

Review Assessment

of

Chacon Creek, Texas
Section 203 Integrated Feasibility Report and
DRAFT Environmental Assessment
(August 2018)



September 2018

Executive Summary

The City of Laredo, Texas, conducted a feasibility study to address channel improvements, along Chacon Creek of the Rio Grande Basin. The study was conducted under Section 203 of the Water Resources Development Act (WRDA) of 1986 (P.L. 99-662), as amended. The office of the Assistant Secretary of the Army for Civil Works (ASACW) has conducted a concurrent review of this submittal with the Headquarters, U.S. Army Corps of Engineers (Corps) with the purpose of determining federal interest and that the study demonstrates engineering, economic and environmental feasibility that all reports seeking construction authorization must demonstrate.

Based on the results of the review process, the Secretary has made the determination that the project is feasible and constructible. However, prior to implementation of the project unresolved issues contained within this Review Assessment would need to be addressed and the Federal government will need to complete the associated environmental compliance activities.

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I. Background

The City of Laredo, Texas, conducted a feasibility study to address channel improvements, along Chacon Creek of the Rio Grande Basin. The study was conducted under Section 203 of the Water Resources Development Act (WRDA) of 1986 (P.L. 99-662), as amended. The office of the Assistant Secretary of the Army for Civil Works (OASACW) has conducted a concurrent review of this submittal with the Headquarters, U.S. Army Corps of Engineers (Corps) with the purpose of determining federal interest and that the study demonstrates engineering, economic and environmental feasibility that all reports seeking construction authorization must demonstrate.

This Review Assessment provides the results of the Washington-level review. This review has been conducted to determine whether the study and the process under which the study was developed, each comply with Federal laws and regulations; a determination of whether the project is feasible; and identification of any conditions that the Secretary may require for construction of the project.

II. Chacon Creek Section 203 Recommended Plan

This section provides a summary of the recommended project, as contained within the Chacon Creek, Section 203 Integrated Feasibility Report and DRAFT Environmental Assessment (August 2018).

A. Location: The study area is located in the City of Laredo (City), Webb County, Texas, at the northern border of the Rio Grande. Located in the eastern half of the city, Chacon Creek originates north of Lake Casa Blanca and flows about five miles to the southwest where it forms a confluence with the Rio Grande.

B. Congressional Interest: Henry Cuellar (TX-28)

C. Senators: John Cornyn and Ted Cruz (Texas)

D. Problems: Chacon Creek is an important natural resource located on the eastern side of Laredo, Texas with a wide range of environmental, economic, recreational, and educational needs and opportunities. Years of neglect including illegal dumping, rapid urbanization, and storm runoff have led to contamination, erosion, and loss of wetland habitats and vegetation. Invasive plant species have seriously degraded the value of riparian and riverine habitats for wildlife, as well as altered soil productivity and increased the potential for fires. Additionally, 438 structures located in the 500-year floodplain are at risk of flooding. In June 2007, the city received five to eight inches of rain in a four-hour period which led to the city's first flooding death. A total of 68 homes were reported to have received varying levels of damage during the storm, with several homes along Chacon Creek being almost entirely inundated.

Recurring flood events have historically flooded low lying homes and businesses along the creek. Flood damages associated with the 2007 flood event alone exceeded a

million dollars. The flood events have been exacerbated by the explosive growth within the upper portions of the watershed. The city also has a significant shortage of outdoor recreational facilities, both as identified by residents and based on the standards developed by the National Recreation and Park Association.

E. Project Objectives: The study examined an array of alternatives to reduce flood damages, restore aquatic and riparian ecosystems, and provide compatible recreation opportunities. The following planning objectives were identified for the study:

- Reduce flood damages along Chacon Creek and decrease the number of residents who reside in the 10% ACE by 75 percent.
- Reduce risk to life, health, and safety of the residents along Chacon Creek by decreasing the risk of flooding to the extent practicable.
- Reduce emergency costs associated with the occurrence of large flood events along Chacon Creek.
- Avoid or minimize project impacts to threatened and endangered species.
- Restore and maintain the natural character of floodplains.
- Maximize opportunities for public use within floodplains by connecting park facilities along Chacon Creek.
- Restore a diverse and sustainable ecosystem for Chacon Creek.
- The formulation of alternatives should avoid areas that are either known or suspected to be contaminated and/or contain hazardous, toxic, and radioactive waste.
- Measures for flood risk management should strive to minimize the use of concrete or other hard surfaces.
- The lower portions of the study area where the EPA and the city have performed the streambank stabilization project and planted trees should be considered valuable wildlife habitat and potential migratory areas for the Federally Listed endangered ocelot and Gulf Coast jaguarundi. Project recreation features should avoid clearing riparian areas and other brush vegetation in these areas.

F. Recommended Plan:

The recommended plan is a combined National Economic Development / National Ecosystem Restoration (NED/NER) Plan. The NED Plan provides for the permanent evacuation of 62 residential structures, most of which are in the 10-year floodplain, and for using the vacated lands for a local recreation facility. The NER Plan would restore 401 acres of riparian woodlands by removing buffelgrass, Arundo cane, and salt cedar, and planting native species. Three wetland sites will also be restored and will total approximately 17 acres.

G. Price Level: October 2017

H. Interest Rate: 2.75%

I. Total Project First Cost: The total project cost for the recommended plan is estimated at \$51,973,000.

J. Benefits: The recommended plan provides total annual net benefits of \$378,800 with a benefit-to-cost ratio of 1.35 to 1.00 and 164 average annual habitat units of aquatic ecosystem restoration benefits.

K. Cost Sharing: The project cost sharing will be determined in accordance with section 103 of the Water Resources Development Act of 1986, as amended.

III. Section 203 Review Assessment Summary

In accordance with section 203 of WRDA 1986, as amended, the Secretary is required to provide a report to Congress that describes the following:

A. Feasibility determination (Whether the project is feasible (i.e. technically sound, economically justified and environmentally compliant)?

The Secretary has determined that the recommended plan is feasible and constructible. The report documents that the recommended plan is the national economic development plan (NED). However, prior to implementation of the project unresolved issues contained within this Review Assessment would need to be addressed and the Federal government will need to complete the associated environmental compliance activities.

B. Recommendations concerning the plan or design of the proposed project.

The majority of concerns with the plan and design of the project, as documented within this Review Assessment, have been resolved. Concerns requiring further action, should the recommended plan be authorized for Federal participation, are related to economic justification, climate change, real estate, and environmental compliance.

