



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CECW-PM (10-1-7a)

26 JUL 2000

SUBJECT: New Jersey Shore Protection Study, Barnegat Inlet to Little Egg Inlet (Long Beach Island), New Jersey, Interim

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on the study of hurricane and storm damage reduction for Barnegat Inlet to Little Egg Inlet (Long Beach Island), New Jersey. It is accompanied by the report of the district and division engineers. These reports are a partial response to a resolution of the Committee on Public Works and Transportation of the House of Representatives dated 10 December 1987 and to a resolution of the Committee on Environment and Public Works of the United States Senate dated 17 December 1987. These resolutions requested review of existing reports of the Chief of Engineers for the entire coast of New Jersey with a view to study, in cooperation with the State of New Jersey, its political subdivisions and agencies and instruments thereof, the changing coastal processes along the coast of New Jersey. Preconstruction engineering and design activities, if funded, would be continued under the study authorities cited above. Preconstruction engineering and design activities for this project will continue under the cited resolutions.

2. The plan developed by the district and division engineers consists of sand dune and beach berm construction along the coastal barrier from Barnegat Inlet to Little Egg Inlet, also known as Long Beach Island, New Jersey. The proposed beach nourishment would create a dune and beach, of uniform cross section, along the coastlines of the municipalities of Harvey Cedars, Surf City, Ship Bottom, Beach Haven, and Long Beach Township, New Jersey. The proposed plan consists of a 125-foot-wide beach berm at elevation +8.0 feet North American Vertical Datum (NAVD) and a dune at an elevation +22 feet NAVD. The dune would be 30 feet wide at its crest and incorporate 347 acres of planted dune grasses and 540,000 linear feet of sand fencing. The total length of the dune/berm system would be about 16.9 miles (89,000 feet). Initial construction would require placement of 7.4 million cubic yards of sand fill. About 1.9 million cubic yards of sand would be required for periodic nourishment, on average, at 7-year intervals for a period of 50 years. All beach fill would be taken from designated offshore borrow areas. No environmental mitigation features are proposed.

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3. Based on October 1999 price levels, the total first cost of the plan is estimated at \$51,203,000. The total cost of periodic nourishment over the 50-year period of economic evaluation is estimated at \$107,184,000. The ultimate project cost, including initial construction and periodic nourishment, is estimated at \$158,930,000. Based on a discount rate of 6.625 percent and a 50-year period of economic analysis, average annual benefits are estimated at \$10,989,000, and average annual costs are estimated at \$5,790,000. The equivalent annual net benefits are \$5,199,000, and the resulting ratio of benefits-to-costs is 1.9 to 1. Based on information available at this time, the plan is the national economic development plan.

4. Based on cost sharing principles specified by Water Resources Development Act (WRDA) 1986, as amended, 65 percent of the project first costs and the cost of periodic nourishment would be Federal and 35 percent would be non-Federal. Under cost sharing specified by WRDA 1986, as amended, the Federal share of the first cost of \$51,203,000 is \$33,282,000, and the non-Federal share is \$17,921,000. Of the non-Federal share, the total cash contribution required would be \$17,240,000. The balance of the non-Federal share would consist of \$681,000 for the estimated creditable value for lands, easements, rights-of-way, relocations, and suitable borrow areas (LERR). Under cost sharing specified by WRDA 1986, as amended, the periodic nourishment is estimated at \$107,184,000, with the Federal share estimated at \$69,670,000, and the non-Federal share is estimated at \$37,514,000. The equivalent annual cost of periodic nourishment would be \$1,751,000, of which \$1,138,000 would be Federal and \$613,000 would be non-Federal. The ultimate project cost, which includes initial construction and 50 years of periodic nourishment, is estimated to be \$158,387,000, shared \$102,952,000 Federal and \$55,435,000 non-Federal.

5. Section 215 of the Water Resources Development Act (WRDA) of 1999 changed the cost-sharing formula for the long term sand renourishment component of certain future shore protection projects. However, the Administration's position is that these changes did not go far enough in shifting the majority of the cost burden for periodic nourishment to the non-Federal sponsor. Further, because WRDA 99 delayed the effect of the change in cost-sharing, it did not address current constraints on Federal spending. I generally concur in the findings, conclusions, and recommendation of the reporting officers. However, until the cost sharing issues are satisfactorily resolved, the Administration will not support authorization of new shore protection projects that involve significant long-term Federal investments beyond the initial construction of these projects. Accordingly, this report on the Barnegat Inlet to Little Egg Inlet, New Jersey, is provided as information only. Should this project become authorized, the non-Federal sponsor would be required to agree to comply with all applicable Federal laws and policies, and would be responsible for the following items of local cooperation:

a. Provide non-Federal costs assigned to hurricane and storm damage reduction as further specified below:

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(1) Enter into an agreement that provides, prior to execution of the project cooperation agreement, 25 percent of the design costs;

(2) Provide during construction any additional amounts needed to cover the non-Federal share of design costs;

(3) Provide all lands, easements, and rights-of-way, including suitable borrow areas, and perform or ensure performance of all relocations determined by the Federal Government to be necessary for the initial construction, periodic nourishment, operation, and maintenance of the project;

