement cost new.

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 50,840	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+ 12,710	= 63,550
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 63,550	

Stacked Steel Displays = 25% increase

$50,840 x 0.25 = $12,710

NCDOR Valuation Guide Example #2 (Pg. 16)

4. Using the depreciation schedule in the guide, find the percent good.

EFFECTIVE AGE (in years)	YEAR	25 YEAR LIFE (wood)	50 YEAR LIFE (steel)
1	2020	96%	98%
2	2019	92%	96%
3	2018	88%	94%
4	2017	84%	92%
5	2016	80%	90%
6	2015	76%	88%
7	2014	72%	86%
8	2013	68%	84%
9	2012	64%	82%
10	2011	60%	80%
11	2010	56%	78%
12	2009	52%	76%
13	2008	48%	74%
14	2007	44%	72%
15	2006	40%	70%
16	2005	36%	68%
17	2004	35%	66%

NCDOR Valuation Guide Example #2 (Pg. 16)

5. Calculate the initial estimate of value using the worksheet.

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 50,840		
Construction Adjustments:			
Additional Reported Costs	+	=	
Stacked Steel Displays: Add 25%	+ 12,710	= 63,550	
Additional Wood Panels: Add 25%	+	=	
No Illumination: Deduct 5%	-		
Replacement Cost New (RCN)	= 63,550		
Apply Percent Good from Depreciation Schedule *	x 0.76		
Value of Billboard Structure	= 48,298		A.

RCN x Percent Good = Value

NCDOR Valuation Guide Example #2 (Pg. 16)

6. Calculate any additional adjustments and add to initial billboard value for final valuation.

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 50,840		
Construction Adjustments:			
Additional Reported Costs	+		=
Stacked Steel Displays: Add 25%	+ 12,710		= 63,550
Additional Wood Panels: Add 25%	+		=
No Illumination: Deduct 5%	-		
Replacement Cost New (RCN)	= 63,550		
Apply Percent Good from Depreciation Schedule *	x 0.76		
Value of Billboard Structure	= 48,298	A.	
★ Additional Adjustments (if needed):			
Tri-vision/Digital Face Cost	$		
Apply Percent Good from I-8 Schedule *	x		
Value of Tri-vision/Digital Sign Face	= 0	B.	
BILLBOARD VALUE (Line A + Line B)	$ 48,298		

NCDOR Valuation Guide Example #3 (Pg. 17)

1. Use Schedule I-1 to determine the features of the property.

Name of Business: Crystal Clear Advertising Account: 1234567 County: Wake Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

	Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
Ex. 1	306, 307, 308, 309	078-368	US 701 Bypass	Holly Springs	2006	1C	25	300	N	Y	N		
Ex. 2	510, 511, 512, 513	078-229	1302 S Madison St	Apex	2009	3B	40	378	Y	N	Y		
Ex. 3	4402	078-520	SR 130, 1 mi E/O US 64	Knightdale	2010	4A	40	378	N	N	Y	150,000	

4A, Single pole, single face, center mounted monopole structure at a 40' HAGL with the panel face at 378 square feet. Illuminated, structure built in 2010. Digital face cost $150,000.

NCDOR Valuation Guide Example #3 (Pg. 17)

2. Find the base cost using the base cost tables in the guide.

TOTAL BASE COST PER STRUCTURE

4A- SINGLE POLE SINGLE FACE CENTER MOUNTED MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 25,760	$ 28,440	$ 33,820	$ 39,180	$ 49,920	$ -
378'	$ 27,030	$ 31,080	$ 40,570	$ 49,570	$ 67,610	$ -
480'	$ 39,490	$ 43,530	$ 51,620	$ 59,730	$ 76,070	$ -
672'	$ 52,620	$ 56,760	$ 65,110	$ 73,450	$ 90,220	$ 105,090
960'	$ 62,990	$ 67,170	$ 75,510	$ 83,830	$ 100,620	$ 123,580
1000'	$ 69,610	$ 73,780	$ 82,120	$ 90,450	$ 107,260	$ 130,200