C. Identify any conditions required for construction of the project.

Conditions for construction of the project include completion of NEPA and environmental compliance activities.

IV. Review History and Findings

Two Washington-level review cycles were conducted for the study. The initial review was conducted for the April 2018 Draft Feasibility Report submittal and the second was conducted for the revised Feasibility Report, dated August 2018. All comments have been addressed as noted, with some requiring further action should the recommended plan be authorized for Federal participation. The following section documents the issue resolution process from those reviews.

A. Documentation of Technical Review

Concern: The submittal did not include sufficient documentation of technical review of the feasibility report, including the construction cost.

Basis of the Concern: Per ER 1165-2-209, App B, par 2j(1), the non-Federal interests “must certify the quality and technical accuracy of the feasibility study and construction cost estimate for the project that would serve as the basis for the section 902 limit” by “documenting the quality control, quality assurance, and technical reviews that were conducted”. The only documentation of review included with the submittal was a list of USACE reviewers which conducted an Agency Technical Review (ATR) of a 2010 version of the feasibility report.

Significance of Concern: **High.** Without documentation of technical review, the Review Team is unable to fully attest to or support the technical quality of the report, including the project construction cost which would be used as the basis for the section 902 limit.

Actions needed to resolve concern: The non-federal sponsor should provide documentation of the quality control, quality assurance, and technical reviews that were conducted for all information presented in the April 2018 feasibility study. It should also acknowledge what additional Peer Review will be undertaken in future project phases (such as Safety Assurance Review).

City of Laredo Response. Since this report is an update of the 2010 Feasibility Report, only the items that have changed underwent quality control and quality assurance review, including costs and environmental conditions. Items originally reviewed in 2010, including quantities associated with the alternatives, were considered accurate if features/conditions have not changed. Documentation of the reviews conducted for the April 2018 report will be provided along with acknowledgment of what additional Peer Review will be undertaken in future project phases.

OASACW/HQUSACE Assessment. It is understood that the City utilized the Corps 2010 document as the basis for their study, therefore the report should demonstrate ownership of all analysis and recommendations contained within. Resolved pending receipt of additional Peer Review documentation. Suggest the documentation be provided separately from the report product.

OASACW/HQUSACE Final Assessment. Comment is resolved. Additional documentation/Certification of review was provided.

B. Preparation of Report by Non-Federal Sponsor

Concern: The submittal needs to be revised and resubmitted because it appears to be a Corps prepared feasibility report instead of a report prepared by a non-Federal interest. It would probably be better if the City explained that this study originated as a Corps General Investigation study and that the City chose to complete it under section 203 of WRDA 1986, as amended. This would permit a discussion of USACE coordination initiated and/or completed. Further, the City will need to rewrite the sections that reflect inherently government determinations. If the Corps made any project or environmental compliance decisions, they should be documented within the report.

Basis of the Concern: Section 203 of WRDA 1986, as amended, authorizes a non-Federal interest to prepare water resource studies and submit to the Secretary for review. The intent is that a non-Federal interest will produce a feasibility study on their own and ultimately seek Congressional authorization. This submittal appears to be a report prepared by USACE - for instance, the report mentions in several place that it has been prepared by the USACE, Section 8 of the report contains a list of preparers that consists entirely of USACE Fort Worth District employees, and the study includes a recommendation by the District Engineer. Release of the report in its current form would be misleading as it would appear that it has been prepared and endorsed by USACE, which is not the case.

Significance of Concern: **High.**

Actions needed to resolve concern: The report should be modified so that it does not present itself as an USACE prepared feasibility report. The changes noted above are found throughout the report, including cover, footers and throughout the appendices. Furthermore, suggest removing the List of Preparers, FONSI, and District Engineer signature block.

Additionally, the report needs to be revised to identify which analysis was done by the Corps and when it was done. Then it needs to describe how the current analysis is using this information and what the current analysis may add to this information. If this report is going to rely on the formulation previously done by the Corps it needs to describe that formulation and explain why it is still valid. Any numbers that have been updated need to include the methodology used to update them. The report does attempt to show differences in the analysis but in many places it becomes unclear. It may be best to completely separate the two analysis such that there is a complete description of the information and analysis completed by the Corps as a reference and then a separate description of the formulation, methodologies and analysis that was conducted of the updated portion of the report.

City of Laredo Response. The report will be modified to reflect that it is a City of Laredo report prepared for ASA(CW)/USACE review. It will also identify the analyses that were done by USACE, when they were done, and methodologies used in the update, when appropriate. It is, however, thought that to completely separate the two analyses will create a confusing and unwieldy report. The City therefore proposes to indicate what data/analyses are from the 2010 report, and what has been updated along with how and why the update is necessary.

OASACW/HQUSACE Assessment. Resolved pending back-check of a revised report. Suggest an electronic file of all report revisions be provided in "track-changes" mode to facilitate expeditious evaluation.

OASACW/HQUSACE Final Assessment. Comment resolved via revised Report dated August 2018.

C. Determination of Economic Costs and Benefits

C.1 Concern: Project costs and benefits have not been adequately updated since 2010.

Basis of the Concern: Project costs and benefits were originally developed in 2010, and have subsequently been escalated to 2018 price levels. Simple price level escalation, particularly over 8 years, may no longer give an accurate representation of current project costs and benefits. Additionally, while project costs were reduced to reflect that 14 (out of 74) of the residential properties that were originally targeted in 2010 have already been bought out, these properties were not removed from the structure inventory and hence are still considered in the benefits category, resulting in an artificially higher BCR.

Significance of Concern: **High**. Without an adequate update of the project's costs and benefits, it is unknown if the project is still economically feasible (ie, $BCR > 1$), particularly since the current BCR is only 1.3.

Actions needed to resolve concern: At a minimum, it should be determined if the project BCR is still > 1 once the properties that have already been bought out are removed from the benefits analysis.

City of Laredo Response. For the alternative analysis the benefits and costs still reflect the original plan formulation analysis assumptions regarding structure inventory. However, for the recommended plan economic analysis, the HEC-FDA analysis was re-run with updated structure pricing, as well as the removal of the 14 properties from the costs and benefits. The project still has a BCR of greater than 1.0. By inspection, modifying the alternatives analysis would lead to similar ranking results as currently shown in the economics appendix.

