



**US Army Corps
of Engineers®**
New York District

Passaic River Tidal Protection Area, New Jersey Coastal Storm Risk Management Feasibility Study

Final Integrated Hurricane Sandy General Reevaluation Report & Environmental Assessment

Appendix G Economics

March 2019

TABLE OF CONTENTS

INTRODUCTION	G-1
PURPOSE AND SCOPE.....	G-1
STUDY AUTHORITY	G-2
<i>Project History</i>	G-3
DESCRIPTION OF THE STUDY AREA	G-4
<i>Location and Description</i>	G-4
<i>Accessibility</i>	G-5
<i>Socio-Economics</i>	G-5
<i>Land Use</i>	G-8
DESCRIPTION OF THE PROBLEM.....	G-9
<i>Historical Flooding</i>	G-9
WITHOUT-PROJECT FUTURE CONDITIONS	G-11
STORM DAMAGE	G-12
GENERAL.....	G-12
PROJECT REACHES	G-12
CONDITIONS	G-13
INVENTORY METHODOLOGY	G-13
STAGE FREQUENCY DATA.....	G-24
SEA LEVEL CHANGE.....	G-24
INUNDATION DAMAGE FUNCTIONS	G-25
AVERAGE ANNUAL DAMAGES	G-27
GENERAL.....	G-27
UNCERTAINTY	G-27
ESTIMATED DAMAGES	G-28
COASTAL RISK MANAGEMENT BENEFITS	G-31
INTRODUCTION.....	G-31
METHODOLOGY AND ASSUMPTIONS.....	G-31
SCREENING OF PLAN COMPONENTS.....	G-32
NED PLAN OPTIMIZATION	G-33
SENSITIVITY TESTING: SEA LEVEL RISE.....	G-40
FINAL ECONOMIC COMPARISON.....	G-42
 SUB APPENDIX A	
 ALIGNMENT - PROJECT PERFORMANCE AND RISK ANALYSIS.....	G-43

LIST OF FIGURES

FIGURE 1: STUDY AREA REACHES	G-50
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LIST OF TABLES

TABLE 1: POPULATION OF STUDY AREA JURISDICTIONS	G-7
TABLE 2: MEDIAN HOUSEHOLD INCOME OF PROJECT AREA JURISDICTIONS.....	G-7
TABLE 3: EMPLOYMENT BY SECTOR OF STUDY AREA JURISDICTIONS.....	G-7
TABLE 4: STRUCTURES BY FLOODPLAIN - NEWARK SECTION.....	G-16
TABLE 5: STRUCTURES BY FLOODPLAIN - KEARNY SECTION.....	G-16
TABLE 6: STRUCTURES BY FLOODPLAIN - HARRISON SECTION 1	G-17
TABLE 7: STRUCTURES BY FLOODPLAIN - HARRISON SECTION 2	G-17
TABLE 8: STRUCTURES BY FLOODPLAIN - MINISH PARK SECTION.....	G-17
TABLE 9: STRUCTURES BY FLOODPLAIN - NEWARK FLANKING SECTION.....	G-17
TABLE 10: STRUCTURES BY FLOODPLAIN - NEWARK GAP	G-18
TABLE 11: STRUCTURES BY FLOODPLAIN - STUDY AREA TOTAL	G-18
TABLE 12: VALUE OF STRUCTURES BY FLOODPLAIN (\$,000) - NEWARK SECTION.....	G-18
TABLE 13: VALUE OF STRUCTURES BY FLOODPLAIN (\$,000) - KEARNY SECTION.....	G-18
TABLE 14: VALUE OF STRUCTURES BY FLOODPLAIN (\$,000) - HARRISON SECTION 1	G-19
TABLE 15: VALUE OF STRUCTURES BY FLOODPLAIN (\$,000) - HARRISON SECTION 2	G-19
TABLE 16: VALUE OF STRUCTURES BY FLOODPLAIN (\$,000) - MINISH PARK SECTION.....	G-19
TABLE 17: VALUE OF STRUCTURES BY FLOODPLAIN (\$,000) - NEWARK FLANKING SECTION....	G-19
TABLE 18: VALUE OF STRUCTURES BY FLOODPLAIN (\$,000) - NEWARK GAP	G-20
TABLE 19: VALUE OF STRUCTURES BY FLOODPLAIN (\$,000) - STUDY AREA TOTAL	G-20
TABLE 20: VALUE OF CONTENTS BY FLOODPLAIN (\$,000) - NEWARK SECTION	G-20
TABLE 21: VALUE OF CONTENTS BY FLOODPLAIN (\$,000) - KEARNY SECTION	G-20
TABLE 22: VALUE OF CONTENTS BY FLOODPLAIN (\$,000) - HARRISON SECTION 1.....	G-21
TABLE 23: VALUE OF CONTENTS BY FLOODPLAIN (\$,000) - HARRISON SECTION 2.....	G-21
TABLE 24: VALUE OF CONTENTS BY FLOODPLAIN (\$,000) - MINISH PARK SECTION	G-21
TABLE 25: VALUE OF CONTENTS BY FLOODPLAIN (\$,000) - NEWARK FLANKING SECTION	G-21
TABLE 26: VALUE OF CONTENTS BY FLOODPLAIN (\$,000) - NEWARK GAP SECTION	G-22
TABLE 27: VALUE OF CONTENTS BY FLOODPLAIN (\$,000) - STUDY AREA TOTAL.....	G-22
TABLE 28: VALUE OF VEHICLES BY FLOODPLAIN (\$,000)	G-23
TABLE 29: BASE YEAR STAGE VS FREQUENCY DATA.....	G-24
TABLE 30: TONS OF DEBRIS BY FLOOD DEPTH, AS ESTIMATED BY FEMA MOTF MATRIX	G-26
TABLE 31: SUMMARY OF WITHOUT-PROJECT DAMAGES: EXPECTED ANNUAL DAMAGE - BASE YEAR 2020	G-29
TABLE 32: SUMMARY OF WITHOUT-PROJECT DAMAGES: EXPECTED ANNUAL DAMAGE - FUTURE YEAR 2070	G-29
TABLE 33: SUMMARY OF WITHOUT-PROJECT DAMAGES: EQUIVALENT ANNUAL DAMAGE.....	G-30
TABLE 34: SUMMARY OF ALIGNMENT WITH-PROJECT DAMAGES	G-32
TABLE 35: SUMMARY OF ALIGNMENT BENEFITS	G-32
TABLE 36: SCREENING OF PLAN COMPONENTS.....	G-33
TABLE 37: STRUCTURES IN INTERIOR DRAINAGE AREAS	G-35
TABLE 38: STRUCTURE VALUES IN INTERIOR DRAINAGE AREAS (\$,000)	G-36
TABLE 39: TOTAL WITH PROJECT EQUIVALENT ANNUAL DAMAGE.....	G-38
TABLE 40 - ECONOMIC COMPARISON OF PLANS: TOTAL EQUIVALENT ANNUAL DAMAGES AND BENEFITS	G-39
TABLE 41: IMPACTS OF SEA LEVEL RISE ON DAMAGES AND BENEFITS.....	G-41
TABLE 42: FINAL ECONOMIC COMPARISON OF NED AND RECOMMENDED PLANS	G-42

SUB APPENDIX A

TABLE A1 - EXPECTED AND PROBABILISTIC VALUES OF STRUCTURE/CONTENTS DAMAGE REDUCED	G-46
TABLE A2- PROJECT PERFORMANCE ANALYSIS - ALIGNMENT, ALL REACHES EXCEPT NEWARK FLANKING SECTION	G-46
TABLE A3- PROJECT PERFORMANCE ANALYSIS - ALIGNMENT, NEWARK FLANKING SECTION ONLY	G-47
TABLE A4-PROJECT PERFORMANCE ANALYSIS - 16 FT ALIGNMENT; INTERMEDIATE AND HIGH SEA LEVEL RISE, ALL REACHES EXCEPT NEWARK FLANKING SECTION	G-48
TABLE A5-PROJECT PERFORMANCE ANALYSIS – 16 FT ALIGNMENT; INTERMEDIATE AND HIGH SEA LEVEL RISE, NEWARK FLANKING SECTION ONLY	G-48
TABLE A6-PROJECT PERFORMANCE ANALYSIS - 14 FT ALIGNMENT; INTERMEDIATE AND HIGH SEA LEVEL RISE, RECOMMENDED PLAN	G-49

INTRODUCTION

Purpose and Scope

1. This report documents procedures and results of the economic storm damage analysis for the Passaic River, New Jersey, Tidal Flood Risk Management Project presented in the General Reevaluation Report (GRR) as well as the Recommended Plan, which is the Locally Preferred Plan (LPP). The Passaic Tidal project is an authorized but unconstructed (ABU) project, as identified in the May 2013 Post-Hurricane Sandy Second Interim Report to Congress.
2. The New York District Corps of Engineers (NYD) produced a Draft General Design Memorandum (GDM) in 1995 and the first phase of a GRR for the entire Passaic River Watershed in 2013, both of which identified hurricane/storm surge/tidal risk management measures to help manage flood risks in portions of Harrison, Kearny and Newark, New Jersey. The three “tidal” levees and floodwalls have since been separated out from the Main Passaic Watershed GRR and have been identified for separate funding and analysis as part of a series of Authorized but Unconstructed (ABU) Hurricane Sandy-related projects. The Harrison, Kearny and Newark tidal levees were analyzed at a GRR level of study making full use of the data acquired in 1995 and 2013, as well as the latest hydrologic, hydraulic, topographic and structural information.
3. After consideration of the potential Hazardous, Toxic, and Radioactive Waste (HTRW) impacts, potential environmental impacts, and the challenges associated with floodwall construction adjacent to several Superfund sites, the New Jersey Department of Environmental Protection (NJDEP), the non-Federal partner, selected a smaller alternative, known as the “Flanking Plan”, as the LPP, which includes floodwall segments set back from the coastline. The U.S. Army Corps of Engineers (USACE) selected the LPP as the Recommended Plan (RP).
4. The ABU Hurricane Sandy-related project was evaluated by comparing multiple design elevations at a preliminary level of detail to compare costs and benefits to determine the optimum design height. The alternatives analyzed included the 1995 draft GDM elevation and alternative alignments with crest elevations 2 and 4 feet above the GDM elevation, as well as a smaller plan set back from the shoreline that provided flood risk management for the interior of the City of Newark. Preliminary typical levee and floodwall cross-sections were developed to calculate estimated quantities and costs.

5. This document presents the findings of economic assessments for the without-project conditions, as well as analysis results for structural coastal risk management alternatives. Economic analyses include development of stage versus damage relationships and annual damages over a 50-year analysis period. Damage assessments include damages due to tidal flood inundation along the shoreline and damages caused by residual flooding due to ponding of runoff behind the alignment. Benefits that were evaluated for the alternatives are:
 - Reduced inundation damage to structures and contents
 - Reduced inundation damage to motor vehicles associated with residences
 - Reduced costs of removal and disposal of storm damage debris
6. Estimates of damages are based on October 2018 price levels and a 50-year analysis period. Damages have been annualized over the 50-year period using the fiscal year 2019 discount rate of 2.875%.
7. The Economic Appendix:
 - Provides an overview of the problems and opportunities
 - Describes the without-project future conditions
 - Summarizes the analysis methodologies
 - Evaluates storm damage reduction benefits
 - Evaluates net benefits and benefit-to-cost ratios for structural alternatives
 - Evaluates the impact on the net benefits for a range of sea level rise scenarios
 - Evaluates the performance of the plan and residual risk (Sub Appendix A)

Study Authority

8. The Passaic Tidal Protection Area is part of the larger Passaic River Main Stem project, which was authorized for construction by Section 101(a)(18) of the Water Resources Development Act (WRDA) of 1990, as amended by Section 101(a)(18)(ii) of WRDA 1992, Section 102(p) of WRDA 1992, and Section 327(i) of WRDA 2000:

In general. The project for flood control, Passaic River Main Stem, New Jersey and New York: Report of the Chief of Engineers, dated February 3, 1989, except that the main diversion tunnel shall be extended to include the outlet to Newark Bay, New Jersey, at a total cost of \$1,200,000,000, with an estimated first Federal cost of \$890,000,000 and an estimated first non-Federal cost of \$310,000,000.

