





FACSIMILE HEADER SHEET

U.S. ARMY CORPS OF ENGINEERS
 NEW ORLEANS DISTRICT
 P.O. BOX 60267
 NEW ORLEANS, LOUISIANA 70160-0267

**US Army Corps
of Engineers**

PLANNING DIVISION

DELIVER TO		FROM	
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Name	<u>WAYNE O'BANNON</u>	Name	<u>Les Waguerpack</u>
Office Symbol	<u>CELMV-PD-F</u>	Office Symbol	<u>CELMN-PD-FG</u>
Telephone No.	<u>601-634-5840</u>	Telephone No.	<u>504-862-2503</u>
Date	No. of Pages (including cover sheet)	Precedence (P or R)	If you do not receive all pages, please telephone:
<u>7/2/93</u>	<u>3</u>		

REMARKS:

Q - 1. What percentage of projected 1992 benefits were actually being received?

A. In the Section 116 (k) study (1991) we concluded that 73.5 percent of the total benefits projected have been or will be achieved.

Q - 2. Did the sponsors know the development would not occur when they signed the 221 Agreement?

A. The local sponsors for the Chalmette Area Unit were probably not aware that development would not take place at the time they signed the 221 Agreement. Page 9 of the Section 116(k) Report contains an excerpt from St. Bernard Parish letter citing "that subsequent to the time the local government agreed to pay 30% of the cost of the Lake Pontchartrain Protection System, the area in the "Chalmette Loop" was declared wetlands. This declaration meant that St. Bernard would be forced to pay for something which gave no opportunity for added development, but significantly reduced the potential for growth. An anticipated increase to the tax revenue base was cut off entirely as there was no influx of new industry as was envisioned by this cut." The cut is a reference to the Mississippi River-Gulf Outlet (MR-GO) which St. Bernard parish is actively trying to close down. The latest assurances were executed in 1977 covering the deferred payment plan authorized by PL 93-251.

Q - 3. Are there any betterments?

A. There are no betterments.

Q - 4. Are the project benefits still expected to increase in the 15-year period following project completion as projected in the original report?

A. Beneficial completion of the Chalmette Area Unit was achieved in May 1988. Benefits for enhancements in the initial studies were projected to occur 15 years after beneficial completion. However, enhancement benefits originally projected by the Corps, approximately 7% of the total benefits originally projected, have not yet materialized and it would be reasonable to assume that some of these benefits might not materialize. The inundation reduction benefits projected to occur in the 1984 Reevaluation study are being achieved. These are approximately 81% of what was claimed in the original report. The difference in inundation reduction benefits projected in the original report and that being achieved as projected in the 1984 Reevaluation Report are mainly due to changed policies which limited the benefits that could be claimed.



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**US Army Corps
of Engineers**

U.S. ARMY CORPS OF ENGINEERS
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DELIVER TO		FROM	
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Date	No. of Pages (including cover sheet)	Precedence (P or R)	If you do not receive all pages, please telephone:
6/18/93	1	R	(601) 634-5840

REMARKS:

S: 28 JUNE 1993

SUBJECT: Lake Pontchartrain, LA - Section 102j of WRDA 92 (St. Bernard Parish)

1. The following questions have been asked by ASA(CW) through HQUSACE relative to the above subject:

a. What percentage of projected 1992 benefits were actually being received in 1992?

b. Did the sponsors know the development would not occur when they signed the 221 Agreement?

c. Are there any betterments?

d. Are the project benefits still expected to increase in the 15-year period following project completion as projected in the original report?

2. Please provide a response to these 4 questions to this office by COB; 28 June 1993. You should utilize the Section 116(k) Report and available data to answer these questions; no additional studies should be undertaken without concurrence with this office.

WAYNE L. O'BANNON