OASACW/HQUSACE Assessment. Resolved pending back-check of a revised report. Suggest information contained in the response be included in the final report.

OASACW/HQUSACE Final Assessment. Comment is unresolved. The report does not clearly identify the structure inventory used for calculating project costs and benefits. Additionally, it is still unclear if an updated structure inventory would change the comparison of alternatives. A re-evaluation of alternatives and project justification should be conducted prior to implementation.

C.2. Concern: The HEC-FDA model used in the formulation of the study is significantly outdated. Suggest re-computing the outputs of the recommended plan with the most current version to ensure project justification and performance. If unable to perform at this time, this would be noted as a condition for project implementation (such as Economic Update) in the Secretary's Review Assessment.

City of Laredo Response. The latest version of HEC-FDA was used for this analysis. However, in order to use some of the older data, previous versions of FDA were utilized to open the original analysis. Thus, there may be confusion between the two FDA versions. The analysis will be re-run ensuring the use of HEC-FDA version 1.4.

OASACW/HQUSACE Assessment. The explanation provided in the response should be included in the final report. Additional HEC-FDA model runs to further validate project justification should occur prior to project implementation. This condition will be noted as part of the Secretary's feasibility determination (Review Assessment). Comment resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Prior to implementation, an updated HEC-FDA model should be utilized to validate project justification.

D. Calculation of Recreation Benefits and Identification of NED Plan

Concern: The basis for the recreation benefits associated with the TSP is not fully accounted for, bringing into question whether the NED Plan was properly identified.

Basis for Concern: The recommended plan (A10) is a combination of A3 and A6. Adding just the recreation benefits from A10 to those from A6 yields \$832,000 in annual recreation benefits, however, the recreation benefits claimed for A10 are \$911,000. The additional recreation benefits seem to come from the picnic tables. A3 alone yields \$157,600 in recreation benefits from the addition of 12 picnic tables, while A6 alone yields \$0 in benefits from the addition of 6 picnic tables. A10 though yields \$236,390 in benefits from having 18 picnic tables. The report does not provide the logic or Unit Day Value calculations to show how the additional \$79,000 a year in recreation benefits were derived for A10. Of particular concern, though, is that without that \$79,000 a year in added benefits, it would appear that the NED plan would be a project without recreation in Reach 2. See pg 112 of the main report, where under Alternative A7, costs and benefits are presented for various plans without recreation. This data indicates that a non-structural plan in the 20% ACE floodplain, without recreation, would yield \$266,100 in annual net benefits. This is higher than the annual net benefits (\$255,900) for A6, and at a project cost of \$4.2 million vs \$16.8 million for A6.

Significance of Concern: **High.**

Actions Needed to Resolve Concern: The report should adequately document how the additional \$79,000 a year in annual recreation benefits for the recommended plan was determined, in order to confirm that A10 is still the NED plan.

Additionally, it looks like unit day values were updated to 2018 and used to compute benefits for recreation activities but it is not clear where the cost numbers in table A-19 come from. Are they Corp estimates that have been escalated using some methodology? What discount rate was used?

City of Laredo Response. Additional documentation regarding the \$79k will be added to the report. The cost values in table A-19 were updated from the 2010 cost estimates for the recreation items. These values will be verified again, and additional discussion will be added to clarify where these values came from and methodology used.

OASACW/HQUSACE Assessment. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment is partially resolved. The August 2018 report has removed the ~\$79k in recreation benefits from alternative A10. Prior to implementation, the alternatives comparison should be re-examined to validate plan selection.

E. Recreation Cost Sharing

Concern: It is unclear why the non-Federal sponsor is paying a portion of the recreation costs at 100% non-Federal expense.

Basis for Concern: The report indicates that \$340,800 of the total project cost for recreation is in excess of the Federal responsibility, and hence a 100% non-Federal cost. However, the report does not include any information as to what this \$340,800 is associated with, eg, betterments, non-cost shared recreation features, or something else. Without additional information, it is unknown this value has been correctly determined and if the overall project cost share is correct.

Significance of Concern: **Medium.**

Actions Needed to Resolve Concern: The basis behind the determination that \$340,800 in recreation project costs are a 100% non-Federal responsibility should be documented in the report, and the cost share adjusted if necessary.

City of Laredo Response. The 100% non-Federal share of \$340,800 as based on guidance in item "d" on page 192 of the main report is due to the betterments detailed on page 206.

OASACW/HQUSACE Assessment. Recommend that the revised report include clarifying language when discussing the \$340k (could refer back to information contained elsewhere within the report). Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment is unresolved. Recreation cost sharing should be confirmed prior to project implementation

F. Authorization

Concern: The initial study resolution cited on Page 6 (House T&I resolution adopted on May 21, 2003) does not apply to the area investigated in the report, hence the suspension of the Corps study. Rather, that language should be substituted with the study authority provided in section 1201(22) of the Water Infrastructure Improvements of the Nation Act (Public Law 114-322) also known as the Water Resources Development Act of 2016.

Basis of concern: The 2003 resolution does not provide geographic coverage of the Chacon Creek, which led to the discontinuation of the Corps study. Congress has provided study authority for Chacon Creek in WRDA 2016.

Significance of Concern. **Medium.**

Action needed to resolve concern: Update the Study Authority section (Pages 6-7) to correct the discussion of applicable study authorities for this Chacon Creek study. Reference to the House T&I 2003 resolution should be replaced with reference to section 1201(22) of WRDA 2016:

SEC. 1201. AUTHORIZATION OF PROPOSED FEASIBILITY STUDIES.

The Secretary is authorized to conduct a feasibility study for the following projects for water resources development and conservation and other purposes, as identified in the reports titled "Report to Congress on Future Water Resources Development" submitted to Congress on January 29, 2015, and January 29, 2016, respectively, pursuant to section 7001 of the Water Resources Reform and Development Act of 2014 (33 U.S.C. 2282d) or otherwise reviewed by Congress:

(22) CHACON CREEK, CITY OF LAREDO, TEXAS.—Project for flood damage reduction, ecosystem restoration, and recreation, Chacon Creek, city of Laredo, Texas.

Additionally, the section 203 authorization for non-Federal Interests to prepare feasibility studies was last amended by section 1126 of the Water Infrastructure Improvements for the Nation Act (Public Law 114-322) to allow for the provision of technical assistance:

SEC. 1126. STUDY OF WATER RESOURCES DEVELOPMENT PROJECTS BY NON-FEDERAL INTERESTS.