Pre-engineering design work was underway until the non-federal sponsor, the New Jersey Department of Environmental Protection (NJDEP), withdrew support for the project in 1995. Work was halted until March 2011, when the non-Federal sponsor requested a reevaluation of the Passaic River Main Stem project. A Feasibility Cost Sharing Agreement was executed in June 2012 between the USACE and NJDEP.

9. The purpose of the reevaluation study is to determine if the Passaic Tidal project remains economically justifiable, technically feasible, and environmentally acceptable. A 1987 General Design Memorandum (GDM) and 1995 GDM presented preliminary designs for the project. In the more than 20 years since the 1995 GDM was drafted, study area conditions have changed, and engineering standards and criteria have been updated based on lessons learned from major storm events. Changes in study area conditions, post-hurricane resiliency work, updated economic forecasting, and new engineering and H&H analyses has informed the team's analysis.
10. The reevaluation study was underway when Hurricane Sandy severely impacted the study area in October 2012. The storm's tidal surge inundated the southern portion of the Main Stem project area. The Tidal Protection Area was included in the Second Interim Report to Congress in response to P.L. 113-2, listing it as eligible to be managed as its own separate project. The reevaluation study is funded for completion via P.L. 113-2. This general reevaluation study will present updated project costs, benefits, and NEPA documentation to determine if the project is still economically justifiable, technically feasible, and environmentally acceptable.

Project History

11. A study of water resource problems in the Passaic River watershed was first authorized by the Flood Control Act of 1936. Reports recommending plans of action issued in 1939, 1948, 1962, 1969, 1972, and 1973. In October 1976, Congress authorized the Passaic River Basin Study in WRDA 1976. After a series of investigations, a General Design Memorandum (GDM) was finalized in 1987. It recommended a plan that included a tunnel diversion; channel modification of the Passaic River; and tidal levees/floodwalls in Newark, Kearney and Harrison, New Jersey.
12. Construction for the Passaic Main Stem Project was authorized by WRDA 1990. A 1995 GDM recommended modifications to the authorized project due to a change in study area conditions. Soon after, the State of New Jersey withdrew support for the project due to objections over the tunnel feature.

13. Interest in the project was given by the newly-formed New Jersey Station Passaic River Basin Flood Advisory Commission in February 2010. The commission recommended reevaluation of the study for the entire Passaic River Basin, including the tidally influenced part of the study area, in March 2011 to the USACE. In June 2012, a Feasibility Study Cost-sharing Agreement (FCSA) was executed between the USACE and NJDEP for a reinvestigation of the project. The reevaluation was underway when Hurricane Sandy severely inundated the region in October 2012. The “Tidal Protection Area” of the Passaic Main Stem Project – the current study area – was included in the Second Interim Report to Congress in response to P.L. 113-2, listing it as eligible to be managed as its own separate project. The FCSA specifically for the “Tidal Protection Area” was executed with NJDEP in October 2014.

Description of the Study Area

Location and Description

14. The study area includes the tidally-influenced and surge-prone areas in the lower Passaic and Hackensack Rivers, and Newark Bay, New Jersey that were included in the authorized Passaic Main Stem project. It includes portions of the city of Newark (Essex County), and the adjacent towns of Harrison and Kearny (Hudson County). The study area covers 5.0 square miles (3,200 acres) in the city of Newark, 0.65 square miles (400 acres) in the Town of Harrison, and 2.73 square miles (1,880 acres) in the Town of Kearny. The Passaic and Hackensack Rivers intersect the study area.
15. The study area is a mixed use area of industrial, commercial, and residential development. The waterfront is mostly developed for industrial uses including shipping (oil and gas, containers/consumer goods) and wastewater treatment. Related rail, barge, truck, and storage infrastructure line the waterfront. There are some public parks and a sports arena on the waterfront as well.
16. Most industrial development is found in two sections of the study area; 1) Kearny Point, a peninsula located between the Passaic and Hackensack Rivers, and 2) on the south/west bank of the Passaic River in Newark. In addition to these areas, the north bank of the Passaic River in Harrison (south of the PATH railroad) is former industrial land now transitioning to mixed residential and commercial development.
17. Most residential communities in the study area are west of US-1/9 in Newark, and the northwestern portion of Harrison. Most of the rest of the study area is developed for non-retail

commercial uses and industrial uses, including shipping, rail transport, oil and gas storage, and container storage.

18. Historical flood records and existing topography indicate that many structures within the study area are susceptible to significant flooding. Approximately 7,400 buildings were initially identified as being susceptible to storm damage with over half of these located in the 1% annual chance event (ACE) floodplain.

Accessibility

19. The study area is a heavily urbanized zone with access to neighboring areas via numerous major highways, including I-95 (the main interstate highway of the eastern United States) which also forms the New Jersey Turnpike in this region. The northern boundary of the study area is formed by I-280, I-78 passes close to the southern boundary, and the study area is also bisected by US-1/9. Other major roads of local importance that give access to the study area include NJ-21, which lies on the western boundary of the study area. Passenger rail services are provided to the study area by the PATH system, with a station in the Harrison section of the study area connecting to Newark Penn Station to the west and New York City to the east via Journal Square and Exchange Place. Newark Penn Station lies at the northwestern boundary of the study area and provides passenger services to further afield via New Jersey Transit and Amtrak. Several freight and other non-passenger railroad lines pass through or adjacent to the study area including links to the main PATH maintenance facility which is located in the Harrison section of the study area, and some major freight yards in the southern section of Newark. The riverfront section (particularly on the west bank through Newark) is the location of several facilities for handling waterborne freight but there are currently no passenger services operating on the river in the study area.

Socio-Economics

20. The study area falls within Essex and Hudson County, specifically the City of Newark, Town of Harrison, and Town of Kearny. In general, the study area contains predominantly industrial facilities with a mix of residential development. Profiles of the three study area communities are presented below, followed by Tables 1 through 3 summarizing the population, income, and employment statistics for the three municipalities.
21. The City of Newark, located approximately eight miles west of Manhattan, is the largest city in the state of New Jersey. The city is situated on the western side of the Passaic and Hackensack River. It acts as one of the major hubs for air, shipping and rail transportation; including Port Newark, Newark Liberty International Airport, and several universities.

Historically, the City of Newark has had a strong industrial and commercial economic base. Newark is a dense urban area surrounded by residential communities. It is home to four universities: New Jersey Medical School, New Jersey Institute of Technology, Rutgers University – Newark, and Essex County College.

22. Newark is the second most racially diverse city in New Jersey, with 52.4% African American population, followed by a 33.8% Hispanic, and an 11.6% white population. Looking further, the population in the City of Newark remains largely occupied by young adults and middle aged citizens with an average age of 32 years – 25.6% of the population were under the age of 18, 11.9% from 18 to 24, 31.9% from 25 to 44, 22.1% from 45 to 64, and 8.6% who were 65 years of age or older (US Census).
23. The Town of Harrison is located in Hudson County on the Passaic River. The Passaic River opens directly into Newark Bay. Although Harrison is within Hudson County and is influenced by other Hudson County municipalities, Harrison is also influenced by the adjacent City of Newark due to its close proximity. In the past the Town of Harrison was heavily involved in industry and manufacturing, which began to move out in the late 1960s. Due to the Waterfront Redevelopment Plan of 2012, there has been an influx in residential and mixed-use development along the Passaic River and a decline in the manufacturing industrial sector. The Town of Harrison includes the Red Bull Arena, which is located near the Passaic River and was opened in 2010.
24. In the Town of Harrison, 20.8% of the population is under the age of 18, 10.9% from 18 to 24 years of age, 35% from 25 to 44 years of age, 24% from 45 to 64 years of age, and 9.3% who were 65 years of age or older (US Census). The Town of Harrison is racially comprised of 35.4% white, 2.2% African American, 16.3% Asian, and 44.2% other races (US Census).
25. The Town of Kearny, located in Hudson County adjacent to the Town of Harrison, is situated between the Passaic and Hackensack River. It is located roughly six miles west of Manhattan. Much of the section of Kearny within the study area hosts commercial and industrial areas. From the late 1800s Kearny was an industrial area and was known as a factory town until the late 20th century. It was also the location of a ship yard for the construction of cargo ships and home of the ‘Kearny Standard’ for the manufacturing of tools and equipment. The Town of Kearny includes an extensive residential area in the north of the Town limits, which is located outside the boundary of this study.
26. In the Town of Kearny 20.7% of the population is under the age of 18, 11.0% from 18 to 24, 31.2% from 25 to 44, 26.4% from 45 to 64, and 10.7% who were 65 years of age or older. The

Town of Kearny is racially made up of 48.7% White, 39.9% Hispanic or Latino, 4.4% Asian, 5.4% African American (US Census).

Table 1: Population of Study Area Jurisdictions

Municipality	1980	1990	2000	2010	2014
City of Newark	329,248	275,221	273,546	277,140	280,579
Town of Harrison	12,242	13,425	14,424	13,620	15,376
Town of Kearny	35,735	34,874	40,513	40,684	41,837

Table 2: Median Household Income of Project Area Jurisdictions

Jurisdiction	2000	2010	2014
New Jersey	\$55,146	\$69,811	\$72,062
City of Newark	\$29,913	\$35,659	\$34,012
Town of Harrison	\$41,350	\$51,193	\$53,772
Town of Kearny	\$47,757	\$58,698	\$63,093

US Census Bureau

Table 3: Employment by Sector of Study Area Jurisdictions

Civilian employed population 16 years and over	Kearny		Harrison		Newark	
	Total	%	Total	%	Total	%
Sector						
Agriculture/Forestry/Fisheries/Mining	15	0.1	0	0	167	0.1
Construction	1,710	8.7	827	12.1	11,014	9.8
Manufacturing	1,923	9.8	741	10.9	9,327	8.3
Wholesale Trade	1,025	5.2	360	5.3	3,120	2.8
Retail Trade	1,538	7.9	797	11.7	10,525	9.4
Transportation/Utilities	2,327	11.9	655	9.6	10,652	9.5
Information	438	2.2	163	2.4	2,036	1.8
Finance/Insurance/Real Estate	1,330	6.8	411	6	6,618	5.9
Professional/Management	2,098	10.7	851	12.5	10,385	9.3
Educational/Healthcare	3,855	19.7	1,068	15.6	25,771	23.0
Arts/Entertainment/Hospitality	1,337	6.8	345	5.1	8,874	7.9
Public Administration	605	3.1	137	2.0	5,788	5.2
Other	1,342	6.9	473	6.9	7,107	6.4
Total	19,543	100	6,828	100	111,834	100

US Census Bureau 2010

Land Use

27. Current Land use in the study area is a combination of urban, industrial, and limited suburban developments. The following sections describe the land use in each component municipality of the study area in more detail.
28. The City of Newark has a total area of 26.107 square miles, including 24.187 square miles of land and 1.920 square miles of water (US Census, 2010), resulting in a population density of 11,600 persons per square mile. According to the US Census, Newark has the third smallest land area among the 100 most populous cities in the United States. The densest areas of Newark are located inland in proximity to the public transportation.
29. The city of Newark is divided into five wards: East ward, South ward, Central ward, West ward, and North ward. The East ward is zoned primarily as heavy industrial and port use. The South ward encompasses Newark Liberty Airport and airport support development. The Central ward is a mix of light industrial use, institutional, neighborhood commercial and low-rise multifamily residential development. The West and North wards consist of mostly residential use with a mix of single-family residential, one-to-three family and townhouse residential, and parks with open space (Newark 2030, PDF).
30. The future development potential of the City of Newark includes the implementation of approved projects not yet built and future proposed development plans. There are several proposals focusing on underutilized existing sites as potential redevelopment areas.
31. The Town of Harrison has a total area of 1.319 square miles, including 1.203 square miles of land and .116 square miles of water (US Census, 2010), resulting a in population density of 12,781 persons per square mile. Historically, the Town of Harrison has been occupied by industrial activities. Recently the Town of Harrison developed a Waterfront Redevelopment Plan to capitalize on the Harrison PATH Station, in order to provide a variety of mixed-use, transit-oriented, and pedestrian scale development (Town of Harrison Waterfront Redevelopment Plan, PDF).
32. The Town of Harrison is primarily made up of industrial and commercial land use. The entire southern portion, south of I-280, is railroad/utility, industrial, and undeveloped land use. North of I-280 features a mix of commercial mixed use buildings, industrial use, single family residential and multifamily residential units, with limited park/recreation use (Harrison Master Plan, PDF).
33. The future development potential of the Town of Harrison is based on the development of approved projects not yet built and future development plans. Underutilized existing, primarily

nonresidential sites are identified in the Waterfront Redevelopment Plan as potential redevelopment areas.