4B- SINGLE POLE SINGLE FACE PARTIAL FLAG MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 26,780	$ 29,590	$ 35,170	$ 40,790	$ 51,860	$ -
378'	$ 28,220	$ 32,910	$ 42,270	$ 51,620	$ 70,370	$ -
480'	$ 41,010	$ 45,240	$ 53,690	$ 62,130	$ 79,150	$ -
672'	$ 54,400	$ 58,840	$ 67,610	$ 76,410	$ 93,900	$ 109,200
960'	$ 65,280	$ 69,670	$ 78,480	$ 87,250	$ 104,750	$ 128,590
1000'	$ 72,140	$ 76,530	$ 85,300	$ 94,110	$ 111,490	$ 135,480

4C- SINGLE POLE SINGLE FACE FULL FLAG MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 40,160	$ 42,130	$ 49,110	$ -	$ -	$ -
378'	$ 42,330	$ 46,830	$ 55,860	$ 64,890	$ 82,930	$ -
480'	$ 57,760	$ 61,320	$ 68,540	$ 75,730	$ 90,330	$ -
672'	$ 62,250	$ 66,480	$ 74,920	$ 83,370	$ 100,200	$ 115,940
960'	$ 72,830	$ 77,000	$ 85,300	$ 93,660	$ 110,470	$ 134,560
1000'	$ 80,810	$ 84,860	$ 92,970	$ 101,090	$ 117,080	$ 142,330

For Example #3, use the base cost tables for steel monopole construction found on page 8 of the guide.

NCDOR Valuation Guide Example #3 (Pg. 17)

3. Using the Billboard Valuation Worksheet, annotate the base cost and make construction adjustments to determine replacement cost new.

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 40,570
Construction Adjustments:	
Additional Reported Costs	+ _____ = _____
Stacked Steel Displays: Add 25%	+ _____ = _____
Additional Wood Panels: Add 25%	+ _____ = _____
No Illumination: Deduct 5%	- _____
Replacement Cost New (RCN)	= 40,570

NCDOR Valuation Guide Example #3 (Pg. 17)

4. Using the depreciation schedule in the guide, find the percent good.

EFFECTIVE AGE (in years)	YEAR	25 YEAR LIFE (wood)	50 YEAR LIFE (steel)
1	2020	96%	98%
2	2019	92%	96%
3	2018	88%	94%
4	2017	84%	92%
5	2016	80%	90%
6	2015	76%	88%
7	2014	72%	86%
8	2013	68%	84%
9	2012	64%	82%
10	2011	60%	80%
11	2010	56%	78%
12	2009	52%	76%
13	2008	48%	74%
14	2007	44%	72%
15	2006	40%	70%
16	2005	36%	68%
17	2004	35%	66%

NCDOR Valuation Guide Example #3 (Pg. 17)

5. Calculate the initial estimate of value using the worksheet.

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 40,570	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 40,570	
Apply Percent Good from Depreciation Schedule *	x 0.78	
Value of Billboard Structure	= 31,645	A.

RCN x Percent Good = Value

NCDOR Valuation Guide Example #3 (Pg. 17)

6. Calculate additional adjustments for the digital face. Start by determining the percent good factor using Schedule I-8.

2021 Cost Index and Depreciation Schedules

NC Department of Revenue
Local Government Division
Personal Property Section
Effective 1/1/2021

Schedules H, I, Valuation Table
Historical (Original) Cost
Percent Good Factors

		Schedule H					Schedule I			
Year		Trend	Life				Trend	Life		
Acq'd	Age	Factor	4	5	10	20	Factor	5	8	10
2020	1	1.00	75	80	90	95	1.00	80	87	90
2019	2	1.02	51	61	82	92	1.00	60	75	80
2018	3	1.04	26	42	73	88	0.99	40	62	69
2017	4	1.06	25	25	64	85	1.00	25	50	60
2016	5	1.07			54	80	1.00		37	50
2015	6	1.07			43	75	0.99		25	40
2014	7	1.08			32	70	0.99			30
2013	8	1.09			25	65	0.99			25
2012	9	1.10				61	1.00			
2011	10	1.11				56	0.99			
2010										

As the sign was built in 2010, use the residual percent good of 25%.

