



STATE TAX COMMISSION OF MISSOURI ASSESSOR MANUAL

CHAPTER:

BILLBOARDS – COST APPROACH TO VALUE

REVISION DATE: 3/1/2009

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7.6 BILLBOARDS – COST APPROACH TO VALUE

Approaches to Value

Consideration is given to all three approaches to value billboards. The Cost Approach is the easiest to perform and usually the most defensible approach. The Market Approach would be applicable if comparable sales of similar billboards were to be found and validated or enough information was obtained to develop an effective gross income multiplier. The Income Approach could be used if sufficient market income and expense information were available and a defensible cap rate developed.

Date of Implementation

Statewide information was researched in the last half of 2007 by the State Tax Commission for the valuation of Missouri Billboards for use by the Ratio Study Section as of 1-1-09 using the Cost Approach to value. It became available to all assessment jurisdictions in the last half of 2007 for use in the valuation of billboards for the tax year 1-1-09. The assessor has the choice to use this information or develop other defensible methods.

Billboard Data & Valuation Form

The Billboard Data & Valuation Form (Billboard Exhibit 1) is a one page form to be used for the valuation of billboards selected in the Ratio Study. It contains four sections; the first section is to record the Ownership and Location Data, the second section is to record the Construction Data. The third section is for Comments that may include description of billboard condition or any comments relative to billboard data and valuation not covered elsewhere on the form. The Valuation section has the actual cost approach.

Uniform Parcel Number (UPN)

Counties should assign each billboard a Uniform Parcel Number (UPN) that ties to the land ownership UPN. If the billboard(s) has the same owner as the land, both the billboard(s) and the land have the same UPN. If the billboard(s) and the land have different owners, the billboard is a leasehold improvement and has the appropriate UPN. For example, the land is parcel number 9.000 so the leasehold improvement would be 9.001. If there are multiple billboards with different owners on the same land tract, then each owner's billboard(s) would have a different parcel number. If one owner has one billboard and another owner has three billboards on the same land tract, then the parcel numbers would be 9.001 for the one billboard and parcel number 9.002 for the three billboards which would have a combined value. If multiple billboards are involved, it will be necessary to complete a form for each billboard then total the values.

Discovery and Identification

Not every billboard has a permit. Local zoning authorities allow billboards placed prior to the enactment of restrictive zoning regulations to stay under “grandfather clauses” which generally say that if and when they are removed, they cannot be replaced by another billboard. Without a permit, the current use may be legal but nonconforming. The assessor/appraiser must determine if the remaining tests for highest and best use are met.

The Missouri Department of Transportation (MoDOT) is responsible for the permitting of signs and it maintains a Billboard Sign Inventory report. This printout is maintained on a monthly basis and provides data on the sign location, ownership, type, size, illumination, height, shape, material, and condition. This information may be obtained by visiting a district office and requesting a printout. This report does not replace the need for on-site inspection.

Two web sites that are helpful in obtaining information: Missouri Outdoor Advertising Media and Billboard Companies @ <http://outdoorbillboard.com> and Missouri Outdoor Advertising Association @ <http://members.aol.com/moaahomofc>. These two sites contain contact information for outdoor advertising companies that operate in Missouri. A directory of outdoor advertising companies is included with this material (Billboard Exhibit 2).

Ownership and Location Data Section

On the Billboard & Valuation Form (Billboard Exhibit 1), the assessor/appraiser records the name of the company that owns the sign, the company person that was contacted, their phone number, and date of contact.

The MoDOT Permit Number is assigned by the Missouri Department of Transportation. Any other permit number should be recorded and noted also as it may be helpful to determine ownership and/or zoning permits. On-site inspection is the most reliable source for the permit number or lack of one. If no permit number is to be found either in the MoDOT Billboard Sign Inventory or from on-site inspection, it should be noted in the Comments section of the Billboard Data and Valuation Form.

The assessor/appraiser must also record the UPN and a brief description of the sign’s location such as highway with cross reference and direction billboard is facing.

