

CELMV-PD-F (CECW-PC/7 Feb 91) (1105-2-10c) 1st End
Mr. Johnson/bab/5835
SUBJECT: Implementation of Section 116(k) of the Water Resources
Development Act of 1990 (WRDA 90)

JH
P. HILL
PD-F

CDE, Lower Mississippi Valley Division, Vicksburg, MS 39181-0080
11 Feb 91

OB
O'BANNON
PD-F

FOR Commander, New Orleans District, ATTN: CELMN-PD-F

Referred.

JG
GARDNER
PD-E

FOR THE INTERIM DIVISION ENGINEER:

JH
HOLLAND
PD-R

Encl
nc

JAMES R. HANCHEY
Chief, Planning Division

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LATTA
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J. HILL
CO
JH

JRH
WR HILL
ED
for

MV
R. HARRIS
EX

JH
HANCHEY
PD

67-20-91



DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

07 FEB 1991

CECW-PC

MEMORANDUM FOR Commander, Lower Mississippi River Division
ATTN: CELMV-PD

SUBJECT: Implementation of Section 116(k) of the Water
Resources Development Act of 1990 (WRDA 90)

1. Reference CELMN-PD-FG Plan of Study, dated 21 December 1990,
subject as above.

2. The Plan of Study has been reviewed and is approved subject
to the following comments:

a. The POS does not state the background and nature of the
problem as perceived by the local sponsor of the Chalmette area
element which resulted in their claimed inability to pay their
share of project costs and in the study authorization. This
should be clearly laid out in the report in order to explain the
objective and focus of the study. Further, no recommendations
are to be included in the report.

b. The procedures for evaluating the benefits need to be
modified as follows.

(1) Some elements of the overall project were revised
in 1984 and resulted in a different project than originally
authorized. The POS states that reports dated in 1962, 1966,
and 1968 are to be used for determining baseline benefits. You
should ensure that the appropriate decision documents for the
currently authorized project element are used.

(2) The approach to estimating and comparing
anticipated and actual benefits as well as other economic
factors needs to be expanded. Of greatest importance is the
Chalmette area in which several additional approaches to
economic evaluation and impacts should be employed as outlined
in the attachment.

c. No recommendations are to be included in the report.

3. Based on these comments, the study cost estimate should be
reviewed. Once the study cost estimate is finalized, study
efforts may be initiated under the Lake Pontchartrain and
Vicinity Hurricane Protection project in Louisiana using
Construction, General funds previously allocated to the project.

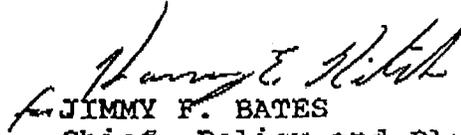
CECW-PC

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4. The proposed report should be submitted to HQUSACE (ATTN: CECW-PC) not later than 17 September 1991.

FOR THE DIRECTOR, OF CIVIL WORKS:

Encl



JIMMY F. BATES
Chief, Policy and Planning Division
Directorate of Civil Works

SECTION 116 (K) BENEFITS STUDY

1. Establish that development will or will not actually take place in the Chalmette area using the history of and current policy regarding filling of wetlands in the New Orleans metropolitan area for urban development.
2. For developable land within the Chalmette area which had been protected by local levees and which now presumably has a greater degree of protection due to the project levees, determine the growth and change in land values that have occurred. Wetlands development restrictions will likely have made such lands more valuable than they would have been in the absence of the restrictions.
3. For lands which are found to be undevelopable in the long run, compare values of protected versus unprotected lands as of the time of authorization. Estimate benefits lost to the sponsor as tax revenues foregone less the costs of infrastructure development and costs of provision of public service.
4. Estimate the change in value of wetlands from the time of authorization until the present. Land values may have increased despite development restrictions.

Dr. Gardner,

Nowyn brought this over. He said NOD was having problems, with I believe you have discussed this with Brad and Nick before. Larry.