NCDOR Valuation Guide Example #3 (Pg. 17)

7. Calculate the value of the digital face by annotating the cost and applying the percent good from Schedule I-8.

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 40,570	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 40,570	
Apply Percent Good from Depreciation Schedule *	x 0.78	
Value of Billboard Structure	= 31,645	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$ 150,000	
Apply Percent Good from I-8 Schedule *	x 0.25	
Value of Tri-vision/Digital Sign Face	= 37,500	B.

NCDOR Valuation Guide Example #3 (Pg. 17)

8. Calculate the final billboard value by adding the value of the structure (Item A) to the value of the digital face (Item B).

Billboard Valuation Worksheet

Total Base Cost of Structure *	$	40,570
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	=	40,570
Apply Percent Good from Depreciation Schedule *	x	0.78
Value of Billboard Structure	=	31,645 A
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	150,000
Apply Percent Good from I-8 Schedule *	x	0.25
Value of Tri-vision/Digital Sign Face	=	37,500 B
BILLBOARD VALUE (Line A + Line B)	$	69,145

NCDOR

Appraising Billboards

APPRAISE IT!

NCDOR

Exercise #1

Name of Business: Bill's Boards Account: 1234567 County: Chatham Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
4052	078-123	123 US Hwy 64 E	Pittsboro	2005	1A	25	300	N	N	Y		

NCDOR

Exercise #1

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 8,570	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 8,570	
Apply Percent Good from Depreciation Schedule *	x 0.36	
Value of Billboard Structure	= 3,085	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	
Apply Percent Good from I-8 Schedule *	x	
Value of Tri-vision/Digital Sign Face	=	B.
BILLBOARD VALUE (Line A + Line B)	$ 3,085	

NCDOR

Exercise #2

Name of Business: Bill's Boards Account: 1234567 County: Chatham Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
125, 126	078-124	456 US Hwy 64 E	Pittsboro	2007	1C	23	480	N	Y	N		

NCDOR

Exercise #2

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 25,130	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	- 1,257	
Replacement Cost New (RCN)	= 23,873	
Apply Percent Good from Depreciation Schedule *	x 0.44	
Value of Billboard Structure	= 10,504	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	
Apply Percent Good from I-8 Schedule *	x	
Value of Tri-vision/Digital Sign Face	=	B.
BILLBOARD VALUE (Line A + Line B)	$ 10,504	

NCDOR

Exercise #3

Name of Business: Bill's Boards Account: 1234567 County: Chatham Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
130, 131	078-125	789 US Hwy 64 E	Pittsboro	2010	2B	29	378	N	N	Y		

NCDOR

Exercise #3

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 34,310		
Construction Adjustments:			
Additional Reported Costs	+		=
Stacked Steel Displays: Add 25%	+		=
Additional Wood Panels: Add 25%	+		=
No Illumination: Deduct 5%	-		
Replacement Cost New (RCN)	= 34,310		
Apply Percent Good from Depreciation Schedule *	x 0.78		
Value of Billboard Structure	= 26,762	A.	
Additional Adjustments (if needed):			
Tri-vision/Digital Face Cost	$		
Apply Percent Good from I-8 Schedule *	x		
Value of Tri-vision/Digital Sign Face	=	B.	
BILLBOARD VALUE (Line A + Line B)	$ 26,762		

NCDOR

Exercise #4

Name of Business: Bill's Boards Account: 1234567 County: Chatham Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
140, 141	078-130	105 US Hwy 64 E	Pittsboro	2012	2C	35	378	N	N	Y		

NCDOR

Exercise #4

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 62,600	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 62,600	
Apply Percent Good from Depreciation Schedule *	x 0.82	
Value of Billboard Structure	= 51,332	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	
Apply Percent Good from I-8 Schedule *	x	
Value of Tri-vision/Digital Sign Face	=	B.
BILLBOARD VALUE (Line A + Line B)	$ 51,332	