Construction Data

The appraiser needs to determine the construction date of the sign to determine the age and proper assignment of depreciation of the sign structure. It is necessary to contact the owner of the sign for this information as actual age is used in the depreciation schedule. If actual age is unknown, note in the Comments section that the age is estimated from on-site inspection with effective date of January 1 of the odd year of the assessment cycle.

HAGL refers to the “height above ground level” and must be verified during the onsite inspection. The HAGL is measured from ground level to the bottom of the sign’s display area.

There are three Sign Construction Types: **Wood Pole** (wood poles are the primary support), **Steel I – Beam** (steel I – Beam or steel poles as the primary support), and **Monopole** (a single large steel pole as the primary support).

The Class of sign is determined by the size of the single largest display area and described as follows:

- Class 1** (0 – 200 sq. ft.)
- Class 2** (201 – 300 sq. ft.)
- Class 3** (301 – 400 sq. ft.)
- Class 4** (401 – 600 sq. ft.)
- Class 5** (over 600 square feet)

The base structure cost will vary by the class of the sign.

To determine the replacement cost of a sign, information regarding type, size, number of sign displays and illumination is necessary. The display area can be either wood or metal. The number of faces (displays) is necessary to correctly determine the costs of the structure. The appraiser must also note if the sign is illuminated or has any other electronic components.

The appraiser must indicate the Style of Display associated with the sign structure construction type. The various construction types are Monopole and Wood or Steel. Types of displays for Monopole are as follows: center mount, flag mount, “vee” faced, single faced, double faced, back to back flag, “vee” flag, and center mount “vee”, stacked, side by side and tri-surface. Types of displays for wood or steel are as follows: single faced, double faced, back to back flag, and “vee” faced display, side by side and tri-surfaced. The appraiser should check the type of display based upon these construction types. Cost adjustments are made for the style of the display. Multiple entries may be necessary to correctly identify the display style. For example a center mount monopole may be double faced back to back, double faced stacked, or “vee faced”. A double faced steel sign may be back to back or side by side. Illustrations and photographs of construction and display types are included with this material (Billboard Exhibits 3)

Valuation

The Base Structure Cost is determined by the sign’s construction type (wood pole, steel I-beam or monopole), the class (1 – 5), and the type of display (wood or metal). There are separate cost pages for each of the three construction types (Exhibits 4, 4.1, 4.2). Each cost page contains a separate column of costs for each class of sign. The base cost is determined by multiplying the total square feet of the largest single display area by the appropriate price per square foot.

One display surface is included in the base per square foot cost. An additional cost per face (display area) over one is added to the base structure cost. Multiply the additional number of faces by the cost per face based upon the type of face (wood or metal). The Basic Structure Cost is determined by adding the total base structure cost and the costs of any additional surfaces.

The Basic Structure Cost is then adjusted for height (HAGL), type of monopole display and style of display (stacks). The type of monopole displays that require an adjustment include: back to back, center mount “vee”, and “vee” flag. Stack adjustments are required for stacked displays, “vee” displays, side by side displays and tri-surface displays. Therefore, a wood pole or steel I-Beam constructed sign might require the use of only two of the adjustments, and a monopole sign could have adjustments in all three categories. These Construction Adjustments are percentage adjustments which are applied to the Basic Structure Cost subtotal. The percentage adjustments for these items vary by construction type and class. Each percentage adjustment is multiplied by the basic structure cost and then added to the Basic Structure Cost subtotal to provide an Adjusted Basic Structure Cost.

Additional Improvement Costs include adding for the cost of illumination or electronic displays. The cost of illumination is determined by multiplying the number of illuminated surfaces by the cost per surface by class and adding to the adjusted basic structure cost. Electronic display costs are added to the adjusted basic structure cost and a display face deduction is required since the electronic display has replaced the normal display face. This deduction is made in the basic structure cost in the additional surfaces section.

