

Estimated Economic Costs for Recommended Plan

A cost estimate for the Preferred Alternative has been prepared to an equivalent price level of 1 April 2018 and is summarized in the table.

Recommended Plan (Alternative Plan A)	
Annual Project Cost based upon (\$1,924,000 project cost at 4.0 % for 50 year project life)	\$89,563
Annual Operations & Maintenance Cost	\$5,000
Total Annual Economic Cost	\$94,563
Relocation Alternative	
Annual Project Cost based upon (\$11,000,000 project cost at 4.0% for 50 year project life)	\$512,052
Annual Operations and Maintenance	\$0
Total Annual Economic Cost	\$512,052

ECONOMIC JUSTIFICATION FOR SELECTED ALTERNATIVE

The benefits for the project are the lesser of:

1. The least cost relocation alternative; or
2. The value of the infrastructure benefits forgone if no corrective action is taken.

The benefit-cost ratio (BCR) of the protection alternative is based on the comparison of the annual cost of the Relocation Alternative with the annual cost of the Preferred Alternative.

$$\text{BCR} = \frac{\text{Annual Economic Cost of Relocation Alternative}}{\text{Annual Economic Cost of Preferred Alternative}}$$

$$\text{BCR} = \frac{\$512,052}{\$94,563}$$

$$\text{BCR} = 5.41$$