34. The Town of Kearny has a total area of 10.193 square miles, including 8.775 square miles of land and 1.418 square miles of water, resulting in a population density of 4,757 persons per square mile. The Town of Kearny is divided into three sections: the Kearny Uplands, the Kearny Meadows, and Kearny Point. All sections vary in topography slightly. The Kearny Uplands is made up of residential communities, while Kearny Point is considered an industrial district. The meadows consist of wetlands and tributaries, which include both residential and industrial communities (Kearny Redevelopment, PDF). The Project Area lies within Kearny Point, a heavily used industrial area.
35. The future development potential of the Town of Kearny is based on the development of approved projects not yet built and future development plans. The town planning board does not propose any radically different land use concepts that would dramatically change the character of the community. The Town of Kearny plans to focus on the 'Transit-Oriented Development Vision Plan,' using underutilized sites for potential redevelopment areas.

Description of the Problem

Historical Flooding

36. Historically, the study area has been affected by tidal storm surges during severe extra-tropical storms, nor'easters, and hurricanes, exacerbated by rainfall-induced fluvial flooding from the Passaic and Hackensack Rivers.
37. Coastal storms characterized as nor'easters are most frequent between October and April. These storms track over the coastal plain or up to several hundred miles offshore, bringing strong winds and heavy rains. Most winters feature at least one significant coastal storm and some years see upwards of five to ten. Tropical storms and hurricanes are also a special concern along the coast. In some years, they contribute a significant amount to the precipitation totals of the region. Damage during times of high tide can be severe when tropical storms or nor'easters affect the region.
38. Flooding in the study area can occur during any season of the year since northern New Jersey lies within the major storm tracks of North America. The worst storms have occurred in late summer or early fall when tropical disturbances (hurricanes) are most prevalent. Recent

tropical storm events that have significantly affected the study area include Tropical Storm Floyd, Hurricane Irene, and Hurricane Sandy.

39. Hurricane Floyd originally made landfall in Cape Fear, North Carolina as a Category 2 hurricane on September 16, 1999. The storm crossed over North Carolina and southeastern Virginia before briefly entering the western Atlantic Ocean. The storm reached New Jersey on September 17, 1999 as a tropical storm. Record breaking flooding from rainfall exceeding 14 inches was recorded throughout the State of New Jersey, with some locations in the vicinity of the study area experiencing rainfall amounts up to 10 inches. A Federal Emergency Declaration was issued on September 17, 1999. The damage from Floyd was estimated between \$4.5 billion and \$6 billion, including \$250 million in New Jersey (1999 dollars).
40. Hurricane Irene came ashore in Southern New Jersey on August 28, 2011. In anticipation of the storm Governor Chris Christie declared a state of emergency on August 25th, with President Obama reaffirming the declaration on August 27th. Mandatory evacuations were ordered throughout the State of New Jersey. Wind speeds were recorded at 75 mph and rainfall totals reached over 10 inches in many parts of the state. Extensive flooding caused damage to homes, businesses, and public infrastructure. The flooding was exacerbated by high water levels in reservoirs and wetlands as a result of previous heavy rains. Over 1 million customers lost power during the storm. Overall damage estimates for the State of New Jersey came to over \$1 billion, with over 200,000 homes and buildings damaged.
41. Hurricane Sandy was a very large system, having a diameter spanning approximately one-thousand miles. The large girth of the storm caused abnormally high storm surge elevations along the shoreline in addition to a naturally occurring high astronomical tide (spring tide) causing record flood levels and inundation along the North Atlantic Coast. Record storm tides (storm surge + normal astronomical tide) and storm surges were measured in the NYC metropolitan area with flooding depths up to nine feet above the local ground level measured in some areas. Governor Chris Christie declared a state of emergency on October 31, 2012. As of October 15, 2013 more than \$7.9 billion in National Flood Insurance Program (NFIP) payments had been made to policy holders to account for the damages from Hurricane Sandy, and the storm was estimated to cost the State of New Jersey over \$36 billion overall.
42. While these storms may be the most notable of those having impacted the study area, many more have made landfall in the vicinity of the study area. For example, in the 30 years prior to 1962, no less than 90 hurricanes, tropical storms or extra-tropical storms significantly impacted the New York City Area (USACE, 1964), often bringing with them storm surges of over 4 feet.

WITHOUT-PROJECT FUTURE CONDITIONS

43. The without-project future conditions for the Passaic Tidal Protection Area have been identified as: (1) flooding from future storm events and (2) continued development and fill of areas vulnerable to flooding.
44. It is expected that future storms will continue to cause damages in this area. Although some storm risk reduction from small storm events (e.g. 50%-chance (2-year) event) is provided by local topography, a large storm event in the future could result in extensive damages. Since no major changes to the shoreline are expected, the level of vulnerability will increase as sea level rise and storm surge impacts become more severe.
45. It is also expected that continued development, subject to local floodplain management ordinances, will occur in the floodplain. Based on recent trends, previously industrial land will be redeveloped with commercial/retail developments and multi-residence structures such as condominiums and townhouses. Fill in the floodplain may also occur as new construction is elevated above the base flood elevation. This fill may reduce storage of runoff and thereby exacerbate flood conditions.
46. While no long-term plan exists to maintain private bulkheads and seawalls, historic patterns indicate that they will be rebuilt to pre-existing levels after storm-related failure.
47. Tidal inundation is expected to increase gradually over time, in direct relation to the anticipated rise in relative sea level. Based upon long-term trends measured at the NOAA Sandy Hook Gage, a 0.0134 foot per year increase is anticipated, resulting in an increase of approximately 0.7 feet over the 50-year period of analysis for the project. In future years this will result in more frequent and higher stages of flooding.

STORM DAMAGE

General

48. In order to address the storm damage problem in the Passaic River Tidal Protection Area, several structural alternatives have been analyzed to evaluate their effectiveness in reducing the risk of inundation damage.
49. The following basic steps were used in the analysis of inundation damage:
- Assign evaluation reaches
 - Inventory floodplain development
 - Estimate structure depreciated replacement values
 - Assign generalized damage functions
 - Calculate aggregated stage vs. damage relationships
50. Flood inundation damage calculations were performed using Version 1.4.1 of the Hydrologic Engineering Center's Flood Damage Analysis computer program (HEC-FDA). This program applies Monte Carlo Simulation to calculate expected damage values while explicitly accounting for uncertainty in the input data.

Project Reaches

51. For the purposes of the analysis, the study area was divided into reaches corresponding to the extents of areas potentially covered by components of the proposed structural alternatives. These reaches are as follows, and are presented in Figure 1 (following the text):
- Harrison Section 1
 - Harrison Section 2
 - Kearny Section
 - Newark Section
 - Minish Park Section
 - Newark Flanking Section
 - Newark Gap (area not covered by proposed alternatives)

52. Independent of the main economic reaches listed above, 21 interior drainage areas were delineated as separate reaches to facilitate the analysis of residual flooding due to ponding of runoff behind the Alignment. These areas and their analysis are discussed in appropriate detail in the Interior Drainage Section of the Engineering Appendix.

Conditions

53. Estimates of damages and benefits are based on October 2018 price levels and a 50-year period of analysis. Damages have been annualized over the 50-year analysis period using the fiscal year 2019 discount rate of 2.875%.

Inventory Methodology

54. A structure inventory was completed in February 2015 for use in computing flood inundation damages in the study area using standard planning methods and models. In addition to theoretical flood damages, the team is collecting historic damage figures from local and state government, and businesses.
55. FEMA Preliminary Flood Insurance Rate Maps (FIRMs), released on 12/20/2013 for Hudson County and 05/30/2014 for Essex County, were used within the municipalities of Kearny, Harrison, and Newark to delineate floodplains and identify structures subject to inundation during flood events, notably the 1% Annual Chance of Exceedance (“100-year”) event and the 0.2% ACE (“500-year”) event. A floodplain corresponding to the 500-year event plus two feet of freeboard was also developed to define the maximum extent of the structure inventory.
56. Building footprint data for the more than 7,700 structures initially identified as covered by the study structure inventory was obtained from the City of Newark, the New Jersey Meadowlands Commission, and the New Jersey Department of Environmental Protection. The 1-percent, 0.2-percent, and 0.2-percent +2 feet floodplain extents were compared with the locations of each structure in the structure inventory. Structures that fell within each floodplain limit were assumed to be inundated by each respective stillwater elevation. To be classified as falling within the floodplain limits, only a portion of geometry representing the structure had to fall within the geometry of the floodplain extents.
57. To ensure that the properties were correctly located, tax parcel data was obtained from the MOD-IV tax list search database. The MOD-IV property tax system is the mandatory

method of tax record keeping in the state of New Jersey. It provides for the uniform preparation, maintenance, presentation, and storage of detailed property tax information. This information includes property address, block/lot, owner, property class (use), land value, and improvement (building or structure) value.

58. To develop the inventory, a sample of more than 500 structures was selected for detailed survey in the field. The survey sample included structures in each of the project reaches and was focused on the largest structures in the high frequency floodplains, since these structures were expected to account for the bulk of the inundation damages in the without-project condition:
- Newark: The 300 largest structures in the 100-year floodplain plus 100 additional structures in 10 randomly-selected primarily residential clusters in the 100-year floodplain.
 - Kearny: The 40 largest structures in the 100-year floodplain.
 - Harrison: All structures in the 50-year floodplain, plus the three largest remaining structures in the town.
59. A “windshield survey” of the sample structures was conducted during January and February 2015. For each structure, the footprint area was extracted from GIS shapefiles and a ground elevation was assigned using LiDAR, while the following data was gathered in the field:
- Type/Damage Category
 - Usage
 - Size
 - Basement
 - Foundation Type
 - Number of Stories
 - Construction Material
 - Quality of Construction
 - Condition
 - First Floor Elevation Above Grade
 - Low Opening Relative to First Floor
60. This data was subsequently used to calculate depreciated structure replacement values for each structure, based on square foot costs and location adjustment factors published by RS

Means in October 2018. Depreciated structure replacement value is the standard measure of building worth used in NED flood risk reduction analyses.