Section 203 of the Water Resources Development Act of 1986 (33 U.S.C. 2231) is amended by adding at the end the following:

(e) Technical assistance. At the request of a non-Federal interest, the Secretary may provide to the non-Federal interest technical assistance relating to any aspect of a feasibility study if the non-Federal interest contracts with the Secretary to pay all costs of providing such technical assistance.

City of Laredo Response. Concur. This will be reflected in the report.

OASACW/HQUSACE Assessment. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment resolved via August 2018 revised report.

G. Credit for Feasibility Study Costs

Concern: The non-Federal costs incurred by the sponsor for developing the feasibility study are not documented.

Basis for Concern: Per ER 1165-2-209, Section 5c – “Section 203 provides that if a project for which a feasibility study developed by non-Federal interests is authorized after the Secretary submits the report to the Congress, the Secretary shall credit toward the non-Federal share of the cost of construction of such project an amount equal to the portion of the cost of developing the study that otherwise would have been the responsibility of the United States if such study had been developed by the Secretary.”

Significance of Concern: **Medium.**

Actions Needed to Resolve Concern: The submittal should document the amount of the feasibility study cost that the non-Federal interest believes should be credited towards their share of the project construction costs.

City of Laredo Response. The non-Federal costs for the feasibility study will be documented and credited towards their share of the project construction costs in the cost sharing sections of the report.

OASACW/HQUSACE Assessment. Under the Corps of Engineers SMART Planning policy and the “3x3x3 rule” described by Planning Bulletin 2014-01, in general, \$3 million is the maximum total cost of feasibility studies undertaken by the Corps of Engineers. Therefore, for a feasibility study undertaken by a non-Federal interest, credit may not exceed \$1.5 million, which would have been the maximum Federal cost for a feasibility study, unless a greater amount for credit is specifically authorized in law.” A more complete discussion of study cost is needed in the report, in order to support crediting requirements prior to implementation. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment is partially resolved. While the report does add discussion regarding study crediting, there is only a placeholder for the

estimated study cost. Study cost for the purpose of crediting must be determined prior to project implementation

H. LERRDs cost for Ecosystem Restoration

Concern: The estimated cost of lands associated with the Ecosystem Restoration (ER) plan exceed 25% of the total cost of the project.

Basis for Concern: The estimated lands cost associated with the ER project (\$8,643,100) is approximately 32% of the total cost for the entire ER project. Per ER 1165-2-209, App B, par 2d(4)(c) – “Land acquisition in ecosystem restoration projects must be kept to a minimum. In general, land acquisition should not exceed 25 percent of total project costs.”

Significance of Concern: **Medium.**

Actions Needed to Resolve Concern: The report should include a discussion and justification as to why land costs for the ER project exceed 25% of the total ER project cost.

City of Laredo Response. Additional discussion will be provided.

OASACW/HQUSACE Assessment. Additional discussion and justification within the final report is needed. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment is unresolved. Additional discussion regarding land cost was not provided.

I. Executive Order (EO) 11988

Concern: The report fails to describe compliance with EO 11988. EO 11988 requires Federal agencies to avoid to the extent possible the long- and short-term adverse impacts associated with the occupancy and modification of flood plains and to avoid direct and indirect support of floodplain development wherever there is a practicable alternative. The Water Resources Council Floodplain Management Guidelines for implementation of EO 11988, as referenced in USACE ER 1165-2-26, require an eight-step process that agencies should carry out as part of their decision-making on projects that have potential impacts to or within the floodplain. The eight steps reflect the decision-making process required in Section 2(a) of the EO. The report should articulate the consideration of the eight steps in the project formulation process and how the Recommended Plan complies with EO 11988.

Basis for Concern: Per ER 1165-2-209, App B, par 2d(2)(d), flood risk management studies “must demonstrate that the project is compliant with EO 11988”. The study simply says that EO 11988 “was considered during the development of the TSP”.

Significance of Concern: **High.**

Actions Needed to Resolve Concern: The report should demonstrate that the project would be compliant with EO 11988, following the procedures outlined in ER 1165-2-26 which require an eight-step process as part of decision-making on projects that have potential impacts to or within the floodplain. To more fully demonstrate compliance with EO 11988 a discussion of the 8-step process should be included with the documentation.

City of Laredo Response. A more complete discussion of EO 11988 will be included, and the 8-step process will be included based on the existence of potential impacts to or within the floodplain.

OASACW/HQUSACE Assessment. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment resolved via August 2018 revised report.

J. Use of Non-Project Lands for Recreation

Concern: The recommended recreation features include lands that are outside of the non-structural flood risk management project (“non-project lands”).

Basis for Concern: ER 1105-2-100, Section 3-7b(2)(a), regarding recreation development at flood risk management projects, states “Basic recreation facilities that take advantage of project created opportunities may be provided, but only on lands acquired for non-recreation purposes”. The feasibility report indicates that the recommended plan “makes more efficient use of land not specifically included in a proposed project measure”.

Significance of Concern: **Medium.**

Actions Needed to Resolve Concern: The report should be clear as to the size and locations of the “non-project lands” used for recreation, and include a rationale, beyond just the increase in recreation benefits, as to why the Corps should cost share in those features.

City of Laredo Response. The locations of these “non-project lands” will be reviewed. Additional documentation will be added to the report discussing the rationale of including these locations, as needed.

OASACW/HQUSACE Assessment. Federal participation is typically constrained to those facilities located on project lands, meaning those lands required to achieve the project purpose (flood risk management). Additional discussion and rationale of non-project land recreation is needed, should Federal participation be reevaluated prior to implementation. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment is resolved. Costs associated with non-project lands are now attributed 100% to non-Federal sponsor.

K. Planning Model Quality Assurance

Concern: The feasibility study uses a model for measuring Ecosystem Restoration benefits that has not been approved for use by the USACE Ecosystem Restoration Planning Center of Expertise (ECO-PCX).

Basis for Concern: One of the habitat models utilized in the study is a “modified” Eastern Cottontail Habitat Suitability Index (HSI) model. While the original HSI model is approved for use, any modifications to the model would need to be further approved by the ECO-PCX. Per ER 1165-2-209, App B, par 2j(2), “the study should specify whether the model used was approved or certified by the Corps of Engineers”.

