



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

REPLY TO  
ATTENTION OF:

21 APR 1999

CECW-PE

SUBJECT: Jacksonville Harbor, Duval County, Florida

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on the study of navigation improvements for Jacksonville Harbor, Duval County, Florida. It is accompanied by the report of the district and division engineers. These reports are in final response to a resolution by the Committee on Public Works and Transportation of the House of Representatives dated 5 February 1992. This resolution requested a review of previous reports on Jacksonville Harbor, Florida, to determine if additional improvements in the interest of navigation and other purposes are advisable. Preconstruction engineering and design activities for the recommended improvements will continue under the authority of this resolution.

2. The reporting officers identified both a plan that maximizes net national economic development (NED) benefits and a locally preferred plan (LPP). The NED plan and the LPP consists of deepening a 3-mile-long segment of the West Blount Island (WBI) channel, modifying 14.7 miles of the main channel in the St. Johns River, and constructing five advance maintenance zones or sediment traps. The WBI channel would be deepened from the existing authorized depth of 30 feet below mean low water (MLW) to 38 feet below MLW from its intersection with the main channel in the St. Johns River to the Jacksonville Port Authority petroleum terminal. The bottom width of the deepened WBI channel would remain at the existing channel bottom width of 300 feet. The NED plan and the LPP also propose realigning a short channel segment, reducing the existing channel bottom widths, and deepening a 14.7-mile-long segment of the main channel in the St. Johns River. The main channel would be realigned along cuts 39 through 41 between miles 7 and 8.3. From the main entrance channel in the Atlantic Ocean to mile 14.7, both plans recommend for reauthorization channel bottom widths varying from 375 feet to 950 feet, or reductions of 25 to 350 feet from the existing channel bottom widths which currently vary from 400 to 1,200. In addition, the NED plan would reauthorize the depth of the main channel from 38 feet below MLW to 39 feet below MLW from the entrance channel to mile 14.7. With the LPP, the depth of the main channel would be deepened to 40 feet below MLW and 41 feet below MLW in areas where there is a rock bottom. Some of the rock excavated from segments of the main channel would be placed in an artificial reef located offshore. All rock excavation is to be accomplished by clamshell or hydraulic pipeline dredge. The dikes of the Bartram Island disposal area would be raised to accommodate the excavated material. There is no identified requirement for compensatory mitigation for the proposed project.

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3. Both the NED plan and the LPP include a new advance maintenance plan to replace the existing advance maintenance plan which provided for an additional 2 feet of required over depth plus 2 feet of allowable over depth along the St. Johns River main channel between Segments 1 and 2. Under this new plan, five advance maintenance zones or sediment traps would be excavated in historical shoaling areas equivalent in capacity to the estimated annual shoaling volume in Segments 1 and 2 over a two-year period. Three of the four advanced maintenance zones are located in, or adjacent to cut-42, one will be located in the entrance channel or mile 0 to about mile 4, and one will be located adjacent to the main channel at the eastern inlet to Mill Cove. An advance maintenance plan for the WBI channel is also included in the recommended NED plan and LPP, which would include deepening of the channel to a required depth of 39 feet below MLW plus one-foot allowable over depth.

4. At the request of the Jacksonville Port Authority, the non-Federal sponsor for the channel deepening project, the LPP is recommended for implementation. The Jacksonville Port Authority in a letter dated 23 September 1998, stated that the 40 feet below MLW channel yields a project of much greater value to the Port's future viability and the Port intends to make the appropriate investment and pay the incremental project costs.

