

TARP NEIGHBORHOOD IMPACT STATEMENT

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The purpose of this paper is to present a process which can be utilized by individuals and voluntary organizations to estimate the impact of the Chicago Tunnel and Reservoir Project (TARP) on individual neighborhoods within the service area of the Metropolitan Sanitary District of Greater Chicago (MSD). TARP is designed to accomplish the following goals in the MSD service area as indicated in Map 1: (1) improve surface water quality in areas waterways; (2) eliminate wastewater/stormwater backflows into Lake Michigan and; prevent flooding.¹

The main function of the MSD, which is the sponsor of TARP, is to prevent water polluted with sewage from entering the water supply and to treat raw sewage in order to avoid contamination of the Chicago, Des Plaines, and Illinois Rivers. MSD is supported by direct taxation and may issue bonds for permanent improvements. In addition to guarding streams and waterways against pollution, the District has the responsibility of providing adequate facilities to handle stormwater runoff within the area under its jurisdiction.

Parts of the MSD service area have pollution and flooding problems resulting from extensive population growth, paving of natural drainage areas, relatively flat topography and a combined sewer and stormwater system. Combined systems carry wastes from residences, commercial buildings and industrial plants along with captured rainwater. In Chicago, under dry

weather conditions, treatment plant capacities generally can handle the wasteload, but when a rainstorm occurs, sewer and treatment capacities are often exceeded and untreated wastes overflow into local waterways and backup into some street.⁵ A

TARP consists of four tunnel systems, 150 to 290 feet below existing waterways with a total length of approximately 120 miles, and three storage reservoirs.² Stormwater runoff from 640 existing overflow points and sewage from industrial facilities and residences will be collected in the tunnel systems, conveyed to four treatment plants, and then discharged to area waterways. During heavy rainfall periods, overflow water will be collected in the reservoirs, stored until dry weather, and then conveyed to treatment facilities and processed.

Prior to the initiation of TARP construction, a series of environmental impact statements were prepared by the U.S. Environmental Protection Agency.³ The three impact statements focused on the impact of TARP on the natural and man-made environments of the Chicago metropolitan region. Although these statements are useful for exploring the regional benefits and costs of TARP, they fail to consider the issue of which neighborhoods incur differential benefits and costs within the region. It is clear that due to the nature of the project, some neighborhoods will receive direct benefits, while other neighborhoods will receive no direct benefits, but all neighborhoods in the MSD service area will equally share

that portion of the direct cost of the project which is financed by MSD.

The need to preserve urban neighborhoods as structures of family opportunity requires that care be taken to insure that public projects do not have a detrimental effect on the social and economic building blocks of beleaguered central cities. The vitality of neighborhoods is as significant to the survival of the American way of life as is the protection of the natural environment. Consequently, the analysis of a public project such as TARP merely on the basis of its contribution to regional water quality represents a gross failing of public policy.

This paper is designed to be used as a tool for estimating the costs and benefits of TARP incurred by any neighborhood. The analytic framework suggested will hopefully enable citizen's groups to raise question concerning the impact of TARP on neighborhood development.

BENEFITS

Surface Water Quality

The first step in analyzing the impact of TARP on a given neighborhood is to determine the water quality benefits which TARP is projected to provide. According to the environmental impact statement prepared for the Des Plaines tunnel, construction of TARP tunnels alone will not result in obtaining applicable Illinois water quality standards in area waterways, and therefore will not enable additional usage of area waterways. Even with the tunnels in place, combined sewer-storm water overflows into area waterways will occur approximately ten times per year.⁴

Although there is reasonable doubt concerning TARP's impact on water quality, the USEPA contends that TARP will have a significant positive impact on water quality. Assuming that the USEPA's assumption is correct, it is possible to estimate the benefit a community will receive from improvements in the quality of the area's waterways.

A minor improvement in the water quality of Lake Michigan is likely to benefit neighborhoods where a significant number of residents frequently use Lake Michigan to swim, boat or fish. Such an improvement is also likely to benefit neighborhoods where residents would utilize Lake Michigan if water quality were improved.