Significance of Concern: **Medium**. The model in question is one of several used in the analysis, and the remainder of the models used have been approved for use by the USACE. The effect of using the non-approved model on the recommend plan is unknown at this time.

Actions Needed to Resolve Concern: The report should indicate that the modified Eastern Cottontail HSI model has not been approved for use.

City of Laredo Response. Concur, but this bears discussion: The 2010 report used the original HSI models and included the modified Eastern Cottontail HSI. The City updated the model using the same methodology, using the modified Eastern Cottontail HIS model, for consistency. The report will indicate that the modified Eastern Cottontail HSI model has not been approved for use as long as this will not be a constraint to project authorization.

OASACW/HQUSACE Assessment. Information contained within the City’s response should be added to the final report. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment is unresolved. The report does not explicitly state that the model has not been approved for use. Model approval should be obtained as a requirement for implementation.

L. Sustainability of Ecosystem Restoration Plan

Concern: The recommended Ecosystem Restoration plan does not appear to be self-sustainable.

Basis for Concern: Per ER 1105-2-100, Section 3-5 b(1), one of the objectives of ecosystem restoration is “the ability of the restored area to continue to function and produce the desired outputs with a minimum of continuing human intervention. However, the habitat analysis indicates a substantial and continuous decline in habitat quality (as reflected in the HSI score) in the restored sites, beginning 10 years after the completion of project construction, suggesting that the project is not entirely self-sustainable without further intervention. It is unclear if this decline is indicating the need of more O&M on the part of the non-Federal sponsor, is the result of continuing

urbanization and non-point pollution in the future with project condition, is reflective of the need for other ecosystem restoration measures or alternatives to be considered (including actions performed by others outside of the USACE), or some combination of these factors.

Significance of Concern: **High.**

Actions Needed to Resolve Concern: The report should explain why there is an anticipated decline in habitat value at the restored sites after year 10.

City of Laredo Response. Will provide reasoning to explain anticipated decline in habitat values after year 10.

OASACW/HQUSACE Assessment. Additional discussion is needed to demonstrate justification and feasibility for these project features. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment is resolved. The requested information was provided. However, the information anticipates that the restored habitats will transition in the future to other habitat types, including upland habitats of which generally are not part of the Corps ER mission. Maintaining the aquatic habitat as restored would require additional O&M on the part of the sponsor, which has not been accounted for. Project O&M requirements should be re-evaluated prior to project implementation.

M. Benefits escalation methodology

Concern: It is unclear whether the economics were updated using a specific sample of their structural inventory and whether the Marshal and Swift index is a reasonable index based on the project's structural characteristics.

Basis for concern: ER 1105-2-100 Appendix E states "in no event will simple indexing of benefits be acceptable."

Significance of Concern: **Medium.** This could potentially affect the overall project justification.

Actions Needed to Resolve Concern: A small sample of the existing structure inventory population could be obtained when recalculating the Marshal and Swift replacement minus depreciation costs procedures. The sample of specific project inventory would help in getting a population informed economic update. A sample of the structure population will insure there are no changes in the without project condition in terms of structure types and proportions of structure types. The change on the sample could be used to update the entire structure inventory population.

City of Laredo Response. A sample of structures will be re-analyzed with current Marshal and Swift replacement values. This sample will then be used to update the

remaining structures in the inventory. Based on field visits conducted for the update of the study in 2017, the structures appear to be in similar conditions as was shown in the original 2010 analysis. There is likely some depreciation of structures over the 8 plus years since the original analysis, and this should show in the newly sampled structures to be analyzed.

OASACW/HQUSACE Assessment. The explanation provided in the response should be clarified in the final report. An economic update to validate project justification (to include a sampling of structures) should occur prior to project implementation. This condition will be noted as part of the Secretary's feasibility determination (Review Assessment). Comment resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is resolved. An economic update to validate project justification (to include a sampling of structures) should occur prior to project implementation.

N. Benefit to Cost Calculations.

Concern: The Administration tends to examine project justification based on the primary mission area, even though recreation is a NED benefit under the Principles & Guidelines. Recognizing that the recommended project for Chacon Creek will address multiple purposes, it is clear that the additional ecosystem and recreation benefits are made possible as an opportunity stemming from the flood risk management issues within the watershed.

Basis of concern: As a matter of Federal investment policy, a Federal flood damage reduction project must have enough flood damage reduction and related benefits to justify its construction on its own, independent of any recreation benefits.

Significance of Concern. **Medium**

Action needed to resolve concern: In the report, include an additional BCR calculation for flood risk management cost/benefits only, at the current price level/discount rate. Additionally, informally, provide comparable BCR calculations (with and without recreation) at the 7% discount rate.

City of Laredo Response. Analysis of the BCR calculations will be provided with and without the recreation benefits in order to analyze the resulting BCRs. The BCR calculations will also be completed with current discount rates, as well as the set 7% discount rate for comparison.

OASACW/HQUSACE Assessment. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is resolved. An economic update to validate project justification should occur prior to project implementation.

O. Visitation and determination of visitor days

Concern: It is unclear how the visitation estimate and visitation projections were generated.

Basis for concern: Report clarity and documenting the reasonableness of NED benefit calculations.

Significance of Concern: **High.** The current NED plan has less than \$100,000 in net benefits over the next best plan. The overall plan justification is contingent on recreation valuation of the NED plan.

Recommendation for Resolution: Provide a summary of how recreation visitation was estimated and projected through the period of analysis.

City of Laredo Response. Discussion of the visitation estimates will be provided in the report. Also, for further insight into the impact of the visitation estimates, a sensitivity analysis will be conducted that illustrates the impact in higher and lower visitation numbers has on the analysis.

OASACW/HQUSACE Assessment. The explanation provided in the response should be clarified in the final report to demonstrate the reasonableness of the visitation estimate and its impact on project justification. Any additional sensitivity analysis should be conducted as part of an economic update prior to project implementation, to further support project justification. This condition will be noted as part of the Secretary's feasibility determination (Review Assessment). Comment resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is unresolved. An explanation of visitation estimation and projections were not added to the revised final report. Risk and uncertainty and a sensitivity analysis was misapplied. Recreation benefits account for 70% of the total justification. It is highly likely that the impact is significant enough to impact overall plan justification. Prior to implementation, an Economic Update should be performed to further verify and validate the calculations associated with recreation benefits and project justification.