61. Attributes for the remaining non-surveyed structures in the study area were extrapolated from publicly available data and from the average characteristics and average square foot costs of the surveyed structures, after the surveyed structures were organized by property class. Each non-surveyed structure was assigned average characteristics of surveyed structures within the same property class. The extrapolation was further refined based upon adjacent parcel information and reference to the Mod-IV data.
62. Following the computation of structure values and extrapolation of average/typical parameters to the non-surveyed structures, further research using publicly available sources (such as company websites) was undertaken for the larger commercial structures to refine structure and content values and the assignment of damage functions.
63. The inventory survey was conducted to reflect the overall condition (including typical heights above grade) of the development in the floodplain as of January 2015, slightly more than two years after Hurricane Sandy. While the sample survey did not identify all of the specific structures that have been elevated, this data reflects the average impact of elevating structures due to substantial damage. On average the first floor of apartment buildings was identified as 4 feet above grade and the average first floor of residential buildings was identified as 3 feet above grade. These elevations reflect the communities' ongoing enforcement of flood plain management rules for each of the communities. These regulations have required that new construction or substantial improvements be constructed with a finished floor elevation at least 1 foot above the regulatory Base Flood Elevation (regulatory BFE adopted is the 1% Annual Chance Event). It should be noted that data on individual flood claims and substantially damaged structure assessments is considered confidential and cannot be included in the report or otherwise distributed
64. Section 308 of the Water Resources Development Act of 1990 precludes capturing benefits for new or substantially improved structures built after July 1, 1991 in the 1% annual chance exceedance floodplain with a first floor elevation less than the effective base flood elevation. During compilation of the inventory for this analysis it was assumed that all structures in the study area either predate July 1, 1991, or that local floodplain management regulations have been effectively enforced for more recent structures, such that they do not experience significant damage during events of less than 1% annual probability.
65. Based on the field survey and subsequent analyses described above, the study area contains more than 6,900 eligible structures within the floodplain corresponding to the 500-year

event plus two feet of freeboard, with a total depreciated structure value of \$10 billion. The numbers and depreciated replacement values of structures in the inventory in various floodplains (as determined from HEC-FDA outputs) are presented by project section and category in Tables 4 through 19 below.

66. The depth-damage functions applied to structures in this analysis compute damage to building contents as a percentage of the structure value, hence there has been no direct estimation of content values alongside the derivation of structure values. However, an estimation of the content value for each structure has been made by applying the maximum percentage content damage for the assigned damage function to the structure value, and adding an assumed salvage value of 10%. Using this approach, the residential structures typically have a content value of 12% of the structure value, while for non-residential structures the content value is around 60% of the structure value. The total content value of structures estimated using this approach is presented by project section and category in Tables 20 through 27 below. This data is presented for information purposes only, and was not directly used in the computation of damages and benefits.

Table 4: Structures by Floodplain - Newark Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	15	57	94	107
Commercial	45	127	148	157
Industrial	211	363	412	422
Municipal	13	24	26	26
Residential	63	175	308	366
Total	347	746	988	1,078

Table 5: Structures by Floodplain - Kearny Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	0	0	0	0
Commercial	7	8	8	8
Industrial	144	241	243	243
Municipal	7	9	10	10
Residential	0	0	0	0
Total	158	258	261	261

Table 6: Structures by Floodplain - Harrison Section 1

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	4	18	23	23
Commercial	12	31	39	40
Industrial	21	33	42	44
Municipal	1	2	2	2
Residential	41	150	190	200
Total	79	234	296	309

Table 7: Structures by Floodplain - Harrison Section 2

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	0	0	0	0
Commercial	0	1	1	1
Industrial	10	18	18	18
Municipal	0	0	0	0
Residential	0	0	0	0
Total	10	19	19	19

Table 8: Structures by Floodplain - Minish Park Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	20	200	299	351
Commercial	9	175	274	316
Industrial	4	40	61	68
Municipal	5	13	14	16
Residential	23	605	1,152	1,317
Total	61	1,033	1,800	2,068

Table 9: Structures by Floodplain - Newark Flanking Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	7	168	258	329
Commercial	15	196	299	358
Industrial	12	212	260	298
Municipal	3	18	27	32
Residential	4	563	1,017	1,274
Total	41	1,157	1,861	2,291

Table 10: Structures by Floodplain - Newark Gap

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	0	19	64	79
Commercial	1	26	57	75
Industrial	0	15	42	50
Municipal	0	0	1	2
Residential	0	153	573	742
Total	1	213	737	948

Table 11: Structures by Floodplain - Study Area Total

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	46	462	738	889
Commercial	89	564	826	955
Industrial	402	923	1,078	1,143
Municipal	29	66	80	88
Residential	131	1,646	3,240	3,899
Total	697	3,661	5,962	6,974

Table 12: Value of Structures by Floodplain (\$,000) - Newark Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$13,800	\$142,200	\$242,200	\$280,700
Commercial	\$87,800	\$288,100	\$663,000	\$670,200
Industrial	\$378,700	\$946,800	\$1,075,900	\$1,203,300
Municipal	\$19,000	\$262,400	\$263,800	\$263,800
Residential	\$11,600	\$47,800	\$101,300	\$127,300
Total	\$510,900	\$1,687,200	\$2,346,300	\$2,545,400

Table 13: Value of Structures by Floodplain (\$,000) - Kearny Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$0	\$0	\$0	\$0
Commercial	\$69,700	\$70,700	\$70,700	\$70,700
Industrial	\$1,178,900	\$1,386,400	\$1,387,700	\$1,387,700
Municipal	\$43,900	\$238,400	\$245,000	\$245,000
Residential	\$0	\$0	\$0	\$0
Total	\$1,292,500	\$1,695,500	\$1,703,400	\$1,703,400

Table 14: Value of Structures by Floodplain (\$,000) - Harrison Section 1				
Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$44,100	\$157,400	\$162,400	\$162,400
Commercial	\$35,000	\$266,900	\$314,500	\$316,200
Industrial	\$141,900	\$273,200	\$372,100	\$372,600
Municipal	\$1,300	\$2,300	\$2,300	\$2,300
Residential	\$13,500	\$38,100	\$50,400	\$53,600
Total	\$235,900	\$737,900	\$901,600	\$907,000

Table 15: Value of Structures by Floodplain (\$,000) - Harrison Section 2				
Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$0	\$0	\$0	\$0
Commercial	\$0	\$220,500	\$220,500	\$220,500
Industrial	\$800	\$160,600	\$160,600	\$160,600
Municipal	\$0	\$0	\$0	\$0
Residential	\$0	\$0	\$0	\$0
Total	\$800	\$381,100	\$381,100	\$381,100

Table 16: Value of Structures by Floodplain (\$,000) - Minish Park Section				
Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$25,100	\$296,900	\$425,700	\$497,400
Commercial	\$8,300	\$178,900	\$247,000	\$294,800
Industrial	\$800	\$53,300	\$90,300	\$94,000
Municipal	\$8,900	\$19,000	\$33,200	\$47,900
Residential	\$8,400	\$197,600	\$373,700	\$427,000
Total	\$51,600	\$745,700	\$1,169,900	\$1,361,100

Table 17: Value of Structures by Floodplain (\$,000) - Newark Flanking Section				
Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$14,400	\$322,200	\$537,200	\$683,600
Commercial	\$24,400	\$360,800	\$455,800	\$539,300
Industrial	\$6,600	\$321,800	\$419,100	\$471,300
Municipal	\$11,400	\$52,600	\$157,100	\$222,400
Residential	\$1,600	\$255,300	\$452,400	\$558,800
Total	\$58,300	\$1,312,800	\$2,021,500	\$2,475,400

Table 18: Value of Structures by Floodplain (\$,000) - Newark Gap

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$0	\$22,200	\$147,200	\$174,900
Commercial	\$1,800	\$65,700	\$102,600	\$138,200
Industrial	\$0	\$24,700	\$63,200	\$77,600
Municipal	\$0	\$0	\$5,400	\$7,700
Residential	\$0	\$53,500	\$193,500	\$261,400
Total	\$1,800	\$166,100	\$512,000	\$659,800

Table 19: Value of Structures by Floodplain (\$,000) - Study Area Total

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$97,400	\$940,800	\$1,514,600	\$1,799,100
Commercial	\$227,000	\$1,451,600	\$2,074,100	\$2,250,000
Industrial	\$1,707,600	\$3,168,100	\$3,568,800	\$3,767,100
Municipal	\$84,500	\$574,700	\$706,800	\$789,100
Residential	\$35,200	\$592,300	\$1,171,400	\$1,428,000
Total	\$2,151,600	\$6,727,600	\$9,035,800	\$10,033,300

Table 20: Value of Contents by Floodplain (\$,000) - Newark Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$2,000	\$21,500	\$36,000	\$41,600
Commercial	\$67,800	\$260,200	\$560,900	\$567,100
Industrial	\$204,200	\$557,700	\$636,500	\$704,100
Municipal	\$13,600	\$196,100	\$197,200	\$197,200
Residential	\$1,400	\$5,900	\$12,500	\$15,700
Total	\$289,000	\$1,041,400	\$1,443,100	\$1,525,700

Table 21: Value of Contents by Floodplain (\$,000) - Kearny Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$0	\$0	\$0	\$0
Commercial	\$61,800	\$63,000	\$63,000	\$63,000
Industrial	\$625,900	\$736,800	\$736,800	\$736,800
Municipal	\$29,200	\$180,300	\$185,400	\$185,400
Residential	\$0	\$0	\$0	\$0
Total	\$716,900	\$980,000	\$985,200	\$985,200

Table 22: Value of Contents by Floodplain (\$,000) - Harrison Section 1

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$6,400	\$22,800	\$23,500	\$23,500
Commercial	\$35,100	\$221,000	\$247,700	\$249,000
Industrial	\$75,500	\$145,300	\$197,800	\$198,000
Municipal	\$1,000	\$1,200	\$1,200	\$1,200
Residential	\$1,700	\$4,700	\$6,200	\$6,600
Total	\$119,700	\$395,000	\$476,400	\$478,400

Table 23: Value of Contents by Floodplain (\$,000) - Harrison Section 2

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$0	\$0	\$0	\$0
Commercial	\$0	\$171,300	\$171,300	\$171,300
Industrial	\$400	\$77,500	\$77,500	\$77,500
Municipal	\$0	\$0	\$0	\$0
Residential	\$0	\$0	\$0	\$0
Total	\$400	\$248,800	\$248,800	\$248,800

Table 24: Value of Contents by Floodplain (\$,000) - Minish Park Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$3,600	\$43,000	\$61,700	\$72,100
Commercial	\$7,000	\$152,300	\$213,600	\$255,900
Industrial	\$400	\$28,300	\$47,900	\$49,900
Municipal	\$6,900	\$14,800	\$25,800	\$37,200
Residential	\$1,000	\$24,300	\$46,000	\$52,500
Total	\$19,000	\$262,600	\$395,000	\$467,600

Table 25: Value of Contents by Floodplain (\$,000) - Newark Flanking Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$2,100	\$46,700	\$77,800	\$99,100
Commercial	\$21,800	\$336,600	\$418,000	\$488,700
Industrial	\$3,500	\$170,900	\$222,500	\$250,200
Municipal	\$2,500	\$30,300	\$90,900	\$122,600
Residential	\$200	\$31,000	\$55,200	\$68,300
Total	\$30,000	\$615,500	\$864,500	\$1,028,900

Table 26: Value of Contents by Floodplain (\$,000) - Newark Gap Section

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$0	\$3,200	\$21,300	\$25,300
Commercial	\$2,000	\$68,200	\$96,600	\$129,400
Industrial	\$0	\$15,000	\$35,400	\$43,100
Municipal	\$0	\$0	\$1,200	\$1,700
Residential	\$0	\$6,600	\$23,800	\$32,200
Total	\$2,000	\$93,000	\$178,400	\$231,700

Table 27: Value of Contents by Floodplain (\$,000) - Study Area Total

Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Apartment	\$14,100	\$137,300	\$220,400	\$261,600
Commercial	\$195,400	\$1,272,600	\$1,771,000	\$1,924,400
Industrial	\$910,000	\$1,731,400	\$1,954,400	\$2,059,700
Municipal	\$53,200	\$422,700	\$501,800	\$545,400
Residential	\$4,300	\$72,500	\$143,700	\$175,200
Total	\$1,177,100	\$3,636,400	\$4,591,400	\$4,966,400

67. It should be noted that damages and benefits were not evaluated for structures in the project area that are affected by resiliency projects which are in place or planned for implementation independent of this study. The significant resiliency projects in the study area focus on critical infrastructure and affect the following facilities:
- Passaic Valley Sewerage Commission Wastewater Treatment Plant
 - PATH Train Maintenance Depot
 - Various PSE&G electrical generation/transmission facilities
68. In addition to buildings and their contents, the analysis also evaluated inundation damages to motor vehicles associated with residential structures in accordance with the guidance found in EGM 09-04, “Generic Depth-Damage Relationships for Vehicles”, 22 June 2009. To facilitate this component of the analysis, the following simplifying assumptions were made during the estimation of the number and value of vehicles likely to be present in the study area during flood events:
1. The number of vehicles associated with each housing unit in the study area was taken from the most recent U.S. Census bureau data.
 2. The average depreciated value of a vehicle in the study area was assumed to be \$18,400, based on sources found during an internet search.

