

MEMORANDUM FOR MAJOR SUBORDINATE COMMANDS AND DISTRICT
COMMANDS

SUBJECT: Policy Guidance Letter No. 41, Restoration of Market Value Benefits

1. References:

a. ER 1105-2-100

b. Acting Assistant Secretary of the Army (Civil Works) memorandum dated 26 July 1993 regarding evaluation procedures for using restoration of market value benefits.

2. Purpose: This policy guidance letter establishes U.S. Army Corps of Engineers policy on restoration of market value benefits for flood control projects.

3. Need for Policy: Reference 1a recommends against the direct use of market values to estimate benefits, due to the difficulties in measuring with and without project values and taking account of non-flood hazard factors that could influence the difference in values. However, some recent feasibility reports have included restoration of market value benefits. In reference 1b., the Acting Assistant Secretary of the Army for Civil Works requested a review of this specific benefit category and development of guidelines for estimating these benefits, if appropriate.

4. Policy: Quantification of restoration of market value benefits will not be approved due to the general lack of their measurable impact on market values based on research to date and the difficulty in validly estimating them. Therefore, no resources are to be expended to quantify benefits for restoration of market values for flood control projects.

FOR THE COMMANDER:

STANLEY G. GENEGA
Major General, USA
Director of Civil Works