CECW-CP 24 October, 2005

MEMORANDUM FOR PLANNING COMMUNITY OF PRACTICE

SUBJECT: Economics Guidance Memorandum, 06-03, Unit Day Values for Recreation, Fiscal Year 2006

The enclosed information is provided for immediate use. Questions related to this memorandum should be addressed to Bruce Carlson at bruce.d.carlson@usace.army.mil or by telephone at (202) 761-4703.

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Encl

Unit Day Values for Recreation, Fiscal Year 2006

The national economic development (NED) benefit evaluation procedures contained in ER 1105-2-100 (22 Apr 00), Appendix E, Section VII, include three methods of evaluating the beneficial and adverse NED effects of project recreation: travel cost method (TCM), contingent valuation method (CVM), and unit day value (UDV) method.

The criteria for selecting the appropriate method are described in paragraph E-50b(4) and Figure E-10 of ER 1105-2-100 and in the attached document. If the UDV approach is used, the range of unit day value for FY 2006 studies is:

General Recreation	$3.19	$9.57
Specialized Recreation	$12.96	$37.88

If, when using the UDV method, evidence indicates a value outside the published range, use either TCM or CVM to evaluate recreation benefits.

The attached document provides a detailed description of the application of the UDV method. The tables provided in the attachment are constructed as guidance for planners in the selection of unit day values for particular recreation activities. Tables 1 and 2 illustrate a method of assigning a point rating to a particular activity. Point values are assigned based on measurement standards described for the five criteria of activities, facilities, relative scarcity, ease of access, and aesthetic factors.

Table 1 covers general recreation, involving relatively intensive development of access and facilities. The specialized recreation category, covered in Table 2, includes such unique experiences as big game hunting, wilderness pack trips, white water canoeing, and other activities generally categorized by more extensive, low density use.

Values provided for FY 2006 may be used to convert points to a UDV dollar amount if the point assignment method is used. The table was adjusted from Table K-3-1, Federal Register Vol. 44, No. 242, p.72962, December 4, 1979, using the CPI factor.

As a special note of warning, it is important to recognize that all specialized recreation activities claimed will require a regional model or a site-specific study, the results of which would probably not agree with the specialized values in the attached table. The only exception would be in those specific cases for which the unreliability or infeasibleness of TCM or CVM can be stated convincingly.

Conversion of Points to Dollar Values

Point Values	General Recreation Values (1)	General Fishing and Hunting Values (1)	Specialized Fishing and Hunting Values (2)	Specialized Recreation Values other than Fishing and Hunting (2)
0	$3.19	$4.59	$22.33	$12.96
10	3.79	5.18	22.93	13.76
20	4.19	5.58	23.33	14.75
30	4.79	6.18	23.93	15.95
40	5.98	6.78	24.52	16.95
50	6.78	7.38	26.92	19.14
60	7.38	8.17	29.31	21.14
70	7.78	8.57	31.10	25.52
80	8.57	9.17	33.50	29.71
90	9.17	9.37	35.89	33.90
100	9.57	9.57	37.88	37.88

(1) Points from Table 1 in attachment.
(2) Points from Table 2 in attachment.

Unit Day Method

1. Overview. The unit day value (UDV) method for estimating recreation benefits relies on expert or informed opinion and judgment to approximate the average willingness to pay of users of Federal or Federally assisted recreation resources. If it can be demonstrated that more reliable TCM or CVM estimates are either not feasible or not justified for the particular project under study, the UDV method may be used. By applying a carefully thought-out and adjusted unit day value to estimated use, an approximation is obtained that may be used as an estimate of project recreation benefits.

2. Implementation.

(a) When the UDV method is used for economic evaluations, planners will select a specific value from the range of values provided annually. Application of the selected value to estimated annual use over the project life, in the context of the with- and without-project framework of analysis, provides the estimate of recreation benefits.

(b) Two categories of outdoor recreation days, general and specialized, may be differentiated for evaluation purposes. "General" refers to a recreation day involving primarily those activities that are attractive to the majority of outdoor users and that generally require the development and maintenance of convenient access and adequate facilities. "Specialized" refers to a recreation day involving those activities for which opportunities in general are limited, intensity of use is low, and a high degree of skill, knowledge, and appreciation of the activity by the user may often be involved.

(c) Estimates of total recreation days of use for both categories, where applicable, will be developed. The general category comprises the great majority of all recreation activities associated with water projects, including swimming, picnicking, boating, and most warm water fishing. Activities less often associated with water projects, such as big game hunting and salmon fishing, are included in the specialized category. A separate range of values is provided annually for each category and for fishing and hunting to facilitate adoption of a point system in determining the applicable unit values for each individual project under consideration.

(d) When employing this method to determine recreation benefits, select appropriate values from the range of values provided. If evidence indicates a value outside the published range, use the TCM or CVM method.