3. In the absence of more detailed data, sedans were assumed to be the predominant vehicle type in the study area; hence the Sedan depth-damage function in Table 4 of EGM 09-04 was assigned to all vehicles in the inventory.
 4. The total number of housing units in any residential structure was estimated by assuming that each structure covered by one of the EGM 01-03 and EGM 04-01 (see paragraph 68) depth-damage functions contains a single unit, and that the number of units in an apartment building or other multi-family residence can be derived by dividing the building's total square footage by 1,200 (1,000 square feet for the assumed average apartment size plus an additional 200 square feet to account for hallways and other common areas).
 5. The probability that vehicle owners would move their vehicles to higher ground before a flood was assumed to be 73%. In the absence of any specific information regarding local warning times in advance of flood events this figure is derived from an average of the percentages given in Table 5 of EGM 09-04.
 6. The damage reference elevations for all motor vehicles in the inventory were assumed to be equal to the ground elevation of the associated structure.
 7. It was assumed that no vehicles would remain outside non-residential structures during a flood event.
69. The resulting value of vehicles estimated to be at risk of inundation damage in the study area is presented in Table 28.

Table 28: Value of Vehicles by Floodplain (\$,000)				
Damage Category	10-percent	1-percent	0.2-percent	0.2-percent +2ft
Newark Section	\$567	\$1,940	\$3,914	\$5,032
Kearny Section	\$0	\$0	\$0	\$0
Harrison Section 1	\$1,081	\$3,823	\$4,032	\$4,134
Harrison Section 2	\$0	\$0	\$0	\$0
Minish Park Section	\$635	\$9,383	\$14,577	\$18,074
Newark Flanking Section	\$371	\$9,766	\$16,882	\$21,621
Newark Gap	\$0	\$1,142	\$3,533	\$6,623
Total	\$2,654	\$26,054	\$42,939	\$55,484

Stage Frequency Data

70. Stage-frequency relationships for the study area were based on North Atlantic Coast Comprehensive Study (NACCS) data for all reaches directly fronting the Passaic River. For the Newark Flanking Section, since the principal source of flooding is anticipated to be overland flow from the south rather than directly from the Passaic River, the most recent FEMA stage-frequency data was assigned to this reach. While the original FEMA stage-frequency data reflects the year 2015, the NACCS data reflects the year 1992. The base year stage-frequency relationships for each section of the study area are presented in Table 29, as they have been assigned in HEC-FDA. The locations of the NACCS modeling stage-frequency nodes used in this analysis are shown in Figure 1.

Table 29: Base Year Stage vs Frequency Data								
Study Area Section	Stage at Section Index Station (Ft NAVD88) by Event Annual Chance Exceedance							
	50%	20%	10%	5%	2%	1.0%	0.5%	0.2%
Harrison 1	6.31	7.51	8.47	9.51	11.11	12.41	13.61	15.17
Harrison 2	6.27	7.47	8.47	9.47	11.07	12.37	13.57	15.17
Kearny	6.27	7.47	8.47	9.47	11.07	12.37	13.57	15.17
Newark	6.27	7.47	8.47	9.47	11.07	12.37	13.57	15.17
Minish Park	6.32	7.52	8.47	9.52	11.12	12.42	13.62	15.17
Newark Flanking	2.77	4.22	5.37	6.47	7.97	9.17	10.34	11.87
Newark Gap	6.30	7.50	8.47	9.50	11.10	12.40	13.60	15.17

Source: NACCS, FEMA. All stages have been adjusted to account for sea level rise to the base year from 1992 (NACCS) and 2015 (FEMA).

Sea Level Change

71. Under future without-project conditions, the study area will continue to be subject to flooding due to storm surge from coastal storms. Storms are predicted to be more frequent and severe in the future due to climate change. Inundation due to storm surge is expected to increase gradually over time in direct relation to sea level change. Based on long term trends measured in the area (specifically at the Sandy Hook NOAA gage), sea level is projected to rise 0.0134 feet per year over the 50-year period of analysis. Hence the baseline analysis in HEC-FDA used a lower bound sea level rise value of 0.7 feet in the year 2070, resulting in an increase in expected annual damage over the base year.

72. In accordance with current policy (specifically Engineering Regulation ER 1100-2-8162 (Incorporating Sea Level Change in Civil Works Programs, 31 Dec 2013) proposed projects must be also evaluated for a range of possible sea level rise rates in addition to the historical/lower bound value described above. According to the guidance, the project must also be evaluated using “intermediate” and “high” rates derived from modified NRC Curves I and III, which for this study are projected to result in increases of 1.11 ft. and 2.6 ft. respectively over the fifty year period-of-analysis.

Inundation Damage Functions

73. The analysis also required the assignment of appropriate depth-damage relationships to all structures in the inventory. While several sets of damage functions have been developed by the US Army Corps of Engineers for use in studies such as this one, the functions selected for this study were drawn from two sources.
74. The most recent standard depth damage curves for residential structures issued by the US Army Corps of Engineers are the Generic Depth-Damage Relationships for Residential Structures without Basements (EGM 01-03, 4 December 2000) and the Generic Depth-Damage Relationships for Residential Structures with Basements (EGM 04-01, 10 October 2003). These functions have become the standard flood depth-damage functions for use in Corps studies in both coastal and riverine areas for single-family residential and similar structures since their release.
75. The Passaic River Basin (PRB) functions for residential and non-residential structures were developed specifically for use in the Passaic River Basin in the years 1980-1982, and were derived from approximately 3,500 interviews with owners of flood-damaged properties in the floodplain. Several recent studies have been accepted using the EGM 01-03 and EGM 04-01 functions for most residential structures and the PRB functions for non-residential and larger residential structures.
76. This study used a combination of PRB and EGM 01-03 and EGM 04-01 functions as described above, but with the existing “other” damage component of the PRB functions (originally intended to cover damage to motor vehicles, landscaping and outbuildings, as well as non-physical costs associated with evacuation and re-occupation, debris removal, and temporary housing) discarded in favor of the following additional modeled damage categories:

- Motor vehicles in accordance with EGM 09-04 and based on assumptions described in paragraph 62 above
 - Emergency costs and debris removal (based on tools developed as part of the recent North Atlantic Coast Comprehensive Study (NACCS))
77. The final category of benefits evaluated for this study was the cost to clear and dispose of storm damage debris subsequent to each damaging storm event. The estimation of debris costs utilized a matrix developed by the FEMA Modeling Task Force, debris removal costs from the NACCS Emergency Costs Report, and outputs from the Passaic Tidal Protection Area HEC-FDA model run for structures only. Table 30 shows an excerpt from the FEMA matrix, which categorized flood damage into four levels according to water depth: Affected, Minor, Major, and Destroyed. For each level, the matrix assigned a debris weight per 1,000 square feet of building area. Since wave damage was not incorporated into the damages for the Passaic Tidal Protection Area, the “Destroyed” category was not used.

Table 30: Tons of Debris by Flood Depth, as Estimated by FEMA MOTF Matrix		
Building Damage Level	Water Depth Ft	Tons of Debris per 1,000 Sq Ft
Affected	>0 to 2	2.05
Minor	>2 to 5	4.1
Major	>5	6.8

78. Structures in one of the output files from the without-project analysis in HEC-FDA were categorized into Residential and Nonresidential. For each flood event, structures were further categorized into one of three FEMA building damage levels according to water depth. Each structure’s total square footage was divided by 1,000 and multiplied by a debris weight according to the criteria in Table 30. The resulting debris weight was multiplied by an average tipping fee for the Northeast and Mid-Atlantic states, provided by the NACCS Emergency Costs Report. The resulting values were aggregated into reaches and grouped by flood event to be aligned with the appropriate stages and depths for each reach, at each flood event. This enabled reach-specific direct depth-damage functions to be derived and input to HEC-FDA to represent the cost of debris removal in each reach. Each direct depth damage function takes the form of dollar values of damage incurred at specific depths. To simplify HEC-FDA inputs and future updates, debris cleanup costs are aggregated and applied at a surrogate structure in each reach. The surrogate structure has a main floor elevation derived from the onset of damage in each reach, and an effective value of \$1 to facilitate the direct application of the debris damage function. With this approach future

price level updates can be performed by adjusting the surrogate value instead of having to recalculate every increment of every damage function.

Average Annual Damages

General

79. The HEC-FDA program quantifies uncertainty in discharge-frequency, stage-discharge, and stage-damage functions and incorporates it into economic and performance analyses of existing conditions and alternative plans. The process applies a procedure (Monte Carlo simulation) that computes the expected value of damage while accounting for uncertainty in the basic value. The HEC-FDA program presents results for expected annual damages and equivalent annual damages, where equivalent annual damage is the sum of the discounted value of the expected annual damage, which is then annualized over the period of performance.

Uncertainty

80. Under current Corps of Engineers guidance, risk and uncertainty must be incorporated into flood risk management studies. The following areas of uncertainty were incorporated into the HEC-FDA program:

- stage vs. frequency
- structure main floor elevation
- structure value
- content-to-structure value ratio
- mean structure damage at increments of depth above main floor
- mean content damage at increments of depth above main floor

81. The uncertainty associated with structure value was assumed to follow a normal distribution with a 10% standard deviation, to be consistent with other recently accepted flood risk reduction studies for same region. EM 1110-2-1619 suggests that in lieu of better site-specific information, content-to-structure value ratios based on large samples of Flood Insurance Administration (FIA) claims records can be used (Table 6-4 presented in EM 1110-2-1619). A normal distribution with average standard deviation of 25% was utilized for structure-to-content value ratio uncertainty for both residential and non-residential content value in accordance with the referenced table.

82. The Monte Carlo simulation technique, which HEC-FDA uses as the basis for computing flood damages while accounting for risk and uncertainty associated with key variables, is based on random sampling from the user-selected probability distributions used to define each uncertain variable. During each execution of the model, the program performs many iterations of the damage computations while sampling from the input probability distributions until an allowable tolerance in the overall mean damage is attained. This analysis used default tolerance within the HEC-FDA program of 0.5%, which represents an uncertainty of approximately \$306,000 in the without-project base year expected annual damage (see Table 31). Use of this default tolerance is standard practice and is consistent with other recently accepted flood risk reduction studies for same region. Inspection of the model outputs indicates that most simulations require 10,000 –20,000 iterations before the 0.5% tolerance is reached.

Estimated Damages

83. Expected annual damages calculated using HEC-FDA version 1.4.1 for the without-project/base year condition, and for the without-project/future year conditions are provided in Tables 31 and 32, respectively. Equivalent annual damages over the 50-year project life are presented in Table 33.