One way to determine if the residents of a given neighborhood currently use Lake Michigan, or would use Lake Michigan if conditions were better, is through a phone survey. If

a significant majority of neighborhood residents do not currently use the Lake, or would not frequent the Lake under improved water conditions, then there would be no significant direct recreational benefit to the neighborhood under examination.

Even though residents do not use Lake Michigan for recreational activities, one cannot automatically assume that a minor improvement in Lake water quality will not have a positive impact on the neighborhood. If the neighborhood is located close to the Lake, and more people are attracted to the Lake, then the neighborhood businesses may benefit from increased patronage from outside the immediate neighborhood.

Also, if neighborhood residents work for businesses which supply retail establishments along the lakefront, then they may benefit from increased patronage of lakefront commercial enterprises.

Thus, in estimating the benefits a neighborhood might derive from an improvement in Lake Michigan water quality, the following issues should be addresses:

1. The current usage of Lake Michigan by neighborhood residents;
2. The projected usage of Lake Michigan by neighborhood residents assuming that the water quality of the Lake ~~if~~ is slightly improved;
3. The potential increase in sales of neighborhood businesses generated by projected increase in patronage by potential Lake Michigan users; and
4. The increase in jobs which may be generated for neighborhood residents as a result of the potential increase in patronage of retail establishments.

USEPA contends that the following interior waterways will experience an improvement in surface water quality: The Chicago

River, the North Shore Channel, the Des Plaines River and tributaries, the Sanitary and Ship Canal, Salt Creek, the Calumet River and the Little Calumet River. However, all of these waterways will continue to maintain a secondary contact classification, with the exception of the North Branch of the Chicago River, the Des Plaines River, Salt Creek, and the Little Calumet River, which are currently designated for general use.⁵ A waterway which is classified as secondary contact is characterized by unfavorable water quality which limits safe activities to those where only incidental or accidental contact with water is possible, and where there is a low probability of ingesting water.⁶ A waterway which is designated "general use" is suitable for recreational activities.

Assuming that USEPA's assumptions about surface water quality are accurate, it is likely that interior waterways will be significantly cleaner, but the change in quality will not be sufficient to permit additional water related activities.

In estimating the impact of a higher standard of surface water quality in these waterways on a neighborhood, one must determine how many residents of that neighborhood currently use these waterways or would use these waterways given the projected improvements provided by TARP. Such a determination can be made through a survey of residents. In certain cases, such as the Lakewood-Balmoral neighborhood in Uptown, there may be no need for a survey since, due to geography, one can assume that few residents utilize the Little Calumet River for

recreational activities unless they have boats docked in the River which are used for recreational purposes in Lake Michigan.

Another factor which should be considered is the new development which may be caused in neighborhoods bordering waterways where there is a significant improvement in water quality. However, the assumption that improved water quality will serve as a sufficient incentive for development along waterbanks is questionable.

Flooding

One of the major goals of TARP, as stated by the MSD, is flood abatement in the MSD service area. Concerning the flood abatement potential of the tunnel portion of the project, the Des Plaines Environmental Impact Statement developed the following conclusion:

Although flood abatement as well as overflow relief can be expected within certain of these drainage basins and flood prone areas, the amount will be insignificant unless a larger storage system is incorporated as part of the tunnel plan.⁷

In order to ascertain the flood abatement benefits a given neighborhood might receive from TARP, and to determine the value of that abatement, the following information needs to be obtained.

1. Determine where flooding occurs in the neighborhood. This can be accomplished through visual surveys immediately after rainstorms to detect surface ponding and overbank flooding, and through phone surveys to detect basement flooding. Other sources of information include the local Department of Water and Sewers, local precinct captains and the local alderman.