The total structure cost is the sum of the basic structure cost, construction adjustments and additional improvement cost. The county location adjustment is a factor of 1.00. This is not the same factor as the county index or local multiplier.

The depreciation is expressed as a percent good, and is taken from the Billboard Depreciation Schedule (Billboard Exhibit 5) which is included in this material. The actual age should be based upon the first year of the appraisal cycle (example 2009). Therefore, appraisals completed in the second year (2010) will still use the first year (2009) to calculate the age. The depreciation schedule reflects a straight-line depreciation rate with a residual depreciation of thirty percent and ten percent. The applied percent good should be based upon the actual age of the signboard as indicated in the Billboard Depreciation Schedule. The ten (10) year life table is for electrical items such as illumination and electronic displays; the twenty (20) year life table is used on all wood structures; and the forty (40) year life table is to be applied on all steel structures.

The replacement cost new less depreciation value is rounded. The billboard value is then recorded to the improvement section of the property record card and totaled if the billboard is on leased land. Land value is added if the billboard is on company owned land and the values are totaled. Business signs are often the property of the tenant and are not usually valued as billboards.

This Billboard Cost Manual is used by the STC Ratio Appraisers and made available to all Assessors through handouts and the STC website in the updated Assessor Manual.

BILLBOARD DATA VALUATION FORM

County-Sample No.: _____

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Ownership and Location Data	
Company Name:	_____
Person Contacted:	_____
Date Contacted:	_____
Telephone Number:	_____
MHTD Permit Number:	_____
Parcel Number:	_____
Location of Structure:	_____

Comments	

Construction Data	
Date Built:	_____
Age:	_____
Height Above Ground	_____
Largest Display Surface: Height:	<input type="text"/> x Width: <input type="text"/>
Number of Faces:	_____
Displays Illuminated:	Yes <input type="checkbox"/> No <input type="checkbox"/>

Construction Type	Sign Class		
Wood Pole	Based on Sign Area	1 - 0-200 Square Feet	
Steel I-Beam		2 - 201-300 Square Feet	
Monopole		3 - 301-400 Square Feet	
Display Type		4 - 401-600 Square Feet	
Wood Face		5 - Over 600 Square Feet	
Metal Face			
Style of Display			
Wood or Steel	Monopole		
Single Faced	<input type="checkbox"/>	Center Mount	
Double Faced	<input type="checkbox"/>	Flag Mount	
Stacked Displays	<input type="checkbox"/>	Vee Faced	
Vee Faced	<input type="checkbox"/>	Single Faced	
Side by Side	<input type="checkbox"/>	Double Faced	
Tri-surface	<input type="checkbox"/>	Back to Back	
Electronic Display	<input type="checkbox"/>	Stacked	
		Side by Side	
		Tri-Surface	
		Electronic Display	

Valuation			
Basic Structure Cost			
Base Cost	<input type="text"/> /Sq.Ft.	x Sq.Ft.	= _____
Additional Surfaces	<input type="text"/> /Surface	x Surfaces <input type="text"/>	= _____
Basic Structure Subtotal			= _____
Construction Adjustments			
Height Above Ground	_____ x	<input type="text"/>	= _____
Back to Back Flag	_____ x	<input type="text"/>	= _____
"Vee" Flag	_____ x	<input type="text"/>	= _____
"Vee" Center Mount	_____ x	<input type="text"/>	= _____
Stacked, Side by Side, Tri-Surface	_____ x	<input type="text"/>	= _____
Adjusted Structure Cost			= _____
Electronic Improvement Cost			
Illumination	<input type="text"/> /Surface	x <input type="text"/> Surfaces	= 0
Electronic Display	<input type="text"/> /Surface	x <input type="text"/> Surfaces	= 0
Total Structure Cost			= _____
Location Adjustment			= 1.00
Replacement Cost New			= _____
Percent Good			= _____
Percent Good (Electronic Display)			= _____
RCNLD			= _____
Rounded Value			= _____