(e) In every case, planners are expected to explain the selection of any particular value. To assist in explaining a specific value, a point rating method may be used. The method illustrated here contains five specific criteria and associated measurement

standards designed to reflect quality, relative scarcity, ease of access, and esthetic features. Since the list of criteria and weights assigned may vary with the situation, public involvement should occur in the value determination process. Planners are also expected to make appropriate use of studies of preferences, user satisfaction, and willingness to pay for different characteristics. When these studies are used, particular efforts should be made to use estimates derived elsewhere from applications of the TCM and CVM techniques, to support the value selected.

(1) General recreation (Table 1). Activities in this category are those associated with relatively intensive development of access and facilities as compared to the specialized recreation category. Generally, progressively higher physical standards for each unit of carrying capacity is involved in selecting higher unit values, and these may be accompanied by larger related non-project costs.

(2) Specialized recreation (Table 2).

(a) This category includes those activities whose values are generally lowered, if not actually excluded, by the type of development that enhances activities in the general recreation category. Thus, extensive or low-density use and development constitutes the higher end of this range of values (e.g., big game hunting, and wilderness pack trips). Also included in the upper end of the range are relatively unique experiences such as inland and marine fishing for salmon and steelhead, white water boating and canoeing, and long-range boat cruises in areas of outstanding scenic value. Examples of activities to which values at the lower end of the range would be assigned include upland bird hunting and specialized nature photography.

(b) The unit day values to be used for both the general and specialized recreation categories should be further adjusted to reflect additional quality considerations expected to prevail at various project sites in various regions of the Nation, and weighted according to their importance to users. For example, a reservoir that is expected to carry a relatively heavy load of suspended silt or is expected to be used beyond optimum capacity would be less desirable, and therefore of lower unit value, than one that will have clear water and be less crowded.

(c) Hunting and fishing may be treated either as general recreation (Table 1) or specialized recreation (Table 2) depending upon whether it is associated with developed areas or back country areas, respectively. In either case, the recreation experience (criterion "a" in the tables) will be given points according to the additional consideration of the chances of success; the midpoint of the value range is associated with the region's average catch or bag. Other criteria may be modified if appropriately based on available

evidence about the preferences and willingness to pay of hunters and fishermen for different recreation quality factors.

(d) The degree to which alternative non-project opportunities are available to users is also considered in the assignment of values. Higher values should be assigned if the population to be served does not have existing water-oriented recreation opportunities. If water-oriented recreation opportunities are relatively abundant, as compared to other outdoor recreation opportunities, lower unit values should be assigned, even if a large number of visitations are expected at the proposed development.

(e) The choice of a unit day value must account for transfers to avoid double counting of benefits. The net value of a transfer of use from one site to another is the difference in unit day values for recreation at the two sites. If recreation activities at the two sites are comparable, travel cost savings are the only NED benefits associated with the transfer. Use at the site must therefore be desegregated according to the proportion of total estimated use that would not have occurred without the project and the proportion of total use that represents transfers from existing sites. The respective types of uses must then be assigned different daily values as indicated.

(f) Unit values selected are to be considered net of all associated costs of both the users and others in using or providing these resources and related services.

3. Estimating Use.

(a) Using the ranges of values requires the study of estimates of annual use foregone and expected at recreation sites. Use can be estimated by a use estimating equation or per capita use curve as discussed above, but when these means are available, the second step of the travel cost method should generally be used instead of UDVs to derive the benefit.

(b) The capacity method is an alternative method of estimating use, but it has severe limitations. The capacity procedure involves the estimation of annual recreation use under without project and with project conditions through the determination of resource or facility capacities (taking into consideration instantaneous rates of use, turnover rates, and weekly and seasonal patterns of use). Seasonal use patterns are dependent on climate and culture and probably account for the greatest variation in use estimates derived through this method. In general, annual use of outdoor recreation areas, particularly in rural locations and in areas with pronounced seasonal variation, is usually about 50 times the design load, which is the number of visitors to a recreation area or site on an average summer Sunday. In very inaccessible areas and in those known for more

restricted seasonal use, the multiplier would be less; in urban settings or in areas with less pronounced seasonal use patterns, the multiplier would be greater. In any case, the actual estimation of use involves an analytical procedure using instantaneous capacities, daily turnover rates, and weekly and seasonal use patterns as specific data inputs.

(c). Because the capacity method does not involve the estimation of site-specific demand, its use is valid only when it has been otherwise determined that sufficient demand exists in the market area of project alternatives to accommodate the calculated capacity. Its greatest potential is therefore in urban settings where sufficient demand obviously exists. Additionally, its use should be limited to small projects with (1) a facility orientation (as opposed to a resource attraction), and (2) restricted market areas that would tend to make the use of alternative use estimating procedures less useful or efficient.

4. Calculating Values. The estimates of annual use are combined with the selected unit day values to get an estimate of annual recreation benefits. The value assigned to each activity or category of activities is multiplied by the number of recreation days estimated for that activity. The products are then summed to obtain the estimate of the total value of an alternative. Recreation days to be gained and lost or foregone as a result of a particular alternative are listed and valuated separately, not merely shown as net recreation days. Transfers of recreational users to or from existing sites in the region must be calculated, and the net regional gain or loss used in the final benefit estimated. Adequate information must appear in the discussion of the use estimation and valuation procedure or elsewhere in the report concerning the alternative being considered, so that the reader can derive a similar value for each activity.