2. Distinguish among the following types of flooding: surface ponding, wastewater/stormwater backup and over-bank flooding. Surface ponding is flooding which occurs as a result of water settling on the surface after a storm or melting of snow. Such ponding can cause property damage by seeping into basements, or it can be a significant hazard if it occurs on streets, sidewalks or in backyards. Wastewater/stormwater "backup" occurs during severe rainstorms when the quantity of water runoff in the combined sewer/stormwater system exceeds the system's capacity. When this occurs, the excess stormwater and sewage "backs up" into area basements and streets. Over-bank flooding occurs when a waterway overflows its banks. Occasionally, such an overflow results in basement and street flooding.
3. Estimate the property damage associated with the three types of flooding. One way of securing reasonable estimates of flooding damage is to obtain the services of an experienced contractor who would be willing to inspect flooded basements. A less costly, but probably less accurate alternative, is to ask neighborhood residents who experience property damage to estimate the cost of flood damage and the frequency of flooding.
4. Estimate the impact of flooding on property values. In order to obtain a reasonable indicator of this factor, local real estate brokers and appraisers should be contacted. However, their opinions should be confirmed by examining market data describing recent sales transactions involving properties which have experienced flood damage. In employing such sources, one must be careful to consider other factors besides potential flood damage which may affect property values in a negative manner.
5. Estimate the impact of stormwater/wastewater backups on the health of neighborhood residents. In some cases the health of residents may be affected by the combined sewer and stormwater backups which may occur in basements and streets. Respiratory ailments and other infections can be caused as a result of contact with raw sewage. Such backups may also result in conditions which attract rats and other rodents which can have a significant impact on health and psychological stability. For assistance in determining the potential impact of such backups, local and university public health centers, and the City Department of Health could be contacted.
6. Determine the impact of TARP on the flooding which occurs in the neighborhood. In order to obtain this information, the Metropolitan Sanitary District should be contacted directly. Another source is the set of environmental impact statements prepared by the USEPA. However,

these documents are inconclusive with regard to the specific areas which will benefit from the flood abatement produced by TARP. In the public forums, MSD representatives have stated that TARP flood abatement will be very limited unless municipalities engage in expensive sewer upgrading. However, it is unclear whether most municipalities can raise the revenue required to engage in sewer upgrading projects.

7. Ascertain the desires of neighborhood residents with regard to the need for and desirability of flood abatement. This could be conducted through an opinion survey of area residents.

Employment

A third factor which should be analyzed in determining the benefits to be obtained by a given neighborhood through the construction of TARP is the number of jobs directly generated which will be obtained by neighborhood residents. The following indicates the number of jobs which the USEPA contends to be generated by TARP.⁸

PRIMARY JOB GENERATION

<u>Year</u>	<u>Number of Jobs Generated per year with a duration of one year</u>
1976	320
1977	1147
1978	1832
1979	1859
1980	1893
1981	1772
1982	802
1983	330
1984	195

The USEPA, in preparing the environmental impact statements assumed that the average hourly wage these jobs would pay is between \$13.28 to \$14.62 per hour.⁹ There is no indication

in the environmental impact statements or any other material which has been made public which indicates the percentage of these jobs which will be filled by highly trained engineers or unskilled laborers. Consequently, it is difficult to match a neighborhood's labor market characteristics with the potential jobs directly generated by TARP, and assume that x% of the jobs may go to neighborhood residents.

One possibility for securing the information needed to determine if the residents of a given area are benefiting from a project is to leverage the MSD into providing the hundred block and municipality where workers working on the TARP project reside. If such information is acquired, it may be apparent that some workers may not even be from Illinois.

Another employment related factor to consider is the amount of secondary employment generated by TARP. Secondary employment in this case is defined as those jobs which are generated as a result of purchases made by companies holding TARP contracts and by employees of these firms. The USEPA assumed that the number of secondary jobs generated by TARP income is the quantity equal to 1.8 multiplied by the number of jobs directly generated by the construction of TARP.¹⁰

X The following table indicated^{es} the number of secondary jobs which will be generated by TARP.