P. With-out project land use value

Concern: The recreation values do not depict a value for the recreation resource and/or open land under the without project condition. It is unlikely that the with-out project condition has zero recreation value and/or that the non-project lands have a zero opportunity costs associated with their existing condition. Courtesy of Google Earth, there is currently six new picnic sites, one large playground, one small playground and a basketball court. The without project values don't seem to be subtracted from the plan's economic analysis and/or added as associated costs (non-project lands). Figure 23 on page 111 depicts nine total picnic sites under the proposed plan. Table A-28 in appendix A, page A-67 assesses the value for six sites. The economic value would

only be the delta between the without project condition (WOPC) and with project condition (WPC) (3 picnic sites?).

Basis for concern: ER 1105-2-100 Appendix D asks for the non-market value of public lands to be expressed as an NED costs. Appendix E (2) Without Project Condition. The without project condition is the pattern of recreation activity expected to prevail over the prescribed period of analysis in the absence of the recreation project or plan. The without project condition includes existing water and related land recreation resources, and projects and additional recreation resources currently being developed or both authorized and likely to be developed during this period. ER 1165-2-209 states "Associated costs are expenditures necessary for production of project outputs for which no project expenditure is made"

Significance of Concern: **High**. The current NED plan has less than \$100,000 in net benefits over the next best plan. The overall plan justification is contingent on recreation valuation of the NED plan.

Recommendation for Resolution: Include an opportunity costs for the non-flood risk management lands as an associated costs and revise the recreation analysis to adopt the changes in the without-out project condition. Subtract the without project recreation value from the with-project recreation value to calculate the net change in recreation resource value.

City of Laredo Response. Costs and benefits for the existing recreation in the project locations will be added to the analysis. Discussion and calculations will be added to the report and the final cost/benefit values for each alternative will be the difference of the with and without project values.

OASACW/HQUSACE Assessment. The proposed revisions are needed in the report to demonstrate the reasonableness of the recreation estimation and its impact on project justification. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is unresolved. The report makes no mention of the existing recreation features. It appears that the existing features are not accounted for in the WOPC or WPC. The recommendation is to account for the recreation features in both the WOPC and the WPC then calculate the impacts to those features as a costs in the recreation benefits analysis. Recreation benefits account for 70% of the total justification. The existing recreation features do not appear on the VDS plans and so are assumed to be demolished under the WPC however the recreation value of those structures were not mitigated for in the recreation benefits analysis. The non-federal lands possess an opportunity costs in the WOPC which is not accounted as an economic cost under the WPC. The recreation analysis is likely overstated due to not accounting for these two economic costs. It is highly likely that the impact is significant enough to impact overall plan justification. Prior to implementation, an Economic Update should be performed to further verify and validate the calculations associated with recreation benefits and project justification.

Q. Changes to the without-project condition structure inventory impacts

Concern: It is unclear how the structure inventory changed from 2000-present. It is also unclear whether the increase in population and city developed upstream had an impact on the hydrology.

Basis for concern: The current non-structural plan might optimize at a different level due to changes in hydrology. Any changes in the non-structural inventory plan might show a different stream of benefits rather than an indexing of the same outputs.

Significance of Concern: **Medium**. Report clarity around the specificity of changes in the without project condition

Actions Needed to Resolve Concern: Provide description of how the benefit changed to specific structure inventory changes.

City of Laredo Response. As indicated on page 22 of the main report, the hydrology identified during the plan formulation phase of the 2010 study still represents current conditions. So no structural inventory changes are anticipated beyond the previously documented removal of structures as part of the non-structural floodplain management effort conducted by the City since 2010.

OASACW/HQUSACE Assessment. Information contained within the response should be included in the revised report. Resolved pending back-check of the report.

OASACW/HQUSACE Final Assessment. Comment is resolved. An economic update to validate project justification (to include a sampling of structures) should occur prior to project implementation.

R. Climate Change

R.1. Concern: Climate Change was not addressed.

Basis for concern: Policy per ECB 2016-25, requires consideration of climate change in all current and future hydrologic studies for inland watersheds.

Significance of Concern: **High**. Without a qualitative analysis of the impacts from climate change, it is impossible to accurately assess the TSP's vulnerability or the project's resilience to future climate conditions.

Actions needed to resolve concern: A qualitative analysis of climate change impacts needs to be performed according to guidance described in ECB 2016-25.

City of Laredo Response. Concur.

OASACW/HQUSACE Assessment. A qualitative discussion regarding climate change and the recommended plan's resiliency should be added to the final report. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is partially resolved. A few additional refinements should be completed prior to project implementation; however, the climate change analysis is adequate for a determination of feasibility.

The CHAT tool indicates statistically significant downward trends in annual peak streamflow for 1 or more of the gages reviewed, depending on what p-value you use. ($p < 0.05$ is a typically accepted value for statistical significance, they used 0.003 which is a much smaller threshold.) Since many of the trends identified are in the downward direction, that could indicate a decreasing flood risk in the future. However, the wetlands proposed in this project may very well be vulnerable to a drier, more arid, future. Prior to implementation, further analysis should be conducted to evaluate potential impact to all aspects of the project, wetland restoration being 1 example.

R.2. Concern: Floodplain Increases due to Climate Change: The feasibility report made no attempt to address climate change within the analysis and plan formulation process per USACE requirements/policies. Climate change impacts for this project will include more intense storms for the 10-year frequency events resulting in high flood stages for those events in the Chacon Creek basin. The City of Laredo's TSP objective is a buyout of residential properties up to the 10-year event. Due to higher flood stages in the future from the 10-year event, this objective for the TSP will not be realized. If the objective is to achieve a 10-year frequency floodplain buyout, then the H&H analysis needs to be adjusted to account for future climate change.

Basis of concern: Cost, Cost/Benefit Ratio, Project Justification

Significance of concern: **High**

Action needed to resolve concern: H&H modeling needs to be adjusted and re-ran to account for future climate change (more intense rainfall events). Once that analysis is completed, then the flood inundation mapping needs to be completed to identify all properties within the City of Laredo's TSP objective for the plan (10-year flood plain). Real estate costs will then need to be updated, dependent what that inundation of the new flood elevations indicate.