Table 31: Summary of Without-Project Damages: Expected Annual Damage - Base Year 2020

Economic Reach	Damage Categories							Total
	Apartment	Commercial	Industrial	Municipal	Residential	Vehicles	Debris	
Harrison Section 1	\$200,500	\$2,438,100	\$3,908,400	\$50,200	\$1,072,600	\$135,100	\$80,100	\$7,885,000
Harrison Section 2	\$0	\$651,300	\$945,100	\$0	\$0	\$0	\$18,000	\$1,614,400
Kearny Section	\$0	\$5,107,900	\$22,337,800	\$4,800,000	\$0	\$0	\$398,000	\$32,643,700
Newark Section	\$326,200	\$7,676,400	\$13,703,700	\$3,167,100	\$1,026,100	\$115,300	\$294,900	\$26,309,700
Minish Park Section	\$440,200	\$1,890,500	\$269,500	\$289,900	\$1,671,300	\$139,100	\$14,800	\$4,715,300
Newark Flanking Section	\$438,900	\$3,664,000	\$1,764,200	\$556,600	\$1,884,400	\$127,100	\$48,000	\$8,483,200
Newark Gap	\$40,100	\$847,200	\$122,400	\$4,000	\$481,900	\$20,300	\$4,500	\$1,520,400
<i>Totals</i>	<i>\$1,445,900</i>	<i>\$22,275,400</i>	<i>\$43,051,100</i>	<i>\$8,867,800</i>	<i>\$6,136,300</i>	<i>\$536,900</i>	<i>\$858,300</i>	<i>\$83,171,700</i>

Price Level: October 2018

Table 32: Summary of Without-Project Damages: Expected Annual Damage - Future Year 2070

Economic Reach	Damage Categories							Total
	Apartment	Commercial	Industrial	Municipal	Residential	Vehicles	Debris	
Harrison Section 1	\$280,400	\$3,521,100	\$6,084,100	\$75,900	\$1,631,600	\$202,700	\$120,500	\$11,916,300
Harrison Section 2	\$0	\$890,900	\$1,362,200	\$0	\$0	\$0	\$25,900	\$2,279,000
Kearny Section	\$0	\$7,762,600	\$33,209,000	\$6,939,000	\$0	\$0	\$599,600	\$48,510,200
Newark Section	\$473,200	\$11,395,300	\$20,470,000	\$4,423,100	\$1,536,100	\$166,400	\$433,500	\$38,897,600
Minish Park Section	\$602,000	\$2,506,100	\$361,500	\$381,700	\$2,226,400	\$184,700	\$19,400	\$6,281,800
Newark Flanking Section	\$645,600	\$5,109,400	\$2,464,700	\$793,300	\$2,663,900	\$179,500	\$67,100	\$11,923,500
Newark Gap	\$62,000	\$1,189,200	\$172,000	\$5,900	\$677,200	\$29,000	\$6,500	\$2,141,800
<i>Totals</i>	<i>\$2,063,200</i>	<i>\$32,374,600</i>	<i>\$64,123,500</i>	<i>\$12,618,900</i>	<i>\$8,735,200</i>	<i>\$762,300</i>	<i>\$1,272,500</i>	<i>\$121,950,200</i>

Price Level: October 2018

Table 33: Summary of Without-Project Damages: Equivalent Annual Damage

Economic Reach	Damage Categories							Total
	Apartment	Commercial	Industrial	Municipal	Residential	Vehicles	Debris	
Harrison Section 1	\$230,500	\$2,845,000	\$4,725,800	\$59,900	\$1,282,600	\$160,500	\$95,300	\$9,399,600
Harrison Section 2	\$0	\$741,300	\$1,101,800	\$0	\$0	\$0	\$20,900	\$1,864,000
Kearny Section	\$0	\$6,105,300	\$26,422,300	\$5,603,700	\$0	\$0	\$473,800	\$38,605,100
Newark Section	\$381,400	\$9,073,700	\$16,245,900	\$3,639,000	\$1,217,700	\$134,500	\$347,000	\$31,039,200
Minish Park Section	\$501,000	\$2,121,800	\$304,100	\$324,400	\$1,879,800	\$156,200	\$16,500	\$5,303,800
Newark Flanking Section	\$516,600	\$4,207,100	\$2,027,400	\$645,500	\$2,177,300	\$146,800	\$55,200	\$9,775,900
Newark Gap	\$48,300	\$975,700	\$141,100	\$4,700	\$555,300	\$23,600	\$5,200	\$1,753,900
<i>Totals</i>	<i>\$1,677,800</i>	<i>\$26,069,900</i>	<i>\$50,968,400</i>	<i>\$10,277,200</i>	<i>\$7,112,700</i>	<i>\$621,600</i>	<i>\$1,013,900</i>	<i>\$97,741,500</i>

Price Level: October 2018, Discount Rate 2.875%

COASTAL RISK MANAGEMENT BENEFITS

Introduction

84. Several alternative plans to reduce the risk of storm damage were formulated and analyzed. The majority of plans were dismissed during screening analyses conducted prior to Hurricane Sandy. As described in the main text, a series of floodwalls was determined to meet the study objectives in the most cost-effective manner. Detailed descriptions of the design and features of these floodwalls are provided in the Engineering Appendix, while this Appendix evaluates the benefits of the floodwall plans with varying crest elevations.

Methodology and Assumptions

85. Benefits from the proposed plans of improvement were estimated by comparing damages with and without the proposed measures under existing and future conditions.
86. Three alternative stillwater design elevations of 14 Ft, 16 Ft, and 18 Ft (all NAVD88) were considered in the analyses, covering Harrison Section 1, Harrison Section 2, Kearny Section, Newark Section, Minish Park Section, and Newark Flanking Section. Additionally, a smaller alternative, referred to as the Flanking Plan, set back from the shoreline was also evaluated in a second iteration. This alternative, which was identified as the Locally Preferred Plan, and subsequently the Recommended Plan (RP) featured a stillwater design elevation of 14 Ft NAVD88.
87. For each floodwall alternative inundation and debris removal damages were calculated for all the frequencies presented in Table 29, converted to equivalent annual damage, and summarized in the tables below for each reach. Table 34 presents the with-project damage for each alternative, while Table 35 presents the benefits. For both tables, damages and benefits refer only to those specifically associated with the alignment, and do not include any residual damages resulting from rainfall runoff ponding behind the alignment.

**Table 34: Summary of Alignment With-Project Damages
Equivalent Annual Damage**

Economic Reach	Floodwall Alternative Elevations			RP
	14' NAVD88	16' NAVD88	18' NAVD88	14' NAVD88
Harrison Section 1	\$1,972,600	\$829,700	\$304,500	\$9,399,700
Harrison Section 2	\$482,900	\$188,600	\$68,800	\$1,864,000
Kearny Section	\$4,892,700	\$1,820,100	\$633,800	\$38,605,100
Newark Section	\$5,138,100	\$2,200,800	\$859,300	\$31,039,200
Minish Park	\$2,314,400	\$1,032,400	\$404,900	\$2,314,400
Newark Flanking Section	\$1,038,800	\$361,700	\$85,800	\$1,038,800
Newark Gap	\$1,753,900	\$1,753,900	\$1,753,900	\$1,753,900
<i>Totals</i>	<i>\$17,593,400</i>	<i>\$8,187,200</i>	<i>\$4,111,000</i>	<i>\$86,015,100</i>

Price Level: October 2018

2.875% Discount Rate, 50-year period of analysis

**Table 35: Summary of Alignment Benefits
Equivalent Annual Benefits**

Economic Reach	Floodwall Alternative Elevations			RP
	14' NAVD88	16' NAVD88	18' NAVD88	14' NAVD88
Harrison Section 1	\$7,427,000	\$8,570,000	\$9,095,200	\$0
Harrison Section 2	\$1,381,100	\$1,675,400	\$1,795,200	\$0
Kearny Section	\$33,712,400	\$36,784,900	\$37,971,200	\$0
Newark Section	\$25,901,100	\$28,838,400	\$30,179,900	\$0
Minish Park	\$2,989,500	\$4,271,500	\$4,899,000	\$2,989,500
Newark Flanking Section	\$8,737,000	\$9,414,100	\$9,690,000	\$8,737,000
Newark Gap	\$0	\$0	\$0	\$0
<i>Totals</i>	<i>\$80,148,100</i>	<i>\$89,554,400</i>	<i>\$93,630,500</i>	<i>\$11,726,500</i>

Price Level: October 2018

2.875% Discount Rate, 50-year period of analysis

Screening of Plan Components

88. Comparing annual costs to equivalent annual benefits of the proposed alignment alternatives on a section-by-section basis reveals that all of the floodwall alternatives are viable for all sections except for Harrison Section 2. This section was consequently eliminated from further consideration in the study. For this screening phase, the analysis considered only the line of protection and did not include interior drainage impacts.

89.

Table 36: Screening of Plan Components Equivalent Annual Damage					
Project Section	Annual	Project Alternative			
		<i>14 ft NAVD88</i>	<i>16 ft NAVD88</i>	<i>18 ft NAVD88</i>	<i>RP 14 ft NAVD88</i>
Harrison Section 1	Benefits	\$7,427,000	\$8,570,000	\$9,095,200	\$0
	Costs	\$3,355,000	\$3,690,000	\$3,755,000	\$0
	Net Benefits	\$4,072,000	\$4,880,000	\$5,340,200	\$0
	BCR	2.2	2.3	2.4	0.0
Harrison Section 2	Benefits	\$1,381,100	\$1,675,400	\$1,795,200	\$0
	Costs	\$2,473,000	\$2,931,000	\$3,477,000	\$0
	Net Benefits	(\$1,091,900)	(\$1,255,600)	(\$1,681,800)	\$0
	BCR	0.6	0.6	0.5	0.0
Kearny Section	Benefits	\$33,712,400	\$36,784,900	\$37,971,200	\$0
	Costs	\$12,175,000	\$13,460,000	\$14,346,000	\$0
	Net Benefits	\$21,537,400	\$23,324,900	\$23,625,200	\$0
	BCR	2.8	2.7	2.6	0.0
Newark Section	Benefits	\$25,901,100	\$28,838,400	\$30,179,900	\$0
	Costs	\$10,852,000	\$11,380,000	\$13,039,000	\$0
	Net Benefits	\$15,049,100	\$17,458,400	\$17,140,900	\$0
	BCR	2.4	2.5	2.3	0.0
Minish Park	Benefits	\$2,989,500	\$4,271,500	\$4,899,000	Included in Newark Flanking Section
	Costs	\$369,000	\$512,000	\$860,000	
	Net Benefits	\$2,620,500	\$3,759,500	\$4,039,000	
	BCR	8.1	8.3	5.7	
Newark Flanking Section	Benefits	\$8,737,000	\$9,414,100	\$9,690,000	\$11,726,500
	Costs	\$551,000	\$621,000	\$721,000	\$1,581,000
	Net Benefits	\$8,186,000	\$8,793,100	\$8,969,000	\$10,145,500
	BCR	15.9	15.2	13.4	4.6
<i>Total Benefits</i>		<i>\$80,148,100</i>	<i>\$89,554,300</i>	<i>\$93,630,500</i>	<i>\$11,726,500</i>
<i>System Net Benefits</i>		<i>\$50,373,100</i>	<i>\$56,960,300</i>	<i>\$57,432,500</i>	<i>\$10,145,500</i>

Price Level: October 2018

2.875% Discount Rate, 50-year period of analysis

NED Plan Optimization

90. It is apparent from Table 36 that the estimated with-project damages are reduced with a higher stillwater design - all of which are much less than the No-Action Plan. In order to identify the NED Plan, the cost of each design level was compared to the associated benefits to determine the design with the highest Net Benefits. For this stage of the study, the net

benefits were refined by the addition of the residual interior drainage damages to the analysis. For the interior drainage analysis a total of 21 smaller interior drainage areas were created to more accurately evaluate the residual flood risk from runoff behind the line of protection. Structures in the HEC-FDA model were assigned to these interior areas as shown in Tables 37 and 38. Stage vs damage relationships were re-calculated in a separate HEC-FDA model based on the interior reaches and annual damages were calculated using the stage - frequency relationship presented in Sub Appendices 1 and 2 of Appendix H: Hydrology and Hydraulics. The sub appendices include figures depicting the locations and extents of the interior drainage subreaches and more detailed discussion of the analyses.