NCDOR

Exercise #5

Name of Business: Bill's Boards Account: 1234567 County: Chatham Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
150	078-160	500 US Hwy 64 E	Pittsboro	2005	3A	32	480	N	N	Y		

NCDOR

Exercise #5

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 43,250	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 43,250	
Apply Percent Good from Depreciation Schedule *	x 0.68	
Value of Billboard Structure	= 29,410	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	
Apply Percent Good from I-8 Schedule *	x	
Value of Tri-vision/Digital Sign Face	=	B.
BILLBOARD VALUE (Line A + Line B)	$ 29,410	

NCDOR

Exercise #6

Name of Business: Bill's Boards Account: 1234567 County: Chatham Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
180, 181	078-170	680 US Hwy 64 E	Pittsboro	2011	3B	52	672	N	N	Y		

NCDOR

Exercise #6

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 80,510		
Construction Adjustments:			
Additional Reported Costs	+		=
Stacked Steel Displays: Add 25%	+		=
Additional Wood Panels: Add 25%	+		=
No Illumination: Deduct 5%	-		
Replacement Cost New (RCN)	= 80,510		
Apply Percent Good from Depreciation Schedule *	x 0.80		
Value of Billboard Structure	= 64,408	A.	
Additional Adjustments (if needed):			
Tri-vision/Digital Face Cost	$		
Apply Percent Good from I-8 Schedule *	x		
Value of Tri-vision/Digital Sign Face	=	B.	
BILLBOARD VALUE (Line A + Line B)	$ 64,408		

NCDOR

Exercise #7

Name of Business: Bill's Boards Account: 1234567 County: Chatham Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
200	078-175	67 US Hwy 64 E	Pittsboro	2009	4A	37	480	N	N	Y		

NCDOR

Exercise #7

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 51,620	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 51,620	
Apply Percent Good from Depreciation Schedule *	x 0.76	
Value of Billboard Structure	= 39,231	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	
Apply Percent Good from I-8 Schedule *	x	
Value of Tri-vision/Digital Sign Face	=	B.
BILLBOARD VALUE (Line A + Line B)	$ 39,231	

NCDOR

Exercise #8

Name of Business: Bill's Boards Account: 1234567 County: Chatham Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
210, 215	078-180	777 US Hwy 64 E	Pittsboro	2015	4F	25	1,000	N	N	Y		

NCDOR

Exercise #8

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 88,630	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 88,630	
Apply Percent Good from Depreciation Schedule *	x 0.88	
Value of Billboard Structure	= 77,994	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	
Apply Percent Good from I-8 Schedule *	x	
Value of Tri-vision/Digital Sign Face	=	B.
BILLBOARD VALUE (Line A + Line B)	$ 77,994	

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Appraising Billboards

TEAM APPRAISALS

NCDOR

Team Appraisals

Name of Business: Andy's Advertising Account: 9876543 County: Johnston Year: 2021

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

	Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
A.	300, 301	078-185	100 Interstate 95 S	Smithfield	2014	2B	35	300	N	N	Y		
B.	302, 303	078-186	150 Interstate 95 S	Smithfield	2011	3B	25	378	Y	N	Y		
C.	325, 326	078-194	300 Interstate 95 S	Smithfield	2008	1C	42	480	N	Y	N		
D.	350	078-200	204 Interstate 95 N	Smithfield	2009	4A	40	378	N	N	Y	$150,000	
E.	375, 376, 377	078-210	257 Interstate 95 N	Smithfield	2016	4G	58	672	N	N	Y	$225,000	
F.	385	078-220	312 Interstate 95 N	Smithfield	2010	4C	38	480	N	N	Y		
G.	390, 391, 392, 393	078-240	322 Interstate 95 N	Smithfield	2018	1C	45	480	N	Y	Y		
BONUS	400, 401	078-250	344 Interstate 95 N	Smithfield	2012	4F	25	1,200	N	N	Y		