5. Project costs are allocated to the commercial navigation project purpose. Federal participation in the cost of implementing the project proposal is limited to the Federal share of the cost of the NED plan. Based on March 1998 prices, the estimated cost of the general navigation features (GNF) of the NED plan is \$14,029,000. The cost of GNF includes channel dredging, dredged material disposal, and construction of dredged material disposal facilities. Apportionment of the cost of the GNF is in accordance with Section 101 of the Water Resources Development Act (WRDA) of 1986, as amended by Section 201 of WRDA 1996. Thus, the Federal and non-Federal shares of the GNF are estimated to be \$9,129,000 and \$4,900,000, respectively. The non-Federal portion includes a repayment of 10 percent of the cost to construct the GNF, less allowable credits for the value of lands, easements, rights-of-way and relocations (LERR) necessary for the Federal project. This amount is currently estimated at \$1,393,000, which may be paid with interest over a period not to exceed 30 years. The non-Federal interests would also be responsible for all the costs of local service facilities including dredging of the berthing areas and associated disposal area capacity. Total estimated costs for local service facilities are \$268,000. Total costs for all features necessary to obtain the projected navigation benefits, including GNF, LERR, and local service facilities are estimated to be \$14,307,000. Of this amount \$9,129,000 would be Federal and \$5,178,000 would be non-Federal. Equivalent annual benefits and costs, based on a discount rate of 7.125 percent and a 50-year period of

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economic evaluation, are estimated as \$2,793,000 and \$1,350,000, respectively. Equivalent annual net benefits would be \$1,443,000. The benefit to cost ratio is 2.1 to 1.

6. The total first cost of the LPP is estimated at \$26,116,000. The non-Federal share is \$3,507,000 for 25 percent of the cost of the GNF of the NED plan; \$10,000 for LERR; and \$1,393,000 for 10 percent of the GNF costs, less LERR credit. Additionally, the non-Federal sponsor will pay \$12,077,000 for non-cost-shared GNF and local service facilities. The additional \$1,393,000 cash payment (10 percent of GNF costs, less LERR credit) may be paid, with interest, over a period not to exceed 30 years. The \$12,077,000 represents 100 percent of the costs associated with the locally preferred plan that are in excess of the cost to implement the NED plan. These costs are to be paid in cash during construction. The total cost to the non-Federal project sponsor is \$16,987,000. The total Federal share of the cost of the locally preferred plan is \$9,129,000. Equivalent annual benefits and costs, based on a discount rate of 7.125 percent and a 50-year period of economic evaluation, are estimated at \$3,129,000 and \$2,291,000, respectively. Equivalent annual net benefits would be \$838,000. The benefit to cost ratio is 1.4 to 1.

7. The Jacksonville Port Authority has indicated that Navieras, NPR, Incorporated, a principal shipper utilizing Jacksonville Harbor, has stated that they have new vessels under design to replace the current fleet of vessels. A recent report prepared by a consultant to the Jacksonville Port Authority included information stating that these new vessels would be in service within five years. These assumptions about the future fleet could affect the project benefits, the determination of the NED plan and the determination of the recommended plan. In this regard, if prior to execution of a project cooperation agreement, Navieras replaces the vessel fleet, a reevaluation of the project economics and the NED and LPP plans can be conducted and used as a basis for revising the NED plan and the project cost sharing in accordance with Section 101 of WRDA 1986.

8. Washington level review indicates that the proposed plan is technically sound, economically justified, and environmentally and socially acceptable. The plan conforms to essential elements of the U.S. Water Resources Council's Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies and complies with other administration and legislative policies and guidelines. Also, the views of interested parties, including Federal, State, and local agencies, have been considered.

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9. I generally concur in the findings, conclusions, and recommendation of the reporting officers. Accordingly, I recommend implementation of the proposed project generally in accordance with the reporting officers' recommended plan, with such modifications as in the discretion of the Chief of Engineers may be advisable, and subject to applicable cost-sharing and financing requirements. My recommendation is made with the provision that, prior to implementation of the recommended improvements, the non-Federal sponsor shall enter into a binding agreement with the Federal Government to comply with the following requirements:

(a) Enter into an agreement which provides, prior to construction, 25 percent of design costs;

(b) Provide, during construction, any additional funds needed to cover the non-Federal share of design costs;