SECONDARY JOB GENERATION

<u>Year</u>	<u>Number of Jobs generated per year with a duration of one year*</u>
1976	576
1977	2065
1978	3298
1979	3346
1980	3407
1981	3190
1982	1444
1983	594
<u>1984</u>	<u>351</u>
TOTAL	18,271

* Derived in the following manner: Number of secondary jobs generated = (number of primary jobs generated)(1.8).

Although the total number of secondary jobs which USEPA assumes will be generated by TARP is substantial, there is no way of precisely estimating the number of secondary jobs the residents of a given neighborhood will secure. However, one can assume that neighborhood residents may receive some of the secondary jobs generated if they are employed by retail and service industries which are patronized by individuals and corporations working on TARP. However, the retail and wholesale establishments which will receive the increased business may be located in the neighborhood, the Loop, suburban malls, or possibly outside the State of Illinois. If the individuals and corporations working on the project primarily patronize suburban retail and wholesale establishments, then suburbanites are likely to obtain the increased employment more so than residents of inner city neighborhoods. If

purchases are made outside Illinois, then tax money raised in Illinois will be exported to other states.

COSTS

MSD's Share of TARP Costs

According to the Metropolitan Sanitary District, the share of TARP costs which MSD will bear are \$540 million. MSD costs will be financed through the sale of capital improvement bonds. Thus, the interest cost incurred through the sale of these bonds should be added to the MSD share of TARP construction costs. Assuming that the bonds will be retired over a twenty year period, with a six percent interest rate, the interest due will be 57% of the principal borrowed (\$308 million). Therefore, the total cost which MSD will incur as a result of the construction of TARP is \$848 million.¹¹ This calculation assumes that there will be no cost overrun for the project.

In order to raise the money to retire the bonds, the MSD must levy taxes that not only include the \$848 million for the construction of TARP, but will also include 10% for tax levies which are considered to be uncollectable. An \$848 million tax levy would result in an increase in the tax rate of \$0.19 per \$100 of equalized assessed valuation.¹²

Tables I - IV present an example of how to calculate the impact of TARP construction in terms of real dollars paid directly to MSD in the form of taxes. The model neighborhood presented is not intended to be representative of any

Chicago neighborhoods, but only serves as a hypothetical example of how to determine the direct tax burden incurred by neighborhoods as a result of TARP.

The hypothetical neighborhood contains 261 properties. Of these properties, 100 are multi-family, 125 are single-family and 36 are commercial. Table I presents the taxes incurred by single-family properties, while Tables II and III present the taxes incurred by multi-family and commercial properties, respectively. Table IV is a summary of the total taxes incurred by the hypothetical neighborhood on an annual basis and over the twenty year term of the MSD bonds.

The first step in calculating the taxes which a given neighborhood will incur as a result of TARP construction, is to obtain the equalized assessed valuation (E.A.V.) of every tax parcel in the area under examination. This information can be obtained from the Cook County Treasurer's Office which is located at 118 North Clark, Chicago, Illinois 60602.

Once the equalized assessed valuation (E.A.V.) is obtained, the following calculations must be made. First, divide the E.A.V. by 100. Second, multiply the quotient obtained from the first calculation by .19. The product obtained from the second calculation will be equal to the amount of taxes which an owner of a property with the designated E.A.V. will have to pay annually to finance the construction of TARP. For example, if the E.A.V. of a property is \$20,160, then the following calculations will provide the actual tax incurred.