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Team Appraisal A

Billboard Valuation Worksheet

Total Base Cost of Structure *	$	35,430		
Construction Adjustments:				
Additional Reported Costs	+		=	
Stacked Steel Displays: Add 25%	+		=	
Additional Wood Panels: Add 25%	+		=	
No Illumination: Deduct 5%	-			
Replacement Cost New (RCN)	=	35,430		
Apply Percent Good from Depreciation Schedule *	x	0.86		
Value of Billboard Structure	=	30,470		A.
Additional Adjustments (if needed):				
Tri-vision/Digital Face Cost	$			
Apply Percent Good from I-8 Schedule *	x			
Value of Tri-vision/Digital Sign Face	=			B.
BILLBOARD VALUE (Line A + Line B)	$	30,470		

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Team Appraisal B

Billboard Valuation Worksheet

Total Base Cost of Structure *	$	42,700		
Construction Adjustments:				
Additional Reported Costs	+		=	
Stacked Steel Displays: Add 25%	+	10,675	=	53,375
Additional Wood Panels: Add 25%	+		=	
No Illumination: Deduct 5%	-			
Replacement Cost New (RCN)	=	53,375		
Apply Percent Good from Depreciation Schedule *	x	0.80		
Value of Billboard Structure	=	42,700		A.
Additional Adjustments (if needed):				
Tri-vision/Digital Face Cost	$			
Apply Percent Good from I-8 Schedule *	x			
Value of Tri-vision/Digital Sign Face	=			B.
BILLBOARD VALUE (Line A + Line B)	$	42,700		

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Team Appraisal C

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 33,920	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	- 1,696	
Replacement Cost New (RCN)	= 32,224	
Apply Percent Good from Depreciation Schedule *	x 0.48	
Value of Billboard Structure	= 15,468	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	
Apply Percent Good from I-8 Schedule *	x	
Value of Tri-vision/Digital Sign Face	=	B.
BILLBOARD VALUE (Line A + Line B)	$ 15,468	

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Team Appraisal D

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 40,570	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 40,570	
Apply Percent Good from Depreciation Schedule *	x 0.76	
Value of Billboard Structure	= 30,833	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$ 150,000	
Apply Percent Good from I-8 Schedule *	x 0.25	
Value of Tri-vision/Digital Sign Face	= 37,500	B.
BILLBOARD VALUE (Line A + Line B)	$ 68,333	

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Team Appraisal E

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 155,450	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 155,450	
Apply Percent Good from Depreciation Schedule *	x 0.90	
Value of Billboard Structure	= 139,905	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$ 225,000	
Apply Percent Good from I-8 Schedule *	x 0.37	
Value of Tri-vision/Digital Sign Face	= 83,250	B.
BILLBOARD VALUE (Line A + Line B)	$ 223,155	

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Team Appraisal F

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 68,540	
Construction Adjustments:		
Additional Reported Costs	+	=
Stacked Steel Displays: Add 25%	+	=
Additional Wood Panels: Add 25%	+	=
No Illumination: Deduct 5%	-	
Replacement Cost New (RCN)	= 68,540	
Apply Percent Good from Depreciation Schedule *	x 0.78	
Value of Billboard Structure	= 53,461	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$	
Apply Percent Good from I-8 Schedule *	x	
Value of Tri-vision/Digital Sign Face	=	B.
BILLBOARD VALUE (Line A + Line B)	$ 53,461	

NCDOR

Team Appraisal G

Billboard Valuation Worksheet

Total Base Cost of Structure *	$	33,920		
Construction Adjustments:				
Additional Reported Costs	+		=	
Stacked Steel Displays: Add 25%	+		=	
Additional Wood Panels: Add 25%	+	8,480	=	42,400
No Illumination: Deduct 5%	-			
Replacement Cost New (RCN)	=	42,400		
Apply Percent Good from Depreciation Schedule *	x	0.88		
Value of Billboard Structure	=	37,312	A.	
Additional Adjustments (if needed):				
Tri-vision/Digital Face Cost	$			
Apply Percent Good from I-8 Schedule *	x			
Value of Tri-vision/Digital Sign Face	=		B.	
BILLBOARD VALUE (Line A + Line B)	$	37,312		

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Team Appraisal Bonus

- Start by developing a cost per square foot.
- Multiply the cost per square foot by the panel size to arrive at the base cost.