BILLBOARD COMPANY DIRECTORY

Company Name	Phone	Web Site	Mailing Address	City	State	Zip
AD One Media, Inc.	636-236-2863		618 Spirit Dr #100	Chesterfield	MO	65605-1438
Ad Trend Inc	816-283-0600	www.ad-trend.com	14450 S Hwy 40	Kansas City	MO	64147
Ayres Sign Co	417-272-3327		18787 Hwy 13	Reeds Springs	MO	65737-9654
Branson Outdoor	417-336-3402		1510Sapling Dr	Branson	MO	63305
Budget Billboards	314-854-1370		10644 Conway Rd	St. Louis	MO	63131-2812
CarMac Outdoor Advertising	816-525-0528		24160 E Hwy 50	Lee's Summit	MO	64063-9500
CBS Outdoor	816-421-5720	www.cbsoutdoor.com	2459 Summit	Kansas City	MO	64108
Craig Outdoor Advertising			P.O. Box 3171	Independence	MO	64055-3171
DDI Media	314-423-5040	www.ddimedia.cc	8315 Drury Ind. Pky	St. Louis	MO	63114
Drury Displays	314-423-5040	www.ddimedia.cc	8315 Drury Ind. Pky	St. Louis	MO	63114
Drury Southwest Inc	573-335-3134	www.drurysouthwest.com	PO Box 1214	Cape Girardeau	MO	63701
DSW Signs Outdoor Advertising	573-334-3114	www.cswwsigns.com	826 Fox Ln	Cape Girardeau	MO	63701
Dynamic Displays LLC	816-478-4395	www.dyniamicdisplaysbillboards.com	217 NW Hemlock St	Lee's Summit	MO	64064
Gateway Outdoor Advertising			372 Fee Fee Rd	Hazelwood	MO	63043-3214
Janso Outdoor Advertising	573-651-4024	www.jascooutdoor.com	PO Box 65	Gordonville	MO	63752-0065
Joplin Signs & Billboards	417-623-6622		11413 Cedar Dr	Joplin	MO	64804-8323
Lamar Outdoor Advertising	573-248-1803	www.lamar.com	7010 A Hilltop Lane	Hannibal	MO	63401
Lamar Outdoor Advertising	573-317-1559	www.lamar.com	PO Box 1089	Osage Beach	MO	65065
Lamar Outdoor Advertising	816-924-5900	www.lamar.com	PO Box 300440	Kansas City	MO	64130
Lamar Outdoor Advertising	573-431-4414	www.lamar.com	PO Box O	Park Hills	MO	63601
Lamar Outdoor Advertising	417-623-8124	www.lamar.com	200N Range Line	Joplin	MO	64801
Magic Media Inc	816-977-2009	www.magicmediainc.net	PO Box 415015	Kansas City	MO	64141
Mid America Advertising	618-365-8888	www.midamericaoutdoor.com	904 Fournie Lane	Collinsville	IL	62234
Missouri Neo	417-862-1778	www.moneonoutdoor.com	3160 W Kearney	Springfield	MO	65803
MPC Billboard Inc	816-324-2700		17500 StateRoute DD	Savannah	MO	64485-8204
Next Media Outdoor Inc	660-826-7700	www.nextmediagroup.com	23443Hall Rd	Sedalia	MO	65301
Olympus Media LLC	573-365-4387	www.olympusmediallc.com	2221 Bagnell Dam	Lake Ozarks	MO	65049
Osage Billboard	573-480-4254		2417 Highway 42	Brumley	MO	65107-3214
Porlier Outdoor Advertising Co	636-463-2100	www.porlier.biz	1027 N Service Rd West	Foristell	MO	63348
Premier Signs Inc	314-524-6835	www.premiersignsinc.com	6767 N Hanley Rd	St. Louis	MO	63136-3622
Premiere Outdoor Advertising	816-461-5656		301 E Lexington Ave	Independence	MO	64050-3004
Sintec	417-678-0180		17 W Pleasant St	Aurora	MO	
Southwest Outdoor Advertising	417-335-3063			Branson	MO	65616
Tri-Star Advertising	573-374-5429		91 Tristar Rd	Sunrise Beach	MO	65079-6834