Table 37: Structures in Interior Drainage Areas						
Interior Drainage Area	Damage Categories					
	Apartment	Commercial	Industrial	Municipal	Residential	Total
SS1	20	23	22	1	193	259
SS2	3	8	11	0	8	30
SS3	0	4	3	1	0	8
KK1	0	0	86	0	0	86
KK2	0	0	4	0	0	4
KK3	0	4	110	0	0	114
KK4	0	4	37	10	0	51
DD1	32	41	51	3	187	314
DD2	0	1	19	0	0	20
DD3B	0	1	23	3	0	27
DD4	0	1	11	0	0	12
DD5	2	12	66	9	0	89
LL1	13	5	14	0	9	41
LL2	37	55	80	5	140	317
LL3	2	5	19	0	0	26
TT	0	4	31	0	0	35
DA4	271	255	45	13	910	1,494
DA1	19	59	54	9	44	185
DA2	429	479	311	34	1,962	3,215
DA3	66	66	140	5	562	839
DA5	11	10	2	2	0	25

Table 38: Structure Values in Interior Drainage Areas (\$,000)						
Interior Drainage Area	Damage Categories					
	Apartment	Commercial	Industrial	Municipal	Residential	Total
SS1	\$87,386	\$56,660	\$81,725	\$1,219	\$47,234	\$274,224
SS2	\$59,904	\$156,768	\$98,933	\$0	\$1,569	\$317,175
SS3	\$0	\$9,071	\$897	\$846	\$0	\$10,814
KK1	\$0	\$0	\$111,166	\$0	\$0	\$111,166
KK2	\$0	\$0	\$2,910	\$0	\$0	\$2,910
KK3	\$0	\$24,887	\$318,864	\$0	\$0	\$343,751
KK4	\$0	\$39,290	\$839,669	\$222,256	\$0	\$1,101,215
DD1	\$73,656	\$74,575	\$105,441	\$1,851	\$48,486	\$304,009
DD2	\$0	\$1,288	\$15,584	\$0	\$0	\$16,871
DD3B	\$0	\$9,254	\$24,158	\$8,731	\$0	\$42,143
DD4	\$0	\$1,420	\$2,157	\$0	\$0	\$3,577
DD5	\$28,972	\$334,597	\$215,971	\$203,646	\$0	\$783,185
LL1	\$48,115	\$7,320	\$22,449	\$0	\$3,480	\$81,364
LL2	\$43,940	\$85,638	\$268,501	\$3,313	\$55,057	\$456,449
LL3	\$1,888	\$1,952	\$73,687	\$0	\$0	\$77,527
TT	\$0	\$28,607	\$8,266	\$0	\$0	\$36,872
DA4	\$321,849	\$196,099	\$56,906	\$57,776	\$271,874	\$904,504
DA1	\$76,709	\$94,680	\$104,128	\$130,442	\$18,432	\$424,391
DA2	\$711,967	\$600,435	\$407,764	\$119,405	\$728,974	\$2,568,545
DA3	\$162,694	\$134,508	\$457,571	\$24,323	\$166,408	\$945,504
DA5	\$30,546	\$12,910	\$5,641	\$2,402	\$0	\$51,499

91. Table 39 presents the refined with-project equivalent annual damages for each plan and each section that was not eliminated by the initial screening. Following Table 39, Table 40 presents the total benefit and cost relationships for the three stillwater design levels. The annual cost for the Recommended Plan in Table 40 reflects revisions and refinements that were made to the cost estimate used for the original plan formulation. Quantities, costs and plan details for the three designs are provided in the Engineering Appendix. As shown in Table 40, the 16 feet NAVD88 plan provides nearly identical net benefits as the 18 feet NAVD88 plan at a lesser cost. Therefore, the 16 feet NAVD88 plan is identified as the NED Plan.

Table 39: Total With Project Equivalent Annual Damage				
Reach	Floodwall Alternative Elevations			RP
	14' NAVD88	16' NAVD88	18' NAVD88	14' NAVD88
Harrison Section 1				
Alignment	\$1,973,000	\$830,000	\$304,000	\$9,400,000
Interior Drainage	\$233,000	\$233,000	\$233,000	\$0
<i>Total</i>	<i>\$2,206,000</i>	<i>\$1,063,000</i>	<i>\$537,000</i>	<i>\$9,400,000</i>
Kearny Section				
Alignment	\$4,893,000	\$1,820,000	\$634,000	\$38,605,000
Interior Drainage	\$168,000	\$168,000	\$168,000	\$0
<i>Total</i>	<i>\$5,061,000</i>	<i>\$1,988,000</i>	<i>\$802,000</i>	<i>\$38,605,000</i>
Newark Section				
Alignment	\$5,138,000	\$2,201,000	\$859,000	\$31,039,000
Interior Drainage	\$1,064,000	\$1,064,000	\$1,064,000	\$0
<i>Total</i>	<i>\$6,202,000</i>	<i>\$3,265,000</i>	<i>\$1,923,000</i>	<i>\$31,039,000</i>
Minish Park Section				
Alignment	\$2,314,000	\$1,032,000	\$405,000	\$2,314,000
Interior Drainage	\$114,000	\$114,000	\$114,000	\$114,000
<i>Total</i>	<i>\$2,428,000</i>	<i>\$1,146,000</i>	<i>\$519,000</i>	<i>\$2,428,000</i>
Newark Flanking Section				
Alignment	\$1,039,000	\$362,000	\$86,000	\$1,039,000
Interior Drainage	\$7,453,000	\$7,453,000	\$7,453,000	\$7,458,000
<i>Total</i>	<i>\$8,492,000</i>	<i>\$7,815,000</i>	<i>\$7,539,000</i>	<i>\$8,497,000</i>
<i>Total With Project Damage</i>	<i>\$24,394,000</i>	<i>\$15,282,000</i>	<i>\$11,325,000</i>	<i>\$89,969,000</i>

Price Level: October 2018

2.875% Discount Rate, 50-year period of analysis

Totals do not include damages from sections screened out/ not evaluated.

Table 40 - Economic Comparison of Plans: Total Equivalent Annual Damages and Benefits					
Project Section	Annual	Project Alternative			RP
		<i>14 ft NAVD88</i>	<i>16 ft NAVD88</i>	<i>18 ft NAVD88</i>	<i>14' NAVD88</i>
Harrison Section 1	Benefits	\$7,193,600	\$8,336,600	\$8,862,600	\$0
	Costs	\$3,355,000	\$3,690,000	\$3,755,000	\$0
	Net Benefits	\$3,838,600	\$4,646,600	\$5,107,600	\$0
	BCR	2.1	2.3	2.4	0.0
Kearny Section	Benefits	\$33,544,100	\$36,617,100	\$37,803,100	\$0
	Costs	\$12,175,000	\$13,460,000	\$14,346,000	\$0
	Net Benefits	\$21,369,100	\$23,157,100	\$23,457,100	\$0
	BCR	2.8	2.7	2.6	0.0
Newark Section	Benefits	\$24,837,200	\$27,774,200	\$29,116,200	\$0
	Costs	\$10,852,000	\$11,380,000	\$13,039,000	\$0
	Net Benefits	\$13,985,200	\$16,394,200	\$16,077,200	\$0
	BCR	2.3	2.4	2.2	0.0
Minish Park	Benefits	\$2,875,800	\$4,157,800	\$4,784,800	Included in Newark Flanking Section
	Costs	\$369,000	\$512,000	\$860,000	
	Net Benefits	\$2,506,800	\$3,645,800	\$3,924,800	
	BCR	7.8	8.1	5.6	
Newark Flanking Section	Benefits	\$1,283,900	\$1,960,900	\$2,236,900	\$4,154,700
	Costs	\$551,000	\$621,000	\$721,000	\$1,581,000
	Net Benefits	\$732,900	\$1,339,900	\$1,515,900	\$2,573,700
	BCR	2.3	3.2	3.1	2.6
<i>Total Benefits</i>		<i>\$69,729,600</i>	<i>\$78,841,600</i>	<i>\$82,798,600</i>	<i>\$4,154,700</i>
<i>System Net Benefits</i>		<i>\$42,427,600</i>	<i>\$49,178,600</i>	<i>\$50,077,600</i>	<i>\$2,573,700</i>
Selected as NED Plan			✓		

Price Level: October 2018, 2.875% Discount Rate, 50-year period of analysis

✓ Note: While the 18 feet NAVD88 Plan maximizes net benefits, the 16 feet NAVD88 Plan was selected as the NED Plan because it reasonably maximizes net benefits

Sensitivity Testing: Sea Level Rise

92. As mentioned in an earlier section, current USACE guidance requires that potential relative sea level change must be considered in every USACE coastal activity as far inland as the extent of estimated tidal influence. The base level of potential relative sea-level change is considered the historically recorded changes for the study site, which is estimated to be an increase of 0.0134 feet/year. All economic analyses for which results are tabulated in previous sections of this report were based on this historic rate of sea level change. However, in accordance with Engineering Regulation ER 1100-2-8162 (Incorporating Sea Level Change in Civil Works Programs, 31 Dec 2013), proposed projects must be also evaluated for a range of possible sea level rise rates. In addition to the historical rate (“low”) which is a 0.7 ft. increase over the period of analysis, the project was also evaluated using “intermediate” and “high” rates derived from modified NRC Curves I and III, which for this Interim Study are estimated to be 1.2 ft. and 2.8 ft. increases, respectively over the fifty year period of analysis.
93. In addition to the three stillwater design levels of 14, 16, and 18 feet NAVD88, an additional analysis was conducted to evaluate the effectiveness of an ‘adaptable’ 16 Ft NAVD88 plan. Under this plan (referred to as ‘16A’) the floodwalls would be constructed initially to the 16 Ft NAVD88 stillwater elevation design, but would be modified to raise the wall height to the 18 Ft NAVD88 design at some point in the future. Plan 16A was analyzed and benefits were computed in HEC-FDA for the “Intermediate” and “High” sea level rise conditions under the assumption that the wall height would be raised when the sea level rise matched the total 50-year sea level rise under the historic/lower bound condition. This elevation is anticipated to be reached in year 30 in the Intermediate condition and in year 15 in the High condition.
94. The results of all analyses under all three sea level rise conditions are presented in Table 41. For Plan 16A, the cost estimate was revised to incorporate additional items including modifications to the foundations at initial construction to facilitate a larger wall in the future, in addition to the future extension of the wall height. This analysis indicates that the Adapted 16 Ft wall would not supplant the 18 Ft wall as the NED Plan under either of the two higher sea level rise scenarios.