4F- SINGLE POLE DOUBLE & V FACE FULL FLAG MONOPOLE

Size	21-30' HAGL	Cost per sf	
1000'	$ 88,630	$ 88.63	($88,630 / 1,000 sf)
1200'	$ 106,356	(1,200 sf x $88.63)	

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Team Appraisal Bonus

Billboard Valuation Worksheet

Total Base Cost of Structure *	$ 106,356	
Construction Adjustments:		
Additional Reported Costs	+ _____ =	_____
Stacked Steel Displays: Add 25%	+ _____ =	_____
Additional Wood Panels: Add 25%	+ _____ =	_____
No Illumination: Deduct 5%	- _____	
Replacement Cost New (RCN)	= 106,356	
Apply Percent Good from Depreciation Schedule *	x 0.82	
Value of Billboard Structure	= 87,212	A.
Additional Adjustments (if needed):		
Tri-vision/Digital Face Cost	$ _____	
Apply Percent Good from I-8 Schedule *	x _____	
Value of Tri-vision/Digital Sign Face	= _____	B.
BILLBOARD VALUE (Line A + Line B)	$ 87,212	

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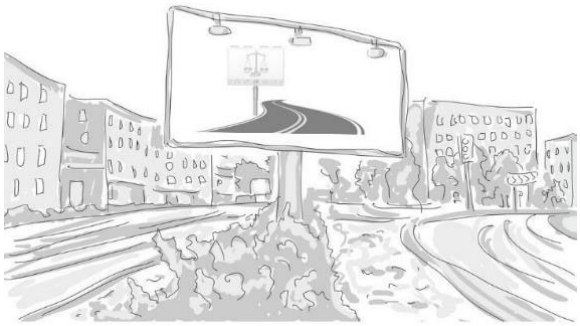

Site Valuation, Court Cases, and Final Thoughts

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Site Valuation, Court Cases, and Final Thoughts

SITE VALUATION

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Site Valuation

- Billboard site is a leasehold interest, not fee simple
- Counties should consider value added to billboard site
- Typically calculated by real property appraiser using the income approach to value

NCDOR Factors to Consider in Site Valuation

- Market site rents paid to landowners by outdoor advertising companies
- Market rent of land in the area extrapolated into a leasehold value on a relatively small parcel
- Differentiate between the various economic markets for billboards within the jurisdiction

NCDOR Site Valuation Example

Mr. Smith leases land located on Route 66 to ABC Advertising for use as a billboard site. The lease has a term of 5 years at a fee of $2,500 a year. What is the value of the billboard site on January 1, 2021, if the capitalization rate is 8%?

Value = Income / Rate

Value = $2,500 / .08

Value = $31,250

The site value is $31,250.

Site Valuation Exercise

Mr. Wilson leases land located on US Highway 64 to ABC Advertising for use as a billboard site. The lease has a term of 10 years at a fee of $3,025 a year. What is the value of the billboard site on January 1, 2021, if the capitalization rate is 11%?

Value = Income / Rate
Value = $3,025 / .11
Value = $27,500

The site value is $27,500.

Site Valuation, Court Cases, and Final Thoughts

COURT CASES

NCDOR Interstate Outdoor vs. Johnston Co.

- NC Court of Appeals Case No. COA14–223
- Decided on September 16, 2014, in favor of Johnston Co.
- Background:

  Interstate argued Johnston County overestimated the value of their billboards. They submitted various invoices for different signs to show the billboard guide was not the true market value, making the valuation process arbitrary and illegal.
- Conclusion:

  Interstate failed to show that mass appraisal of billboards using the billboard guide resulted in a value significantly higher than true market value. Further, the methodology considers relevant properties, such as size, design, and age. Interstate failed to present substantial evidence that the valuation method was arbitrary or illegal.