City of Laredo Response. Non-concur. The City expects that the qualitative analysis identified in comment 1.a, immediately above, will show that there is not much change in precipitation patterns in the Chacon Creek watershed due to climate change. This is based on previous findings. As such, re-running the H&H models, remapping the flood inundation areas, and updating real estate costs does not seem to be the wisest use of project funds/schedule.

OASACW/HQUSACE Assessment. Moving forward with the recommended plan without a detailed climate change analysis (to include H&H modeling, etc) on all alternatives, in accordance with Corps policy, has some risk in not identifying the most cost effective alternative, but doesn't mean that the recommended is not the best optimal plan. Removing individuals from high flood prone areas is highly desirable from

a life safety standpoint, and may be preferred in lieu of building a levee/floodwalls that could fail at some point in the future.

A qualitative discussion regarding climate change (in accordance with the previous comment), the recommended plan's resiliency to climate change, and life safety benefits should be added to the final report. Detailed climate change analysis (noted above) should occur prior to project implementation. This condition will be noted as part of the Secretary's feasibility determination (Review Assessment). Comment resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Back check of the revised report indicates that a detailed climate change analysis should be implemented prior to any real estate acquisition within the TSP. H&H watershed modeling, per USACE policies, should be conducted prior to implementation with varying storm intensities and amounts to determine the impacts of climate change for the anticipated goals of the 10-year floodplain removal of residential/commercial properties within that floodplain, and/or altering the objective to something less than a 10-year floodplain buyout, dependent upon appropriated funding.

S. Structural Alternative Formulation

Concern: The City of Laredo ruled out any structural alternative in the reaches based upon a "perceived" high cost of any structural alternative. Further, no attempt was made to look at a combination of structural and non-structural alternatives in the reaches to determine if structural alternatives in combination with some real estate acquisition could produce a cost effective solution. Since the plan formulation process for this feasibility study inappropriately eliminated these alternatives, the agency cannot determine if the City of Laredo's TSP is the most cost effective plan, since it did not follow the regulations/policies for plan formulation.

Additionally, when the real estate costs were updated to 2018 costs, no attempt was made by the City of Laredo to check if a structural alternative was cost feasible due to increased real estate costs since the original plan was developed in 2008 by the Fort Worth District. Proper cost and plan formulation process should be followed as directed by regulations/policies.

Basis of concern: Plan Formulation, Cost/Benefit Ratio, Project Justification.

Significance of Concern: **High**

Actions needed to resolve concern: Structural and combinations of structural and non-structural alternatives need to be evaluated, developed to get rough-magnitude costs, and then "racked & stacked" with the other alternatives to ensure that all plan formulation requirement/policies to ensure that the decision maker has the most cost feasible solutions and justifies the projects costs for implementation.

City of Laredo Response. Non-concur. Page A-26 of the socioeconomic appendix begins the "Preliminary Investigation of Flood Risk Management Alternatives." In this section structural alternatives were discussed for channel modifications, detention basins, and levee/floodwall scenarios. Structural measures were looked at in the preliminary planning steps, but only developed for further analysis in reach 2. Then in the "Detailed Investigation of Flood Risk Management Alternatives" section starting on page A-43, one structural measure from reach 2 was carried forward into the more detailed analysis. The structural measure provided the most net benefits from the preliminary analysis and thus was considered the most likely structural measure to provide maximum benefits combined with non-structural measures. This alternative is A2 and the analysis results can be seen in Table A-19. So this alternative ends up with a positive BC ratio, but does not result in the most net benefits and therefore was not selected for the recommended plan. Further, page 112 of the Main Report discusses the formulation of a combination structural/non-structural alternative (Alternative 8) and considered it to be the optimally-performing combination plan. It did not result in the most net benefits. Finally, all costs were updated including relocation, structural, and real estate costs, and these were included in the reanalysis which concluded that plan formulation did not change the alternative ranking. This will be discussed further in the report in the context of real estate costs differences between structural/non-structural alternatives.

OASACW/HQUSACE Assessment. See discussion and assessment from previous comment.

OASACW/HQUSACE Final Assessment. Comment is unresolved. From the submitted information, it is unclear if the "least cost" plan has been identified per USACE policies. While the plan may not be the "least cost" plan due to failure to develop some structural and non-structural alternatives, per USACE policies, the proposed plan is the "optimal" plan, as it removes individuals from high risk life safety areas, and is more desirable than any possible structural alternative, which inherently brings some risk of failure with it. The Review Team supports the recommended alternative based upon life safety and public safety reasons.

T. Environmental Documentation and Environmental Compliance Activities

Concern: It is recognized that the Corps initiated NEPA and environmental compliance activities, however no further work has been completed since the City assumed responsibility of the study. The project's pseudo-NEPA document would need to be revised/updated before construction to confirm that the document reflects current conditions and that the direct, indirect and cumulative effects analyses are still valid. The same applies to compliance with Federal laws such as Clean Water Act, Clean Air Act, Endangered Species Act, etc.

Basis for the concern: As noted in Question 32 of the CEQ document NEPA's Forty Most Asked Questions, an EIS more than 5 years old should be carefully re-examined to determine if a supplement is needed. While the Chacon Creek document is an EA, the Review Team recommends that the project NEPA stand-in be reviewed to

determine if additional work is needed to update the findings. While there is not specific Corps guidance for other Federal laws such as ESA or CWA, these sections should be reviewed in a similar manner before construction.

Significance of the concern: **Moderate**. Comment provided to inform the project proponent that additional work may be required should Congress choose to authorize the project and before construction can begin.

Action needed to resolve concern: The City of Laredo may request completion of environmental compliance activities for the study in advance of project authorization, subject to the availability of Federal funds; or the Secretary could make completion of NEPA and environmental compliance a condition for project implementation as part of his Review Findings. If the project is authorized by Congress, and becomes a Federal project, the Corps will need to prepare appropriate documentation which will undergo public and state & agency review. Resolution of any issues identified during this process may require further design and implementation refinements. Considering the opportunistic timeline of a forthcoming WRDA, it may be best to make environmental compliance a condition of project implementation as part of the Secretary's feasibility determination (Review Assessment).

When discussing Corps consultation activities, recommend explaining that certain actions are required for studies conducted by a federal agency. Also recommend deleting table 43 and its description.

City of Laredo Response. Concur. Will provide a discussion on Federal requirements that would be conducted as a condition of project implementation. Will also delete table 43.

