DADE COUNTY, FLORIDA BEACH EROSION CONTROL & HURRICANE PROTECTION PROJECT

Pertinent Correspondence APPENDIX G

December 2015



U.S. ARMY CORPS OF ENGINEERS
JACKSONVILLE DISTRICT



DEPARTMENT OF THE ARMY

JACKSONVILLE DISTRICT CORPS OF ENGINEERS P.O. BOX 4970 JACKSONVILLE, FLORIDA 32232-0019

DEC 2 0 2013

CESAJ-PD

MEMORANDUM FOR RECORD

SUBJECT: Discussion of economic analysis required for the Dade County, Florida Beach Erosion Control and Hurricane Protection (BEC&HP) Project Draft Limited Reevaluation Report (LRR) and Environmental Assessment (EA)

<u>Purpose:</u> The purpose of this memorandum is to document the November 22, 2013 vertical team discussion regarding the extent of economic analysis required to support the subject report and whether the total benefit to cost ratio, or the remaining benefit to remaining cost ratio, will justify the report.

Meeting Attendees:

SAJ: Milton Corson, Emmanuel Freeman, Lori Hadley, Matthew Schrader, Jason Harrah,

Michael Holland, Idris Dobbs, Colin Rawls

SAD: Terry Stratton

History of Vertical Team Coordination:

SAD approved the Dade County, Florida BEC&HP Project Draft LRR and EA review plan on February 28, 2013. Concerning the extent of economic analysis, the approved review plan states, "There are no planning models anticipated to be used for the development of the subject decision document. There are no significant changes to the authorized plan. ... The benefits used for the last authorizing document will be used along with a new cost estimate to determine the remaining benefit to remaining cost ratio over the remaining period of Federal participation in the authorized project."

Discussion of Study Status:

The study is in the draft report stage. Coordination is ongoing to select a new sand source(s) for the project's remaining period of Federal participation, expected by February 2014. Once a new sand source(s) is selected, cost estimates will be developed to support the economic analysis.

Based on the November 22, 2013 vertical team discussion, the economic analysis should report remaining benefit to remaining cost ratio, as stated in the review plan, AND the total benefit to cost ratio. The report will be justified on the total benefit to cost ratio.

Comments and Conclusions (Decisions):

1. The LRR/EA will be justified on total benefit to cost ratio and will report both total and remaining benefit to cost ratio.

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- 2. For the justification, recreation benefits will be capped at 50% of the total benefits. However, both total and remaining benefit to cost ratios will be shown using all recreation benefits.
- 3. Regarding the significant changes in Miami-Dade County's structural inventory and the impact that could have on benefits, SAD stated that the evaluation of how a changed inventory would impact project justification is more appropriate for evaluation in a new 50-year study (such as a feasibility study), not in the LRR. The LRR will not update the structure inventory but will use benefits as described in the last authorizing document.
- 4. An economic update report was completed for Dade (both the main segment and Sunny Isles segment) in 2012 for budgetary reasons. The 2012 economic update report shows a total benefit to cost ratio greater than one and a remaining benefit to remaining cost ratio of less than one for each segment, calculated separately. The economic update report will be updated with new costs (numbers only update) and used as the economic evaluation for the LRR/EA. Recreation from the authorizing documents will be included as stated in #2, above.

ERIC L BUSH

Chief, Planning and Policy Division