NCDOR Westmoreland vs. Halifax Co.

- NC Court of Appeals Case No. COA04–1181
- Decided on December 6, 2005, in favor of Halifax Co.
- Background:

  Halifax Co. completed an audit and determined Westmoreland was listing a lower cost for property tax purposes than what was capitalized in their accounting records for various machinery and equipment. The county discovered the variance and the taxpayer argued the methodology used by the county does not result in true market value.
- Conclusion:

  NCDOR recommends including all costs associated with acquiring an asset and bringing it into operation be listed for property tax purposes. Further, Halifax Co. consistently applied NCDOR's Cost Index and Depreciation Schedules. Westmoreland failed to produce evidence to show the values exceeded true market value, or that the methodology was arbitrary or illegal.

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Site Valuation, Court Cases, and Final Thoughts

FINAL THOUGHTS

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Topics for Discussion

- Negative trends in the base cost
- Capital improvements
- Cost indexing
- NCDOT regulations for control of outdoor advertising
- Eminent domain
- Expected costs to construct a billboard

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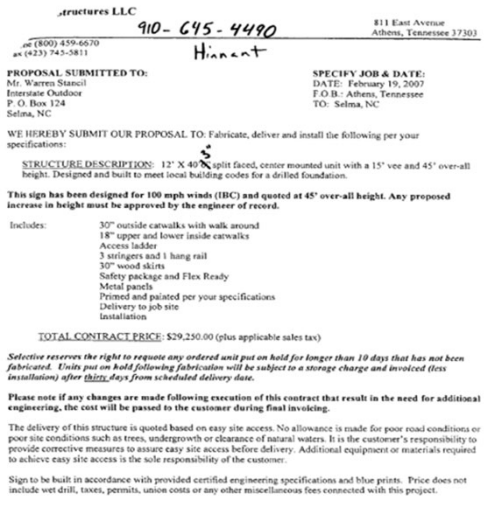
Sample Sales Proposal



,tructures LLC
910- 645- 4490
811 East Avenue
Athens, Tennessee 37303
(800) 459-6670
(423) 745-5811
Hignight

PROPOSAL SUBMITTED TO:
Mr. Warren Stancil
Interstate Outdoor
P. O. Box 124
Selma, NC

SPECIFY JOB & DATE:
DATE: February 19, 2007
F.O.B.: Athens, Tennessee
TO: Selma, NC

WE HEREBY SUBMIT OUR PROPOSAL TO: Fabricate, deliver and install the following per your specifications:

STRUCTURE DESCRIPTION: 12' X 40'S split faced, center mounted unit with a 15' vee and 45' over-all height. Designed and built to meet local building codes for a drilled foundation.

This sign has been designed for 100 mph winds (IBC) and quoted at 45' over-all height. Any proposed increase in height must be approved by the engineer of record.

Includes:
30" outside catwalks with walk around
18" upper and lower inside catwalks
Access ladder
3 stringers and 1 hang rail
30" wood skirts
Safety package and Flex Ready
Metal panels
Primed and painted per your specifications
Delivery to job site
Installation

TOTAL CONTRACT PRICE: $29,250.00 (plus applicable sales tax)

Selective reserves the right to requote any ordered unit put on hold for longer than 10 days that has not been fabricated. Units put on hold following fabrication will be subject to a storage charge and invoiced (less installation) after thirty days from scheduled delivery date.

Please note if any changes are made following execution of this contract that result in the need for additional engineering, the cost will be passed to the customer during final invoicing.

The delivery of this structure is quoted based on easy site access. No allowance is made for poor road conditions or poor site conditions such as trees, undergrowth or clearance of natural waters. It is the customer's responsibility to provide corrective measures to assure easy site access before delivery. Additional equipment or materials required to achieve easy site access is the sole responsibility of the customer.

Sign to be built in accordance with provided certified engineering specifications and blue prints. Price does not include wet drill, taxes, permits, union costs or any other miscellaneous fees connected with this project.