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Figure 1. Typical Billboard Construction Diagram

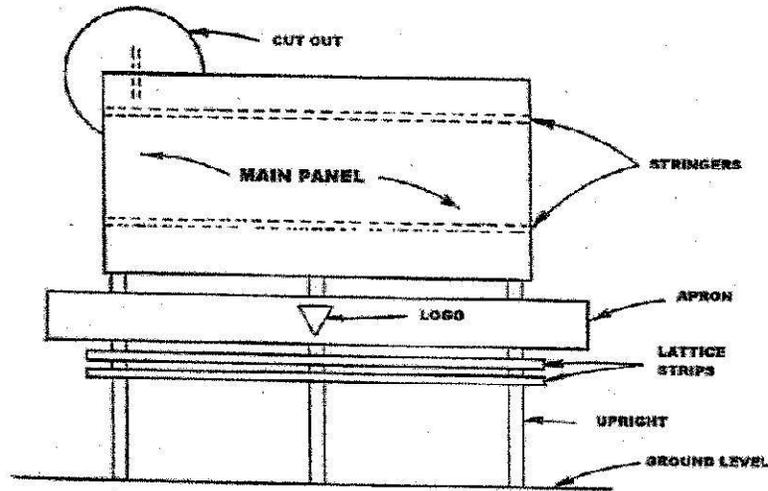


Figure 2. Typical 8-sheet poster panel

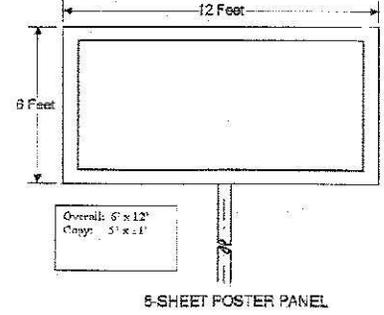
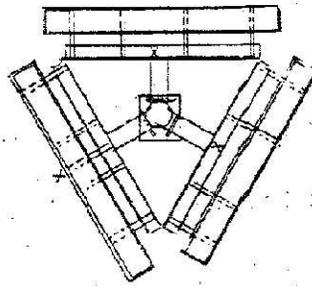
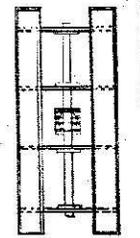
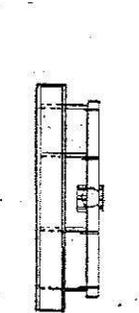
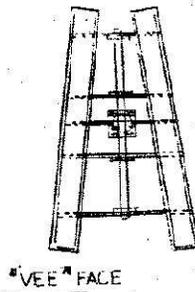
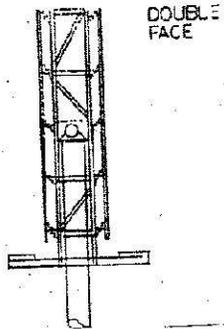
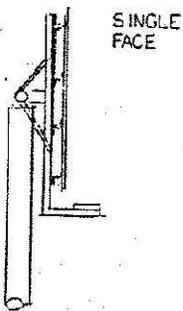
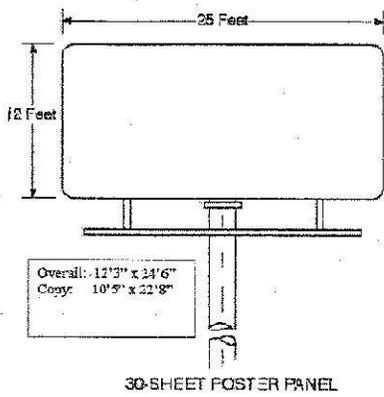


