

Recreation and Economic Studies Related to Relicensing the Martin Dam Project

The Martin Dam Project (Lake Martin) is currently undergoing a federally mandated process in order to receive a new operating license for the hydropower facility. This relicensing process requires Alabama Power Company (Alabama Power) to examine the effects of continued, or any proposed, operations on various resources associated with Lake Martin. Currently, Lake Martin is operated so that the reservoir is near full pool (491 ft MSL) by April 28 and is maintained at that level until August 30, at which time the pool is lowered to achieve elevation 481 ft MSL by December 31. Many stakeholders have requested Alabama Power investigate the feasibility of changing operations in order to raise the lower pool level and/or extend the length of time the reservoir is at full pool. As a result of these proposed changes in operations, Alabama Power is conducting several studies that will provide the information needed to describe possible effects on recreation and economic resources associated with Lake Martin.

The objectives of the first study are to estimate total recreational use of the lake, associated economic impacts, and the effects of proposed operational changes. These objectives are being accomplished through a survey of recreation users over approximately 168 days from June 1, 2009 to May 31, 2009. Data collected will be input into contingent behavior or trip response models to estimate how much recreational use and associated economic impacts will change with water levels.

The objectives of the second study are to estimate: characteristics of shoreline property owners and their property; usability of shoreline structures at various water levels; current market value of shoreline property; costs associated with construction and/or maintenance of house and any shoreline structures; economic impact of construction and/or maintenance costs; and the effects of proposed operational changes. Data are being collected through a survey of property owners at Lake Martin. These data will be used in similar contingent valuation models utilized in a previous study of changes in property values associated with water levels at Lake Martin.

The objectives of the third study are to estimate characteristics of business and business activity and effects of proposed operational changes on business activity. Sales tax records will be collected from the three counties surrounding Lake Martin (Coosa, Elmore, Tallapoosa) by business sectors and input into a sales tax indicator model. This model will be used to predict county sales tax revenue under alternative water level scenarios as well as total business revenue in the respective counties.

The use of the results from these studies will be discussed in the general relicensing context. A brief examination of other resources being considered in the relicensing process will be presented, as well as a timeline of when Alabama Power's application for a new operating license will be submitted.

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