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Site Valuation, Court Cases, and Final Thoughts

LOOK AT THESE BOARDS!

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NCDOR

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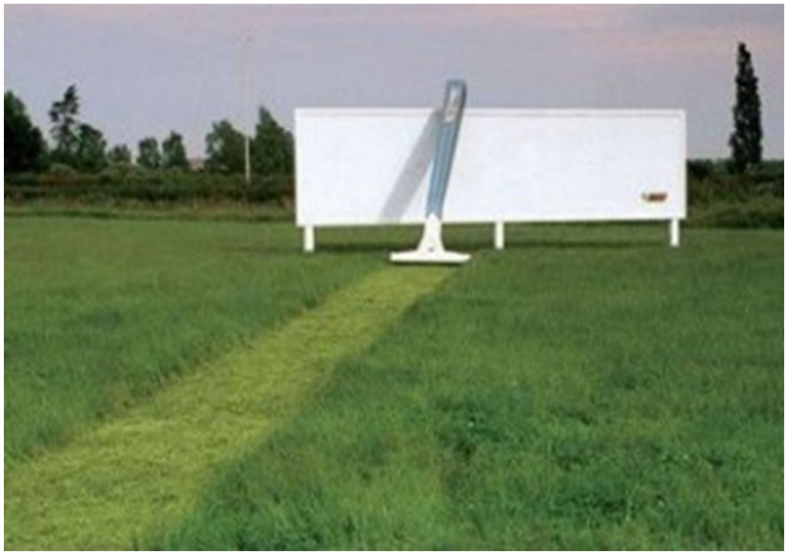

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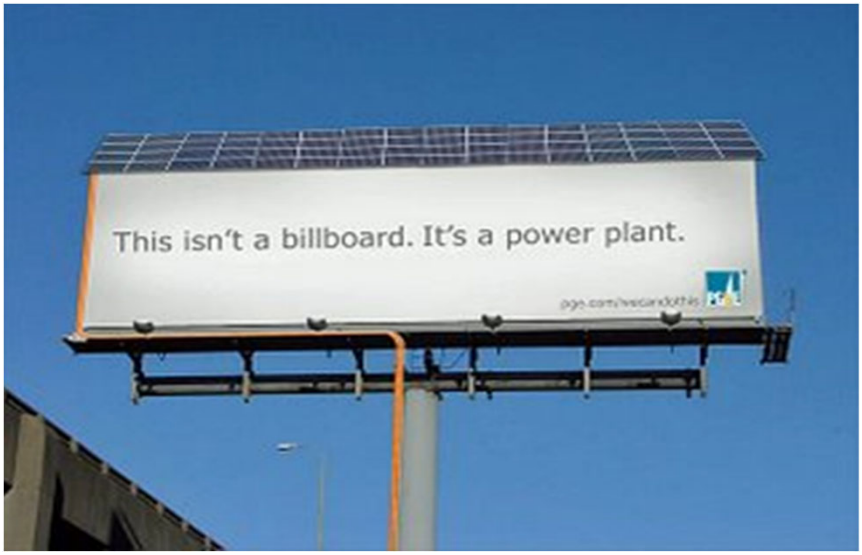
Formula
builds strong teeth

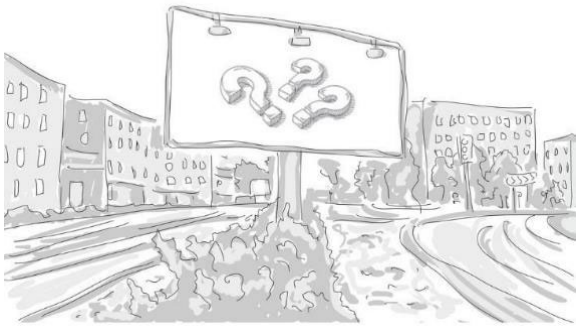
NCDOR


This isn't a billboard. It's a power plant.

NCDOR

NCDOR

NCDOR



Questions?

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(919) 407-2949