

FOCUS DEVELOPMENTExpanded coverage in the **Chicago Tribune** Chicagoland report

Extension fails to connect

5 years after I-355 cut south of Bolingbrook, towns still waiting for economic boom

BY ASHLEY RUEFF

Tribune reporter

In his newly built medical office in the southwest suburbs, Dr. Nagui Hanna hears busy expressway traffic as it rumbles only a few hundred feet away. But from his window he sees acres of overgrown weeds and a maze of empty parking spaces where he had hoped to see cars and customers.

A Target and Home Depot were supposed to anchor a new Lockport Square retail center planned along the Interstate Highway 355 south extension. Thousands of commuters pass the site each day, but the development is mostly abandoned except for Hanna's Lockport Express Medical and roads built in anticipation of stores that never came.

Lockport Square is one on a long list of projects readied in anticipation of the tollway extension that opened five years ago this month, just as the housing market crumbled and the recession kicked in.

The \$715 million Veterans Memorial Tollway extension connected Interstate Highway 55 on the north near Bolingbrook to Interstate Highway 80 on the south near New Lenox. It was expected to help fuel Will County's booming population and lure development that would fill sales tax coffers and grow into a thriving jobs corridor.

"I think there was a built-up expectation that OK, now the road is here, we're going to see all of this development flood in," said John Greuling, president of the Will County Center for Economic Development.

Instead, the view from the tollway is mostly the same as it was five years ago and most tax dollars spent to prepare for the growth have yet to be recovered. Many municipal leaders, though, insist development interest is strengthening and say it's only a matter of time before the economy comes back and their vision for the area is realized.

Expected growth

Will County's population expanded from 500,000 in 2000 to 670,000 in 2006, census data show. At one point, it was among the fastest-growing counties in the nation, with projections for more than a million people by 2030, according to the Northern Illinois Planning Commission.

As Chicago-area residents took advantage of cheaper homes, businesses followed, capitalizing on the available space and commercial-friendly tax rates.

"When that road was being built, we were going, as a county, through the most explosive growth period ... that, quite frankly, Will County had ever gone through," Greuling said.

The extension had been in the tollway's plans for decades, and when the 12½-mile corridor opened on Nov. 11, 2007, it offered new possibilities for residents in northeast Will County.

Silver Cross Hospital officials decided to build a replacement hospital for its crowded Joliet campus at the end of the new expressway in New Lenox. Residential and retail developments were in full swing, and the county, along with Homer Glen, New Lenox, Lockport and Lemont, were ready for sales and property tax revenue to roll in.

Today, they're still waiting.

Will County's population is roughly the same as it was six years ago. After four years of construction, the new hospital opened in February, anchoring the south end of the tollway. Jim Roolf, chairman of the hospital's board and a former member of the tollway's board of directors, said had the hospital board known how bad the recession was going to be, it's possible the hospital project wouldn't have happened.

As for the extension itself, congestion is extremely rare even as traffic has increased each year from about 69,000 vehicles per day in 2008 to more than 80,000 per day in 2011, tollway officials said.

Taxpayers on the hook

Along with the hospital, developers of major shopping centers and medical offices were interested in building in New Lenox where I-355 meets Illinois Highway 6 near I-80. Officials projected that the commercial projects

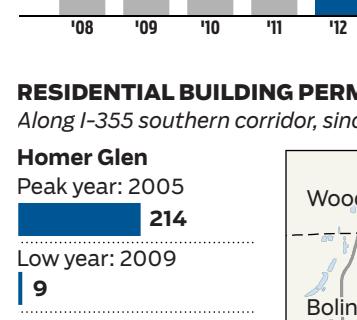


ZBIGNIEW BZDAK/TIMES PHOTOS

The Lockport Express Medical building stands alone in the Lockport Square retail center, which was supposed to be anchored by a Target and Home Depot. The unfinished development is near the Interstate Highway 355 south extension and 159th Street in Lockport.

I-355 extension by the numbers

The southern corridor has had steady growth in vehicles using the tollway extension since it opened in November 2007, but the effects on the communities at the southern portion have been mixed.

AVERAGE DAILY I-355 TOLLWAY TRAFFIC*Transactions, in thousands***PAYMENTS TO DATE:**

Several communities agreed to help pay for I-355 interchange costs and related improvements. Payments to date total \$2.96 million, with \$4.54 million remaining through 2014:

Lemont	\$1.25 million
Homer Glen	\$250,000
Will County	\$857,143
Lockport	\$350,000
New Lenox	\$250,000

RESIDENTIAL BUILDING PERMITS*Along I-355 southern corridor, since 2000***Homer Glen**