OASACW/HQUSACE Assessment. The City should review the document to ensure that the 2006-era information is still an accurate representation of conditions at the project site. A revised report must provide assurances that the description of resources and likely effects is accurate. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. NEPA and environmental compliance activities must be completed prior to implementation of the project, including review by the public and State & Agencies.

U. Relocation Assistance Cost

Concern: The Relocation Assistance, P.L. 91-646, estimated residential relocations costs are not sufficiently documented in the REP.

Basis for Concern: Per P.L. 91-646 the Uniform Act maximum benefits have increased.

Significance of Concern: **Medium**. Relocations Assistance costs may be understated.

Actions Needed to Resolve Concern: More realistic estimates for residential relocations and moving expenses are needed to include allowing cost to address the estimate for Housing of Last Resort. The REP says there is a cushion to help cover Last Resort Housing costs when in reality the projected costs may not even be adequate if no Last Resort Housing is used.

City of Laredo Response. City will update relocation costs using the updated benefits in the Uniform Act.

OASACW/HQUSACE Assessment. Resolved pending back-check of revised report.

OASACW/HQUSACE Final Assessment. Comment is resolved.

V. Cost Estimates Inflation

Concern: The REP projected LERRD cost by inflating the 2009 Gross Appraisal using the "real estate pricing index values developed by the Federal Reserve Bank of St. Louis for the Laredo area."

Basis for Concern: Typical appraisal practice would have the Gross Appraisal updated for time by a Certified Real Estate Appraiser, not by using an index.

Significance of Concern: **Medium**. Projected LEERD costs may not be as accurate as they would be estimated by a Real Estate Appraiser.

Actions Needed to Resolve Concern: Update the Gross Appraisal or at minimum have a Certified Review Real Estate Appraiser certify that the updated value is within the range of expected real estate values for the Gross Appraisal.

City of Laredo Response. City contacted a Certified Real Estate Appraiser to certify the index however the Appraiser declined to certify that method of updating the Gross Appraisal to 2018 amounts. The only other option the City is aware of is to request that the Corps of Engineers update the Gross Appraisal under the Intergovernmental Cooperation Act (technical assistance).

OASACW/HQUSACE Assessment. A reevaluation of Real Estate requirements and cost should be conducted prior to implementation. This condition will be noted as part of the Secretary's feasibility determination (Review Assessment). Comment resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is resolved

W. LERRD for the Recommended Plan

Concern: The REP mentions that the proposed NFS has already acquired 140 vacant tracts for the ER portion but did not clarify if that is part of the 238 vacant tracts that require buyout.

Basis for Concern: Since the estimate in the REP is based on total acres, it is unclear if the acquired 140 vacant tracts are part of the 238 vacant tracts that require buyout.

Significance of Concern: **Medium**. Accuracy as to lands affected is key to defining the project and its cost.

Actions Needed to Resolve Concern: Revise the REP as listed in significance of concern.

City of Laredo Response. The vacant tracts will be reviewed to determine if they are already included as part of the real estate plan. Any changes from this review will be documented in and any cost changes will be modified throughout the report.

OASACW/HQUSACE Assessment. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is resolved.

X. HTRW

Concern: Several sections in the main report indicate potential for HTRW, however the Real Estate Plan does not give any indication of these risks.

Significance of Concern: **Medium**

Action needed to resolve concern: Recommend including a statement similar to the one on page 177 of the main report.

City of Laredo Response. The statement on page 177 of the main report will be added to the Real Estate appendix.

OASACW/HQUSACE Assessment. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is resolved.

Y. Real Estate Plan, Relocation Assistance

Concern: The Real Estate Plan does not contain enough detail to evaluate the relocation assistance cost estimate.

Basis for Concern: ER 405-1-12, paragraph 12-16c(11).

Significance of Concern: **Medium**.

Actions Needed to Resolve Concern: Recommend the REP be revised to identify the number of persons, farms and businesses anticipated to be displaced to arrive at the relocation assistance cost estimate. The report also needs to explain how the

maximum amounts for replacement housing payments and moving expenses were arrived at. MAP-21 increased the maximum replacement housing payment to \$31,000. Finally, the final REP needs to better assess the need for housing of last resort, and provide a cost estimate and the basis for the cost estimate if housing of last resort is anticipated to be required.

Recommend the discussion of the EO entitled "Protecting the Property Rights of the American People" from the REP. Project requires the non-federal sponsor to have the legal capability and willingness to acquire the necessary property through condemnation to clear title or in the event an agreement cannot be reached on price.

City of Laredo Response. City will revise the relocation assistance cost estimates. Moreover the City will include language stating that the City has condemnation powers (provided separately).

OASACW/HQUSACE Assessment. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment is partially resolved and must be fully addressed prior to project implementation. Information assessing the need for and costs of housing of last resort has not been provided.

Z. Cost sharing

Concern: The reports description of project cost sharing is not quite accurate. Several of the general statements on cost sharing do not accurately reflect the legal requirements or doesn't reflect all the amendments.

Significance of Concern: **Medium.**

Action needed to resolve concern: Since local responsibilities, including cost sharing, is covered in a subsequent section, recommend deleting everything from PROJECT COST SHARING through Recreational Development (Page 188 – 189).

City of Laredo Response. The noted text will be deleted from the report.

OASACW/HQUSACE Assessment. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment resolved via revisions to the report.

AA. Project Implementation

Concern: The section describing project implementation is inaccurate, misleading, and not necessary. Recommend deleting. The PPA appendix should be deleted since it is not necessary and the agency could revise the model agreements to reflect changes in law and policy prior to USACE moving forward in this project.

Significance of Concern: **High.**

Action needed to resolve concern: Remove Project Implementation section of the report and the PPA Appendix.

City of Laredo Response. Concur. Section will be deleted.

OASACW/HQUSACE Assessment. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment resolved via revisions to the report.

BB. OMRR&R

Concern: Recommend deleting or revising the OMRR&R section's introductory sentence. The NFS's OMRR&R responsibility is covered in an earlier section. Suggest describing the NFS obligation to OMRR&R the project rather focusing on execution of the PPA.

Significance of Concern: **Medium.**

Action needed to resolve concern: Delete or revise the OMRR&R discussion to describe OMRR&R requirements for the project.

City of Laredo Response. Concur. The referenced section will be deleted from the report.

OASACW/HQUSACE Assessment. Resolved pending back-check of the revised report.

OASACW/HQUSACE Final Assessment. Comment resolved via revisions to the report.