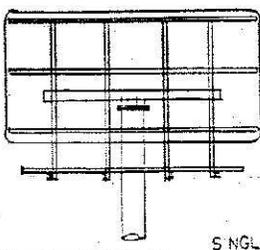
Figure 3. Typical 30-sheet poster panel



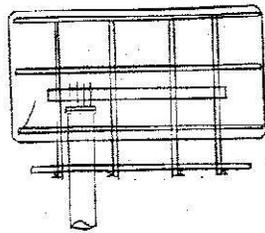
SINGLE FACE

DOUBLE FACE

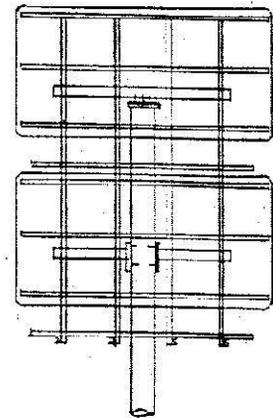
Tri-Surface



SINGLE



FLAG



STACK



WOOD POLE SINGLE DISPLAY



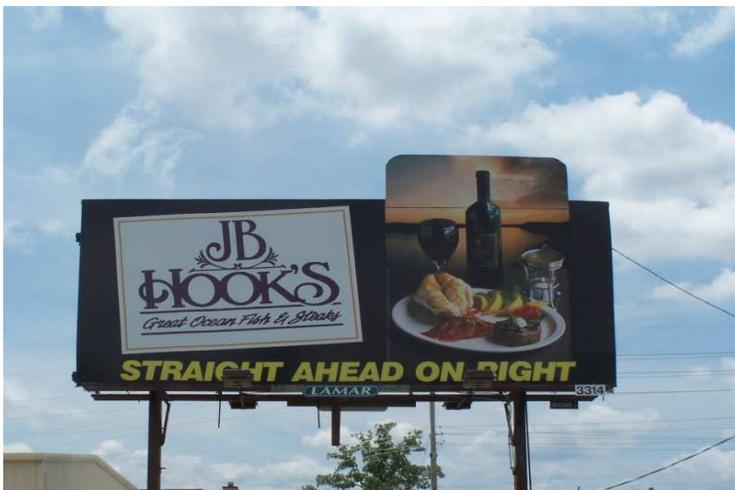
WOOD POLE BACK TO BACK



WOOD POLE STACKED BACK TO BACK



WOOD POLE "VEE"



STEEL POLE SINGLE DISPLAY



STEEL POLE BACK TO BACK



STEEL POLE STACKED BACK TO BACK



MONOPOLE SINGLE DISPLAY



MONOPOLE CENTER MOUNT SIDE TO SIDE



MONOPOLE CENTER MOUNT "VEE"



MONOPOLE CENTER MOUNT "VEE" STACKED



MONOPOLE FLAG "VEE"



MONOPOLE TRI-SURFACE DISPLAYS



MONOPOLE BACK TO BACK STACKED



MONOPOLE "VEE" ELECTRONIC DISPLAY



MONOPOLE "VEE" ELECTRONIC DISPLAY

Wood Pole Construction

Base price does not include illumination costs

Base Structure Costs	Class 1 0-200 Sq. Ft.	Class 2 201-300 Sq. Ft.	Class 3 301-400 Sq. Ft.	Class 4 401-600 Sq. Ft.	Class 5 >600 Sq. Ft.
Base Price (per square foot)					
Wood Face	10.35	11.20	14.10	15.05	15.05
Metal Face	12.50	13.10	16.40	17.25	17.25
Additional Display Surfaces (Cost per Face)					
Wood Face	220	780	940	1,100	1,310
Metal Face	750	1,050	1,575	2,500	2,650
Construction Adjustments					
Height Above Ground Level					
0 - 20 feet	N/A	-10%	-10%	-15%	-15%
21 - 35 feet	0%	0%	0%	0%	0%
Over 36 feet	15%	15%	20%	20%	20%
Stacked Displays	15%	15%	20%	20%	25%
" Vee " Displays (Includes 2 Displays)	15%	15%	20%	20%	25%
Tri-Surface Displays	15%	15%	20%	20%	25%
Illumination (per surface)	460	700	850	1,700	2,300