Table I - Single-Family Properties - MSD Tax Increase Due to TARP Construction

<u>Equalized assessed value</u>	<u># of properties</u>	<u>type of property</u>	<u>Increase in MSD taxes</u>
\$20,160	1	S-F	38.30 (@38.30)
17,920	7	S-F	238.28 (@34.04)
15,680	6	S-F	178.74 (@29.79)
13,440	5	S-F	127.65 (@25.53)
11,200	7	S-F	148.96 (@21.28)
8,960	25	S-F	425.50 (@17.02)
6,720	31	S-F	395.56 (@12.76)
4,480	28	S-F	238.28 (@8.51)
2,240	10	S-F	42.50 (@4.25)
1,120	5	S-F	10.60 (@2.12)
	<u>125</u>		<u>\$1,844.00</u>

Table II - Multi-Family Properties
MSD Tax Increase due to TARP Increase in Construction

<u>Equalized assessed value</u>	<u># of properties</u>	<u>type of property</u>	<u>MSD taxes</u>
\$60,060	2	M-F	\$288.02 (@114.01)
55,440	5	M-F	526.65 (@105.33)
50,820	8	M-F	772.40 (@96.55)
46,200	3	M-F	263.34 (@87.78)
41,580	6	M-F	424.00 (@79.00)
36,960	19	M-F	1,334.18 (@70.22)
32,340	20	M-F	1,228.80 (@61.44)
27,720	13	M-F	684.58 (@52.66)
23,100	10	M-F	438.90 (@43.89)
18,480	6	M-F	210.66 (@35.11)
13,860	6	M-F	157.98 (@26.33)
9,240	<u>2</u> 100	M-F	35.10 (@17.55)
			<u>\$6,414.61</u>

Table III - Commercial Properties
MSD Tax Increase Due to TARP Construction

<u>Equalized assessed value</u>	<u># of properties</u>	<u>type of properties</u>	<u>MSD taxes per annum</u>
110,800	1	C	\$210.67 (@210.67)
89,600	2	C	340.48 (@170.24)
84,000	2	C	319.20 (159.60)
78,400	1	C	148.96 (@148.96)
67,200	2	C	255.36 (@127.68)
61,600	1	C	117.04 (@117.04)
56,000	3	C	319.20 (@106.40)
44,800	3	C	255.16 (@85.12)
39,200	4	C	297.92 (@74.48)
33,600	5	C	319.20 (@63.84)
22,400	6	C	255.36 (@42.56)
16,800	2	C	63.84 (@31.92)
11,200	3	C	63.84 (@21.28)
5,600	1 <u>36</u>	C	10.64 (@10.64)
			<u>\$2,931.03</u>

Table IV
Hypothetical Neighborhood Increase in MSD Taxes to Finance TARP Construction

	<u>Per Annum</u>	<u>20 years</u>
Single Family Properties	\$1,844.00	\$36,880.00
Multiple Family Properties	6,414.61	128,292.20
Commercial Properties	<u>2,931.03</u>	<u>58,620.60</u>
Total	\$11,189.64	\$223,792.80

$$(1) \quad \frac{\$20,160}{100} = \$201.60$$

$$(2) \quad (\$201.60) (\$0.19) = \$38.30$$

Thus, the actual tax incurred by this property owner is \$38.30 per year.

Once the individual tax burden per property is determined, the taxes assigned to each property must be added to determine the direct cost to the neighborhood. If the total direct cost to the neighborhood significantly exceeds the direct benefit to the community, then the TARP project will be a drain on the neighborhood. However, if the benefits clearly outweigh the direct cost, then TARP would be an asset for the neighborhood.

One additional consideration in preparing a TARP neighborhood impact statement is the indirect impact of tax increases on neighborhood stability. From 1970 to 1975, there was a dramatic increase in the incidence of tax forfeitures in the City of Chicago. The number of tax parcels which were forfeited to the State of Illinois increased from 18,102 in 1971 to 42,734 in 1975, a 136% increase.¹³ Although the exact cause of this increase is not known, it is clear that in the case of multi-family properties, increased taxes, low rents and increased operating costs have contributed significantly to the increase in tax forfeitures.

According to numerous research projects conducted by analysts in various cities, including Chicago, there is a significant correlation between multi-family building tax forfeitures

and multi-family abandonment. An abandonment of a multi-family building often ^{causes} cases additional disinvestment and abandonment in the surrounding neighborhood which can initiate a spiral of neighborhood decline.

