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Economist doubts claim that Reach 8 properties would lose value if beach not rebuilt

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An economist for the environmentalists seeking to block the Reach 8 beach reconstruction challenged a town consultant's assertion that beachfront property values will fall if the beach isn't rebuilt.

Dr. Richard Weisskoff, testifying for the petitioners on Monday, said Dr. William B. Stronge had insufficient data to support his contention that failure to rebuild Reach 8 would depress property values by 17 percent.

Portions of Stronge's Reach 8 report were "very disturbing to me, as someone studying the economics of beaches," Weisskoff said.

Weisskoff was the last expert witness for the petitioners in the hearing before Administrative Law Judge R.E. Meale. The town has called all of its expert witnesses, and the final week of the hearing is set aside for lay witnesses and concluding statements and rebuttals.

The town and Florida Department of Environmental Protection are defending the town's plan to rebuild the South End beach.

The petitioners — the Surfrider and Snook foundations and three individuals — contend the dredge-and-fill project would be harmful to marine life and compromise recreational uses of the beach.

They want Meale to recommend that the DEP refuse the town an environmental permit for the project.

Weisskoff is an associate professor who teaches economics in the School of International Studies at the University of Miami. He also is author of the book *The Economics of Everglades Restoration: Missing Pieces in the Future of South Florida*.

Stronge, professor emeritus of economics at Florida Atlantic University, testified Aug. 27 that failure to rebuild the beach would over time diminish taxable property values by \$180 million.

But Weisskoff said Stronge's conclusion was based on a 1997 Broward County study in which he found beachfront condos were valued at 17 percent more than identical properties that didn't have a beach.

"He didn't take enough factors into account," Weisskoff said. "You have to look at market forces and insurance costs over time to determine the impact of erosion and nourishment on market values."

Weisskoff said he persuaded a real estate agent to research the market values of units in one Reach 8 condominium building and found they moved with the market, regardless of erosion to the beach.

Even without a wide beach, beachfront condos still are prized for their ocean views — another factor Stronge didn't account for in his assessment, Weisskoff said.

Stronge's testimony was based on the assumption that Reach 8 will disappear if it isn't reconstructed and periodically renourished. The petitioners maintain that the beach is stable and that the sand the town proposes to use will wash away.

Stronge also failed to examine the economic value of "ecological services" reefs provide as storm barriers and for recreation, Weisskoff said.

The hearing is taking place at the Emergency Operations Center on the third floor of the central fire station. It is open to the public.