Steel Monopole Construction

Base price does not include illumination costs

	Class 1 0-200 Sq. Ft.	Class 2 201-300 Sq. Ft.	Class 3 301-400 Sq. Ft.	Class 4 401-600 Sq. Ft.	Class 5 >600 Sq. Ft.
Base Structure Costs					
Base Price (per square foot)					
Metal Face	20.50	26.10	45.05	47.10	48.00
Additional Display Surfaces (Cost per Face)					
Metal Face	260	1,050	1,575	2,500	2,650
Construction Adjustments					
Height Above Ground Level					
0 - 20 feet	N/A	-15%	-15%	-15%	-15%
21 - 30 feet	N/A	-10%	-10%	-15%	-15%
31 - 35 feet	N/A	0%	0%	-10%	-10%
36 - 40 feet	N/A	10%	10%	-10%	-10%
41 - 45 feet	N/A	10%	10%	0%	0%
46 - 50 feet	N/A	10%	10%	0%	0%
51 - 55 feet	N/A	15%	15%	10%	10%
56 - 60 feet	N/A	15%	15%	10%	10%
Over 60 feet	N/A	20%	20%	15%	15%
Flag Back to Back	N/A	15%	15%	15%	15%
Center Mount " Vee " (Includes 2 Displays)	N/A	10%	10%	10%	10%
Flag " Vee "(Includes 2 Displays)	N/A	15%	20%	20%	20%
Stacked; Side by Side; Tri-Surface Displays	N/A	15%	20%	25%	30%
Illumination (per surface)	460	700	850	1,700	2,300
Electronic Display	N/A	151,800	170,000	270,250	308,200

Steel I Beam Construction

Base price does not include illumination costs

	Class 1 0-200 Sq. Ft.	Class 2 201-300 Sq. Ft.	Class 3 301-400 Sq. Ft.	Class 4 401-400 Sq. Ft.	Class 5 >600 Sq. Ft.
Base Structure Costs					
Base Price (per square foot)					
Wood Face	12.50	14.75	23.25	27.05	28.00
Metal Face	14.12	21.05	31.01	32.22	33.08
Additional Display Surfaces (Cost per Face)					
Wood Face	220	780	940	1,110	1,310
Metal Face	750	1,050	1,575	2,500	2,650
Construction Adjustments					
Height Above Ground Level					
0 - 20 feet	N/A	-10%	-10%	-15%	-15%
21 - 35 feet	N/A	0%	0%	0%	0%
Over 36 feet	N/A	15%	20%	20%	25%
Stacked Displays & Tri-Surface Displays	N/A	15%	20%	20%	25%
Illumination (per surface)	460	700	850	1,700	2,300
Electronic Display	N/A	151,800	170,000	270,250	308,200

Billboard Depreciation Schedule

Age	Percent Good Factors	Percent Good Factors	Percent Good Factors
	10 year life (Electronic items)	20 year life (Wood Structure)	40 year life (Steel Structure)
1	90.00	95.00	97.50
2	80.00	90.00	95.00
3	70.00	85.00	92.50
4	60.00	80.00	90.00
5	50.00	75.00	87.50
6	40.00	70.00	85.00
7	30.00	65.00	82.50
8	20.00	60.00	80.00
9	10.00	55.00	77.50
10	10.00	50.00	75.00
11		45.00	72.50
12		40.00	70.00
13		35.00	67.50
14		30.00	65.00
15		30.00	62.50
16		30.00	60.00
17		30.00	57.50
18		30.00	55.00
19		30.00	52.50
20		30.00	50.00
21			47.50
22			45.00
23			42.50
24			40.00
25			37.50
26			35.00
27			32.50
28			30.00
29			30.00
30			30.00
31			30.00
32			30.00
33			30.00
34			30.00
35			30.00
36			30.00
37			30.00
38			30.00
39			30.00
40			30.00