Although the MSD tax increase necessitated by TARP will probably not alone cause an increase in tax delinquencies, it may contribute to the growth in the number of tax delinquencies in combination with higher tax levies made by other public corporations. The exact number of buildings which may be pushed over the edge as a result of increased taxes is difficult to estimate. However, the implications of such a possibility requires that this issue be granted serious consideration. If the neighborhood under examination contains multi-family properties which have experienced tax forfeitures and tight cash flows, then a slight increase in taxes may have a debilitating impact. However, if the area is composed of multi-family buildings which command high rents and incur relatively reasonable expenses, then a slight increase in taxes will probably have an insignificant impact on the quality of the neighborhood.

In order to secure information concerning the direct impact of such a tax increase on multi-family properties, a survey of multi-family building owners could be conducted. Although such a survey would only elicit opinions and not observe behavior, it may provide a sense of the number of multi-family properties which are caught in a cash flow

problem in the area under consideration. However, one must be careful in determining the validity of such a survey since some building owners might indicate that the added taxes will force them to stop paying taxes or to disinvest, although in fact, they may not do so.

Lost Opportunity Cost

The MSD taxing district is an area with a limited tax base. This tax base also supports a multitude of municipal and other special taxing bodies which have made increasing demands upon their respective taxing districts to finance services they provide. However, there is a maximum amount of property taxes property owners can incur before they will begin to experience economic strains which may either force them to stop paying their taxes or to move to an area where there is less of a tax burden.

In the case of the MSD taxing district, it is not clear if taxes have reached the point where individual and corporate property owners are motivated to disinvest in their properties or move out of the district. The area which composes the MSD tax base has certainly experienced an outflow of corporate and individual property owners. However, these property owners may have been motivated by a range of economic and personal factors which are not necessarily related to an accelerating tax burden.

In general, the MSD service area is experiencing an

increasing demand for public services and an increase in the cost of providing services. When faced with this situation, one has to wonder whether the tax base is sufficient to support all of the services which could be provided by public corporations. With a diminishing tax base, it may be necessary to prioritize among desired and needed public services and capital improvement projects.

Under such a scenario, it is questionable whether a project such as TARP should be funded with limited local tax revenue when there may be more needed services and capital improvements which will not be provided. For example, a certain neighborhood may desperately need street and sidewalk improvements as well as improvements on the local public school structure. However, given the diminishing tax base and the accelerating tax burden on individual property owners, sufficient tax revenue may not be generated to fund TARP as well as such local improvements which many neighborhoods desperately need.

In undertaking a TARP neighborhood impact analysis, local residents should carefully consider whether they have a need for public services and capital improvements which will not be provided because of other public projects which will exhaust available tax revenue without providing significant benefits to the neighborhood under consideration.

Loss of Natural Resources

In addition to the tax burden and the lost opportunity cost incurred as a result of TARP, many neighborhoods will suffer a loss of locally generated wastewater. Traditionally, wastewater has been viewed as a useless, harmful material which must be efficiently removed from households and neighborhoods as quickly as possible. The Chicago Tunnel and Reservoir Project is a system which is designed to accomplish this task. However, the wisdom of such traditional approaches of building large sewer systems to remove wastewater to regional treatment centers has been questioned in recent years.

One of the critics of this approach has been Stanley Hallett, an Associate of the Center for Urban Affairs of Northwestern University. Dr. Hallett suggests that the wastewater which will be removed by TARP represents a significant resource loss to many neighborhoods which have few indigenous resources. He contends that wastewater, if retained locally, could be used to nourish the production of vegetation in roof top greenhouses and vacant lots. Vegetables could be raised for consumption by neighborhood residents and the surplus could be sold outside the community. Consequently, local jobs would be generated thereby producing an additional income stream for neighborhoods. Such an effort would be particularly effective in inner city areas experiencing high levels of unemployment.

x Hallett also contends that locally produced waste can be used for the production of energy. Solid waste can be ~~converted~~ ^{converted} ~~connected~~ to methane gas to provide the needed gas supply for heating neighborhood businesses and homes. Given the rapidly accelerating cost of energy and the consequent insolvency of businesses and apartment buildings, the provision of cheap energy would be a significant contribution to the viability of many neighborhoods. The conversion of solid waste into methane gas could also generate jobs for unemployed neighborhood residents.

