

January 12, 2017

Programs & Project Management Division

Steve McGrath, General Manager San Mateo County Harbor District 504 Avenue Alhambra 2nd Floor El Granada, CA 94018

Dear Mr. McGrath:

The U.S. Army Corps of Engineers (USACE) has completed its technical and economic analyses for the Feasibility Phase for the North Half Moon Bay (Pillar Point Harbor) Continuing Authorities Program (CAP) Section 111 project. Section 111 is an authority for USACE to study and implement projects - to an economically justified level of work - for the prevention or mitigation of damages to both non-federal publicly and privately owned shores to the extent that such damages can be directly identified and attributed to federal navigation works located along the coastal and Great Lakes shorelines of the United States. Implementing a Section 111 project is subject to a finding of federal interest and the availability of funds. Two of the criteria for determining whether or not a project is eligible for implementation under Section 111 in accordance with USACE policies are a) the project must be economically justified (monetary benefits exceed the cost), and b) the total cost of the project must not exceed the allowable maximum as provided by law. The analyses conducted to date indicate that there is a low likelihood of implementing a Section 111 project in the study area that meets those two criteria. As such, it has been determined that, based on the current understanding of the nature of the coastal erosion and potential benefits in the study area, there is no federal interest at this time in constructing a mitigation project.

The project, which comprises an area adjacent to the inside of the East Breakwater and the 0.9-mile stretch of shoreline between the root of the East Breakwater and the south side of the community of Miramar, was studied for current and expected future harbor deposition and coastline erosion over the next twenty years. The Project Delivery Team analyzed several alternatives to respond to the forecast impacts and determined that the preferred alternative would involve a one-time dredging of approximately 140,000 to 150,000 yd<sup>3</sup> of sand accumulated along the East Breakwater and placing that sand to form a 125-foot wide elevated berm along the approximately 3,100-foot long section of shoreline that makes up Surfer's and Vallejo Beaches. The study evaluated economic impacts to

structures, commercial and private fishing, and beach recreation and the construction cost for the preferred alternative. Comparing the benefits of the preferred alternative to the cost of construction resulted in a Benefit-to-Cost Ratio of 0.25. To even be considered to be in the federal interest, that ratio would have to have been greater than 1.0.

Although USACE will not construct a project under CAP 111, there might be other ways we can help. For example, USACE participates in the California Coastal Sediment Management Workgroup (CSMW), which focuses on augmenting or restoring natural processes in areas undergoing adverse impacts of coastal erosion and excess sedimentation on coastal habitats. Of interest to proponents planning to construct a project similar to the one proposed in the report, the CSMW is encouraging the Monterey Bay National Marine Sanctuary to expand its definition of appropriate dredged-material placement to allow for the placing of clean, dredged sand in the sanctuary for beneficial-use purposes. At present, such actions are prohibited, which could limit the scope of a project. Another possibility for USACE participation would be to help monitor the movement of sand subsequent to a non-USACE project. Monitoring could be supported by USACE's Regional Sediment Management Program, which is based at the Engineer Research and Development Center in Vicksburg, Mississippi.

As requested by San Mateo County Harbor District Commissioner Sabrina Brennan, the Detailed Project and its appendices will be electronically transmitted to you at smcgrath@smharbor.com using the U.S. Army secure site AMRDEC SAFE. When sent, you will receive an email explaining how to retrieve the documents. Please direct all questions or requests for more information concerning this report to Tom Kendall, Chief of the District Planning Branch at (415) 503-6822 (thomas.r.kendall@usace.army.mil). An electronic copy of this letter and the documents are being sent to Ms. Sabrina Brennan at sbrennan@smharbor.com.

Sincerely,

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Ariis A. Rakstins, PMP **Deputy for Project Management**