Unit Day Method

Table 1: Guidelines for Assigning Points for General Recreation

Criteria	Judgment factors				
Recreation experience[1] Total Points: 30 Point Value:	Two general activities[2] 0-4	Several general activities 5-10	Several general activities: one high quality value activity[3] 11-16	Several general activities; more than one high quality high activity 17-13	Numerous high quality value activities; some general activities 24-30
Availability of opportunity[4] Total Points: 18 Point Value:	Several within 1 hr. travel time; a few within 30 min. travel time 0-3	Several within 1 hr. travel time; none within 30 min. travel time 4-6	One or two within 1 hr. travel time; none within 45 min. travel time 7-10	None within 1 hr. travel time 11-14	None within 2 hr. travel time 15-18
Carrying capacity[5] Total Points: 14 Point Value:	Minimum facility for developmen t for public health and safety 0-2	Basic facility to conduct activity(ies) 3-5	Adequate facilities to conduct without deterioration of the resource or activity experience 6-8	Optimum facilities to conduct activity at site potential 9-11	Ultimate facilities to achieve intent of selected alternative 12-14

Table 1 (Continued)

Accessibility Total Points: 18 Point Value:	Limited access by any means to site or within site 0-3	Fair access, poor quality roads to site; limited access within site 4-6	Fair access, fair road to site; fair access, good roads within site 7-10	Good access, good roads to site; fair access, good roads within site 11-14	Good access, high standard road to site; good access within site 15-18
Environmental Total Points: 20 Point Value:	Low esthetic factors[6] that significantly lower quality[7] 0-2	Average esthetic quality; factors exist that lower quality to minor degree 3-6	Above average esthetic quality; any limiting factors can be reasonably rectified 7-10	High esthetic quality; no factors exist that lower quality 11-15	Outstanding esthetic quality; no factors exist that lower quality 16-20

[1]Value for water-oriented activities should be adjusted if significant seasonal water level changes occur.
[2]General activities include those that are common to the region and that are usually of normal quality. This includes picnicking, camping, hiking, riding, cycling, and fishing and hunting of normal quality.
[3]High quality value activities include those that are not common to the region and/or Nation, and that are usually of high quality.
[4]Likelihood of success at fishing and hunting.
[5]Value should be adjusted for overuse.
[6]Major esthetic qualities to be considered include geology and topography, water, and vegetation.
[7]Factors to be considered to lowering quality include air and water pollution, pests, poor climate, and unsightly adjacent areas.

Unit Day Method

Table 2: Guidelines for Assigning Points for Special Recreation

Criteria	Judgment factors				
Recreation experience[1] Total Points: 30 Point Value:	Heavy use or frequent crowding or other interference with use 0-4	Moderate use, other users evident and likely to interfere with use 5-10	Moderate use, some evidence of other users and occasional interference with use due to crowding 11-16	Usually little evidence of other users, rarely if ever crowded 17-13	Very low evidence of other users, never crowded 24-30
Availability of opportunity[2] Total Points: 18 Point Value:	Several within 1 hr. travel time; a few within 30 min. travel time 0-3	Several within 1 hr. travel time; none within 30 min. travel time 4-6	One or two within 1 hr. travel time; none within 45 min. travel time 7-10	None within 1 hr. travel time 11-14	None within 2 hr. travel time 15-18
Carrying capacity[3] Total Points: 14 Point Value:	Minimum facility for development for public health and safety 0-2	Basic facility to conduct activity(ies) 3-5	Adequate facilities to conduct without deterioration of the resource or activity experience 6-8	Optimum facilities to conduct activity at site potential 9-11	Ultimate facilities to achieve intent of selected alternative 12-14

Table 2 (Continued)

Accessibility Total Points: 18 Point Value:	Limited access by any means to site or within site 0-3	Fair access, poor quality roads to site; limited access within site 4-6	Fair access, fair road to site; fair access, good roads within site 7-10	Good access, good roads to site; fair access, good roads within site 11-14	Good access, high standard road to site; good access within site 15-18
Environmental Total Points: 20 Point Value:	Low esthetic factors[4] that significantly lower quality[5] 0-2	Average esthetic quality; factors exist that lower quality to minor degree 3-6	Above average esthetic quality; any limiting factors can be reasonably rectified 7-10	High esthetic quality; no factors exist that lower quality 11-15	Outstanding esthetic quality; no factors exist that lower quality 16-20

[1]Value for water-oriented activities should be adjusted if significant seasonal water level changes occur.
[2]Likelihood of success at fishing and hunting.
[3]Value should be adjusted for overuse.
[4]Major esthetic qualities to be considered include geology and topography, water, and vegetation.
[5]Factors to be considered to lowering quality include air and water pollution, pests, poor climate, and unsightly adjacent areas.