(c) Provide, during the period of construction, a cash contribution equal to 25 percent of the costs of construction of the general navigation features allocated to the NED plan (which include the construction of land-based and aquatic dredged material disposal facilities that are necessary for the disposal of dredged material required for project construction, operation, or maintenance and for which a Federal contract for the facility's construction or improvement was not awarded on or before 12 October 1996);

(d) Pay with interest, over a period not to exceed 30 years following completion of the period of construction of the project, up to an additional 10 percent of the total cost of construction of general navigation features allocated to the NED plan. The value of lands, easements, rights-of-way, and relocations provided by the non-Federal sponsor for the general navigation features allocated to the NED plan, described below, may be credited toward this required payment. If the amount of credit exceeds 10 percent of the total cost of construction of the general navigation features allocated to the NED plan, the non-Federal sponsor shall not be required to make any contribution under this paragraph, nor shall it be entitled to any refund for the value of lands, easements, rights-of-way, and relocations in excess of 10 percent of the total cost of construction of the general navigation features allocated to the NED plan;

(e) Provide all lands, easements, and rights-of-way, and perform or ensure the performance of all relocations determined by the Federal Government to be necessary for the construction, operation, maintenance, repair, replacement, and rehabilitation of the general

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navigation features (including all lands, easements, and rights-of-way, and relocations necessary for dredged material disposal facilities);

(f) Provide, operate, maintain, repair, replace, and rehabilitate, at its own expense, the local service facilities (currently identified as Blount Island Marine Terminal, Ed Austin Terminal, and Talleyrand Terminal) in a manner compatible with the project authorized purposes and in accordance with applicable Federal and State laws and regulations and any specific directions prescribed by the Federal Government;

(g) Provide, during the period of construction, 100 percent of the costs in excess of the cost of the NED plan required for the Government to accomplish the locally preferred plan;

(h) Accomplish, or assure accomplishment of, all removals determined necessary by the Federal Government other than those removals specifically assigned to the Federal Government;

(i) Grant the Federal Government a right to enter, at reasonable times and in a reasonable manner, upon property that the non-Federal sponsor owns or controls for access to the general navigation features for the purpose of inspection, and, if necessary, for the purpose of operating, maintaining, repairing, replacing, and rehabilitating the general navigation features;

(j) Hold and save the United States free from all damages arising from the construction, operation, maintenance, repair, replacement, and rehabilitation of the project, any betterments, and the local service facilities, except for damages due to the fault or negligence of the United States or its contractors;

(k) Keep and maintain books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to the project, for a minimum of 3 years after completion of the accounting for which such books, records, documents, and other evidence are required, to the extent and in such detail as will properly reflect total cost of construction of the general navigation features, and in accordance with the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and local governments at 32 CFR, Section 33.20;

(l) Perform, or cause to be performed, any investigations as are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601-9675,

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that may exist in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the construction, operation, maintenance, repair, replacement, or rehabilitation of the general navigation features. However, for lands that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigations unless the Federal Government provides the non-Federal sponsor with prior specific written direction, in which case the non-Federal sponsor shall perform such investigations in accordance with such written direction;

(m) Assume complete financial responsibility, as between the Federal Government and the non-Federal sponsor, for all necessary cleanup and response costs of any CERCLA regulated materials located in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the construction, operation, maintenance, repair, replacement, and rehabilitation of the general navigation features;

(n) To the maximum extent practicable, perform its obligations in a manner that will not cause liability to arise under CERCLA;

(o) Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and the Uniform Regulations contained in 49 CFR, Part 24, in acquiring lands, easements, and rights-of-way, required for construction, operation, maintenance, repair, replacement, and rehabilitation of the general navigation features, and inform all affected persons of applicable benefits, policies, and procedures in connection with said act;

(p) Comply with all applicable Federal and State laws and regulations, including, but not limited to, Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army;"

(q) Provide a cash contribution equal to the non-Federal cost share of the project total historic preservation mitigation and data recovery costs attributable to commercial navigation that are in excess of 1 percent of the total amount authorized to be appropriated for commercial navigation; and

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

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



JOE N. BALLARD

Lieutenant General, U.S. Army  
Chief of Engineers