



# Warwick Group CONSULTANTS



Water Resources Policy, Public Finance & Advocacy

## Warwick Group Secures Major Win for California Coast May 15, 2020

When it comes to beach nourishment and coastal protection projects, the Corps of Engineers' current Benefit-Cost model is outdated, providing insufficient accounting of project benefits, leading to suboptimal investment decisions. California has borne the brunt of this for years, resulting in unfunded beach nourishment projects deemed inadequate to meet the White House Office of Management and Budget's (OMB) preferred BCR of 2.5:1. That all is about to change.

For over a decade the BCR issue has been a recurring challenge for beach nourishment and other coastal projects, and after several years of advocacy among Congress, the Corps and the Administration, Warwick Group achieved a significant victory. On April 3rd, 2020, Assistant Secretary R.D. James released an internal memo directing the Corps to review its current BCR methodology to maximize all benefits in the National Economic Development (NED), Regional Economic Development (RED) and Other Social Effects (OSE) categories. As stated in the memo, "failure to adequately capture these benefits creates challenges for the public, decision makers within the Administration, Congress, as well as federal and non-federal partners" in determining the potential impact of project decisions. Warwick Group has been the leader in urging Congress and the Administration to take these steps for years.

In the FY20 Corps Work Plan, Warwick Group was successful in achieving two West Coast victories for projects with BCR's less than 2.5:1. Both the Solana Beach-Encinitas Shore Protection Project, and the San Clemente Shore Protection Project received appropriations for their Preconstruction, Engineering and Design phases. Despite having project BCR's less than OMB's preferred 2.5:1, Warwick Group relied on exceptions found in law for public safety and national security to help prioritize these two projects. While not included in the original BCR analysis, Warwick Group pressed the issue at the Administration level that the benefits were not fully captured and therefore not previously accounted for in the RED and OSE accounts.



San Clemente Pier and LOSSAN Railroad, California

After a delay of more than a decade, the Corps will be updating its procedures for assessing benefits by October 1, 2020. This change in regulations in place since the mid-1980's will enable the Corps to place emphasis on NED, RED and OSE project benefits during the feasibility study phase to fully capture project benefits. Moreover, Secretary James has directed the Corps to use all available resources to study project areas in greater detail depending on the magnitude of benefits generated by the project, the availability of data and the availability of tools to quantify the monetary outcomes of potential project decisions.

The Corps' models for flood risk management works particularly well for projecting damages to the barrier islands and low-lying areas of the East Coast, however the rugged, tall-bluffed California coast is radically different than the East Coast. By updating the BCR analysis process, project benefits will increase for California projects compared to costs, allowing for greater future investments along the California coast.

Warwick Group has the experience, knowledge and record of success to help California communities on issues related to beach nourishment, coastal restoration and the Corps of engineers.

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