Table 41: Impacts of Sea Level Rise on Damages and Benefits				
Damages/ Benefits	Condition/ Alternative	Historic "Low"	Curve I "Intermediate"	Curve III "High"
Equivalent Annual Damages	WoP	\$97,741,000	\$121,734,000	\$199,902,000
	L14	\$28,012,000	\$32,112,000	\$44,755,000
	L16	\$18,900,000	\$21,173,000	\$29,426,000
	L16A		\$19,031,000	\$23,569,000
	L18	\$14,922,000	\$16,052,000	\$21,299,000
	RP	\$93,582,000	\$114,434,000	\$184,076,000
<i>Total Benefits</i>	<i>L14</i>	<i>\$69,729,000</i>	<i>\$89,622,000</i>	<i>\$155,147,000</i>
	<i>L16</i>	<i>\$78,841,000</i>	<i>\$100,561,000</i>	<i>\$170,476,000</i>
	<i>L16A</i>		<i>\$102,703,000</i>	<i>\$176,333,000</i>
	<i>L18</i>	<i>\$82,798,000</i>	<i>\$105,661,000</i>	<i>\$178,582,000</i>
	<i>RP</i>	<i>\$4,155,000</i>	<i>\$7,295,000</i>	<i>\$15,821,000</i>
Annual Costs	L14	\$27,302,000	\$27,302,000	\$27,302,000
	L16	\$29,663,000	\$29,663,000	\$29,663,000
	L16A		\$31,828,000	\$31,828,000
	L18	\$32,721,000	\$32,721,000	\$32,721,000
	RP	\$1,581,000	\$1,581,000	\$1,581,000
<i>Net Benefits</i>	L14	\$42,427,000	\$62,320,000	\$127,845,000
	L16	\$49,178,000	\$70,898,000	\$140,813,000
	L16A		\$70,875,000	\$144,505,000
	L18	\$50,077,000	\$72,940,000	\$145,861,000
	RP	\$2,573,000	\$5,714,000	\$14,240,000
BCR	L14	2.6	3.3	5.7
	L16	2.7	3.4	5.7
	L16A		3.2	5.5
	L18	2.5	3.2	5.5
	RP	2.6	4.6	10.0

Price Level::October 2018, 2.875% Discount Rate, 50-year period of analysis

Final Economic Comparison

95. Subsequent to the formulation of alternatives described in previous sections, more detailed costs were developed for the NED Plan and the Recommended Plan using the MII cost estimating system. Formulation costs are derived from gross quantity estimates of major cost items utilizing available unit costs, lump sum estimates, excel spreadsheets, and costs from similar projects as well as appropriate percentage estimates for mobilization and demobilization, traffic maintenance, engineering and design, construction management, and project contingencies. These differ from the detailed project estimates of the NED or Recommended Plan, which are developed in more detail using a combination of MII's 2016 English Cost Book, 2016 Region 1 equipment book, estimator-created site specific cost items, local historic quotations, and quotations from local material suppliers. A current, area-specific labor library was used to reflect market labor conditions. For cost book material items that did not reflect current commodities pricing, vendor quotes were obtained and estimator judgment applied where warranted. Table 42 presents a final economic comparison of the benefits and costs of the NED and Recommended Plans using the MII cost estimates.

Table 42: Final Economic Comparison of NED and Recommended Plans		
Total Equivalent Annual Damages and Benefits		
Annual:	NED Plan	Recommended Plan
Benefits	\$78,841,600	\$4,154,700
Costs	\$37,652,000	\$1,876,000
Net Benefits	\$41,189,600	\$2,278,700
BCR	2.1	2.2

Price Level: October 2018, 2.875% Discount Rate, 50-year period of analysis
Based on the Historic ("Low") Sea Level Rise Scenario

Sub Appendix A

Alignment - Project Performance

Alignment - Project Performance and Risk Analysis

1. ER 1105-2-101, “Risk Analysis for Flood Damage Reduction Studies (USACE, 17 July, 2017) stipulates that the risk analysis for a flood risk reduction project should quantify the performance of the plan and evaluate the residual risk, including the consequences of exceedance of the project’s capacity. The guidance specifically stipulates, along with the basic economic performance of a project, the engineering performance of the project is to be reported in terms of:

- The annual exceedance probability
- The long-term risk of exceedance
- The conditional non-exceedance probability

The overall economic performance of all the evaluated alignment alternatives under the low sea level rise condition has been computed by HEC-FDA and the results are presented in Table A1.

2. The annual exceedance probability of a project is the likelihood that a target stage is exceeded by flood waters in any year and can be considered as an indication of the level of risk management provided by the project. The target stage is the point at which significant damage is incurred in the with-project condition, the significant damage elevation was defined as the water surface elevation which results in damages equal to 5% of damages incurred by the 1% annual chance exceedance event (“100-year” event) in the without-project condition.

3. The target stage for each reach was used in HEC-FDA to calculate the base year median and expected annual exceedance probability for the project. The median value reflects the basic as-designed performance of the plan without the application of uncertainty to the basic discharge-frequency and stage-discharge functions, while the expected value is computed from the results of the Monte Carlo simulations which take into account uncertainty in hydrologic/hydraulic functions and project features such as diversion structures. Hence the difference between the two is an indication of the uncertainty associated with the project performance.

4. The long-term risk of exceedance is the probability that the design stage will be exceeded at least once in the specified durations of 10, 30, and 50 years, and the conditional non-exceedance probability measures the likelihood that the project will not be exceeded by a specified hydrologic event. For this analysis the base year conditional non-exceedance probability has been computed for each alternative for the 10%, 4%, 2%, 1%, 0.4% and 0.2% annual chance exceedance events (10-, 25-, 50-, 100-, 250- and 500-year floods). These indicators of project performance and residual risk for the evaluated alternatives under the low sea level rise scenario are presented for all reaches except the Newark Flanking Section in Table A2, and for the Newark Flanking Section only in Table A3. The reliability of each section of the project is dependent on the hydrologic regime to which each section is subject. Since the stage-frequency curves applied to the Newark Flanking Section are not the same as those applied to the remainder of the project (see Table 21), project performance tables in this section have been split by section to demonstrate that the reliability of any project will vary by reach. The Recommended Plan's reliability is best represented by the 14 foot NAVD88 values presented in Table A3. While there may be some overtopping at the northern Minish Park segments of the Recommended Plan (Segment 6 and Segment 8 as defined in Engineering and Design Appendix) at the same probabilities in Table A2, the majority of flooding in the Newark Flanking area would most likely be coming from the southwest portion of the study area (Segment 1 and Segments 2a and 2b as defined in the Engineering and Design Appendix). Because the risk management area of the 14 feet NAVD88 Recommended Plan is encompassed within the risk management areas presented in Table A3 and the majority of the Recommended Plan's flooding comes from the Newark Flanking section, the 14 foot NAVD88 column in Table A3 can be used to represent the Recommended Plan's project performance. Additional hydrodynamic modelling will be performed during the Preconstruction Engineering and Design to refine the design reliability for the Recommended Plan.

5. Additionally, the same performance criteria have been computed in HEC-FDA for the NED plan and the Recommended Plan at the end of the 50-year period of analysis under the Intermediate and High sea level rise scenarios, and the results are presented in Tables A4 through A6. The performance of the NED plan has again been presented in two tables to reflect the difference in performance of the various sections of the project which are affected by different stage-frequency relationships.

Table A1
Expected and Probabilistic Values of Structure/Contents Damage Reduced
Low Sea Level Rise

Alternative	Equivalent Annual Damage (Alignment Only)			Probability that Damage Reduced Exceeds the Indicated Values		
	Without Project	With Project	Damage Reduced	75%	50%	25%
14' NAVD88	\$97,742,000	\$18,975,000	\$78,767,000	\$61,262,000	\$79,328,000	\$96,046,000
16' NAVD88	\$97,742,000	\$9,863,000	\$87,879,000	\$65,088,000	\$85,800,000	\$108,442,000
18' NAVD88	\$97,742,000	\$5,906,000	\$91,835,000	\$66,818,000	\$88,694,000	\$113,254,000
RP 14' NAVD88	\$97,742,000	\$89,005,000	\$8,737,000	\$5,209,000	\$8,066,000	\$11,542,000

Price Level: October 2018, 2.875% Discount Rate

Table A2
Project Performance Analysis - Alignment
Base Year, Low Sea Level Rise
All Reaches Except Newark Flanking Section

Performance and Reliability Criteria		14 ft NAVD88	16 ft NAVD88*	18 ft NAVD88
Annual Exceedance Probability of Target Stage	Median	0.4%	0.1%	0.03%
	Expected	0.5%	0.2%	0.05%
Long Term Exceedance Probability	10 Years	5%	2%	0.5%
	30 Years	15%	5%	1.5%
	50 Years	24%	8%	2%
Conditional Non-Exceedance Probability	10%	100%	100%	100%
	4%	100%	100%	100%
	2%	99%	100%	100%
	1%	86%	99%	100%
	0.4%	49%	92%	100%
	0.2%	20%	72%	98%

*NED Plan. Note: Median/Expected values are without/with risk and uncertainty applied in the analysis.

Table A3 Project Performance Analysis - Alignment Base Year, Low Sea Level Rise Newark Flanking Section Only				
Performance and Reliability Criteria		14 ft NAVD88*	16 ft NAVD88**	18 ft NAVD88
Annual Exceedance Probability of Target Stage	Median	0.05%	0.01%	0.01%
	Expected	0.07%	0.01%	0.01%
Long Term Exceedance Probability	10 Years	0.7%	0.2%	0.1%
	30 Years	2%	0.5%	0.3%
	50 Years	4%	0.8%	0.5%
Conditional Non-Exceedance Probability	10%	100%	100%	100%
	4%	100%	100%	100%
	2%	100%	100%	100%
	1%	100%	100%	100%
	0.4%	99%	100%	100%
	0.2%	95%	100%	100%

*Applies to Recommended Plan

**NED Plan

Table A4 Project Performance Analysis – 16 Ft Alignment Intermediate and High Sea Level Rise (Future Year) NED Plan, All Reaches Except Newark Flanking Section			
Performance and Reliability Criteria		Curve I	Curve III
Annual Exceedance Probability of Target Stage	Median	0.3%	0.7%
	Expected	0.4%	0.9%
Long Term Exceedance Probability	10 Years	4%	8%
	30 Years	10%	23%
	50 Years	16%	35%
Conditional Non-Exceedance Probability	10%	100%	100%
	4%	100%	100%
	2%	100%	94%
	1%	95%	67%
	0.4%	71%	24%
	0.2%	39%	6%

Table A5 Project Performance Analysis – 16 Ft Alignment Intermediate and High Sea Level Rise (Future Year) NED Plan, Newark Flanking Section Only			
Performance and Reliability Criteria		Curve I	Curve III
Annual Exceedance Probability of Target Stage	Median	0.03%	0.1%
	Expected	0.04%	0.1%
Long Term Exceedance Probability	10 Years	0.4%	1%
	30 Years	1%	4%
	50 Years	2%	6%
Conditional Non-Exceedance Probability	10%	100%	100%
	4%	100%	100%
	2%	100%	100%
	1%	100%	100%
	0.4%	100%	97%
	0.2%	99%	84%

Table A6 Project Performance Analysis - 14 Ft Alignment Intermediate and High Sea Level Rise (Future Year) Recommended Plan			
Performance and Reliability Criteria		Curve I	Curve III
Annual Exceedance Probability of Target Stage	Median	0.1%	0.3%
	Expected	0.2%	0.4%
Long Term Exceedance Probability	10 Years	2%	4%
	30 Years	5%	12%
	50 Years	8%	18%
Conditional Non-Exceedance Probability	10%	100%	100%
	4%	100%	100%
	2%	100%	100%
	1%	100%	94%
	0.4%	94%	63%
	0.2%	76%	30%

Key to Reach Names (for use with Figure 1 below)
Economic Reaches for Report

Harrison Section 1
 Harrison Section 2
 Harrison Section 2
 Kearny Section
 Newark Section
 Minish Park
 Newark Flanking Section
 Newark Gap

HEC-FDA Reaches

Harrison
 Harrison Additional Floodwall
 Kearny Additional Floodwall
 Kearny
 Newark East
 Newark Additional Floodwall
 South Ironbound
 Newark Gap

G-50