If locally generated wastewater can be effectively employed to produce food and energy for local residents, then the loss of such resources via the TARP tunnels will be significant. Once TARP is in place, the potential for implementing alternative systems for recycling valuable waste resources on a neighborhood-by-neighborhood basis will be greatly limited.

x For a more detailed explanation of constructive uses of wastewater see: Scott Bernstein, "Technological Assessment of Waste and Water Management Options for the West Garfield Park Community Area in Chicago, Illinois." ~~13~~ 14

Construction Impact

An additional impact which should be considered by neighborhood analysts is the degree to which the construction of TARP tunnels will affect the economic, environmental and recreational assets of a neighborhood.

The only areas which will be directly impacted by tunnel construction are those neighborhoods adjacent to construction sites which are indicated on Map 2. According to the Environmental Impact Statement prepared for the Des Plaines Tunnel, neighborhoods adjacent to the construction sites will be troubled by waste spillage by trucks which are carrying wastes to disposal sites; noise, vibration and air pollution from such trucks; light glare due to twenty-four hour construction; and traffic congestion caused by the rerouting of traffic around construction sites.

Conclusion

The development of a TARP neighborhood impact statement for a given neighborhood will be a difficult task. Those who desire exact measurement of benefits and costs will be frustrated since such precision is impossible given the parameters and indirect impacts of such a massive project.

X The undertaking of an impact analysis will provide citizen groups with structural^{ed} questions and a qualitative neighborhood balance sheet which will enable them to debate the merits of TARP from a neighborhood perspective instead of from a regional standpoint. If, after analyzing the potential benefits and costs a neighborhood will incur as a result of TARP, it can be concluded that TARP will be a significant net benefit to the neighborhood, then the project should probably be supported. However, if there appears to be a

significant net ^{cost} loss to the neighborhood, then TARP should probably be opposed. When benefits and costs balance in a given neighborhood, then local residents must make a difficult decision with regard to TARP on the basis of their needs and resources.

¹ U.S. Environmental Protection Agency, "Final Environmental Impact Statement - Tunnel Component of the Tunnel and Reservoir Plan Proposed by the Metropolitan Sanitary District of ~~Chicago~~, ~~August, 1977, p. VIII.~~ Chicago - Lower Des Plaines Tunnel Systems," August, 1977, p. VIII.

² ibid., I-8.

³ Environmental Impact Statements were prepared for ~~the~~ the following three components of the TARP tunnel system: Calumet Tunnel System, Mainstream Tunnel System and the Lower Des Plaines Tunnel System.

⁴ Supra., Note 1, VIII-2

⁵ Lake Michigan Federation, "The Effect of TARP on the Environment of Lake Michigan and the Chicago Waterways Systems" April, 1978, p. 8-9.

⁶ ~~ibid.~~ ibid., p. 9.

⁷ Supra., Note 1, VIII-17

⁸ U.S. Environmental Protection Agency, Calumet, Mainstream and Lower Des Plaines EIS.

⁹ Supra., Note 1, VII-13.

¹⁰ ibid., Note 1, VII-8,

"Nancy Phillipi, 'The Deep Tunnel: what It Costs and who Pays,' Tarp Impacts Projects, April, 1978.

Underwriting of Mr. Jones

Investigation of applicant

Investigation of business

Decision

Jones goes back to borrower

Comes back to bank - ok.

- SBA request.

¹² id:0.

¹³ Information obtained from Norman Katz of TRUST, Inc.,
Chicago, Illinois, March, 1978.

¹⁴ § Scott Bernstein, Center for Neighborhood Technology,
Chicago, Illinois.