(4) Provide during construction any additional amounts necessary to make its total contribution equal to 35 percent of initial project costs assigned to hurricane and storm damage reduction plus 100 percent of initial project costs assigned to protecting undeveloped private lands and other private shores which do not provide public benefits;

(5) Provide during construction of each periodic nourishment, 35 percent of periodic nourishment costs assigned to hurricane and storm damage reduction;

b. For so long as the project remains authorized, operate, maintain, repair, replace, and rehabilitate the completed project, or functional portion of the project, at no cost to the Federal Government, in a manner compatible with the project's authorized purposes and in accordance with applicable Federal and State laws and regulations and any specific directions prescribed by the Federal Government;

c. Give the Federal Government a right to enter, at reasonable times and in a reasonable manner, upon property that the non-Federal sponsor, now or hereafter, owns or controls for access to the project for the purpose of inspection, and, if necessary, after failure, to perform by the non-Federal sponsor, for the purpose of completing, operating, maintaining, repairing, replacing, or rehabilitating the project. No completion, operation, maintenance, repair, replacement, or rehabilitation by the Federal Government shall relieve the non-Federal sponsor of responsibility to meet the non-Federal sponsor's obligations, or to preclude the Federal Government from pursuing any other remedy at law or equity to ensure faithful performance;

d. Hold and save the United States free from all damages arising from the initial construction, periodic nourishment, operation, maintenance, repair, replacement, and rehabilitation of the project and any project-related betterments, except for damages due to the fault or negligence of the United States or its contractors;

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e. Keep and maintain books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to the project in accordance with the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments at 32 Code of Federal Regulations (CFR) Section 33.20;

f. Perform, or cause to be performed, any investigations for hazardous substances that are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), Public Law 96-510, as amended, 42 U.S.C. 9601-9675, that may exist in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be required for the initial construction, periodic nourishment, operation, and maintenance of the project. However, for lands that the Federal Government determines to be subject to the navigation servitude, only the Federal Government shall perform such investigations unless the Federal Government provides the non-Federal sponsor with prior specific written direction, in which case the non-Federal sponsor shall perform such investigations in accordance with such written direction;

g. Assume complete financial responsibility, as between the Federal Government and the non-Federal sponsor for all necessary cleanup and response costs of any CERCLA regulated materials located in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the initial construction, periodic nourishment, operation, or maintenance of the project;

h. Agree that the non-Federal sponsor shall be considered the operator of the project for the purpose of CERCLA liability, and to the maximum extent practicable, operate, maintain, repair, replace, and rehabilitate the project in a manner that will not cause liability to arise under CERCLA;

i. Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17), and the Uniform Regulations contained in 49 CFR Part 24, in acquiring lands, easements, and rights-of-way, required for the initial construction, periodic nourishment, operation, and maintenance of the project, including those necessary for relocations, borrow materials, and dredged or excavated material disposal, and inform all affected persons of applicable benefits, policies, and procedures in connection with said act;

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j. Comply with all applicable Federal and State laws and regulations, including, but not limited to, Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army"; and Section 402 of the Water Resources Development Act of 1986, as amended (33 U.S.C. 701b-12), requiring non-Federal preparation and implementation of floodplain management plans;

k. Provide 35 percent of that portion of total historic preservation mitigation and data recovery costs attributable to hurricane and storm damage reduction that are in excess of 1 percent of the total amount authorized to be appropriated for hurricane and storm damage reduction;

l. Participate in and comply with applicable Federal floodplain management and flood insurance programs.

m. Prescribe and enforce regulations to prevent obstruction of or encroachment on the project that would reduce the level of protection it affords or that would hinder operation and maintenance of the project;

n. Not less than once each year, inform affected interests of the extent of protection afforded by the project;

o. Publicize floodplain information in the area concerned and provide this information to zoning and other regulatory agencies for their use in preventing unwise future development in the floodplain, and in adopting such regulations as may be necessary to prevent unwise future development and to ensure compatibility with protection levels provided by the project;

p. For so long as the project remains authorized, the non-Federal sponsor shall ensure continued conditions of public ownership and use of the shore upon which the amount of Federal participation is based;

q. Provide and maintain necessary access roads, parking areas, and other public use facilities, open and available to all on equal terms;

r. Recognize and support the requirements of Section 221 of Public Law 91-611, Flood Control Act of 1970, as amended, which provides that the Secretary of the Army shall not commence the construction of any water resources project or separable element thereof, until the non-Federal sponsor has entered into a written agreement to furnish its required cooperation for the project or separable element;

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s. At least twice annually and after storm events, perform surveillance of the beach to determine losses of nourishment material from the project design section and advance nourishment section and provide the results of such surveillance to the Federal Government; and,

t. Do not use Federal funds to meet the non-Federal sponsor's share of total project costs unless the Federal granting agency verifies in writing that the expenditure of such funds is authorized.

6. The information contained herein reflects current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program nor the perspective of higher review levels within the executive branch. Consequently, it may be modified before it is transmitted to the Congress for information. However, prior to transmittal to the Congress, the sponsor, the State of New Jersey; interested Federal agencies; and other parties will be advised of any modifications and will be afforded an opportunity to comment further.



JOE N. BALLARD
Lieutenant General, U.S. Army
Chief of Engineers