Peak year: 2005

214

Low year: 2009

9

2010 16

2011 10

YTD 14

Lemont

Peak year: 2004

218

Low year: 2009

15

2010 36

2011 28

YTD 43

Lockport

Peak year: 2005

406

Low year: 2011

20

2009 28

2010 37

YTD 29

New Lenox

Peak year: 2002

313

Low year: 2009

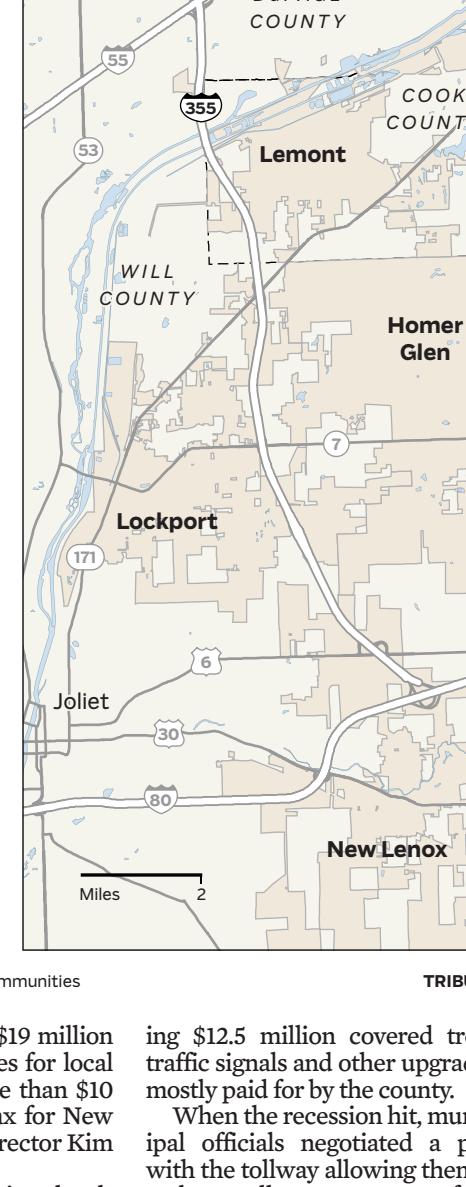
21

2010 23

2011 63

YTD 92

SOURCE: Illinois Tollway, the communities



Tribune

would generate about \$19 million in annual property taxes for local taxing bodies and more than \$10 million in local sales tax for New Lenox, said Finance Director Kim Auchstetter.

"That was if everything developed," she said.

Even though the tax revenue has yet to roll in, some towns are still on the hook for millions because of the new tollway.

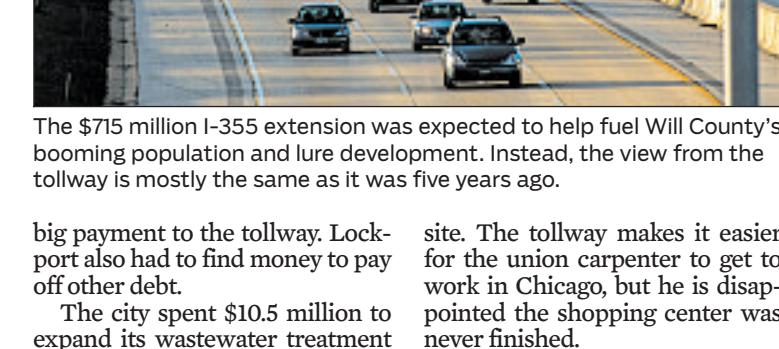
New Lenox, Lemont, Homer Glen, Lockport and Will County officials all committed to help pay \$20 million for improvements along the corridor. Each party agreed to pitch in \$1.5 million toward new interchanges for a total of \$7.5 million. The remain-

ing \$12.5 million covered trees, traffic signals and other upgrades, mostly paid for by the county.

When the recession hit, municipal officials negotiated a plan with the tollway allowing them to make smaller payments upfront for the interchanges and pushing off the burden until 2014 when most will make one balloon payment.

The communities collectively still owe \$4.5 million for the interchange work, tollway officials said.

Lockport's city administrator Tim Schloneger said when expected projects didn't materialize and the recession crippled other city revenues, it couldn't afford a



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big payment to the tollway. Lockport also had to find money to pay off other debt.

The city spent \$10.5 million to expand its wastewater treatment facility to accommodate expected growth in the community. Schloneger said the city planned to cover the debt with tap-on fees charged to developers, but revenues plummeted when new construction stalled.

Partly to cover the shortfall, water bills for Lockport residents went up 30 percent in 2010 and 15 percent in 2011, and are set to go up 10 percent next month and 3 percent in 2013 and 2014.

Kermit Wies with the Chicago Metropolitan Agency for Planning said the missed expectations along the tollway extension should be a lesson for communities that get ahead of themselves, a point emphasized in the agency's comprehensive regional plan.

"It's a really good argument for not speculating," he said. "I really feel sorry for the municipalities that put themselves on that hook."

Real estate woes

Homer Glen is peppered with unfinished subdivisions where developers disappeared when the housing market crashed. The small community has nine such subdivisions, four near I-355, said Erin Venard of the village's planning and zoning department.

A study commissioned by the village found that it may cost more than \$6.6 million to finish improvements in subdivisions, most of which are less than 50 percent occupied.

Tom Fijan is a longtime resident of Will County whose new neighbor is I-355. The 66-year-old retired electrician said he never wanted the extension to come roaring by his home on 151st Street in Homer Township.

From his front yard he can see the expressway traffic whiz by, and he has learned to ignore the sound of trucks as he sleeps.

"It's done nothing for us but decrease home values and bring us a lot of noise," he said. "Nobody really wants to live next to an interstate."

Lockport resident John Ricchietto lives about a five-minute drive from the vacant Lockport Square

site. The tollway makes it easier for the union carpenter to get to work in Chicago, but he is disappointed the shopping center was never finished.

"We were hoping all that got done," Ricchietto said. "It would have been nice for us."

When is Target coming?

While expectations for growth have fallen short, there is still room for optimism, some municipal leaders said.

"What was expected is still expected," Schloneger said. "We're starting to see a lot of pickup recently. A lot of people who hit the pause button are being very aggressive now and looking to develop their site."

Once every few months, officials from Lockport, Homer Glen, New Lenox, Lemont and the Will County Land Use Department meet to discuss the corridor and how best to market the area.

"We call ourselves the I-355 Corridor Consortium," said Steve Lazzara with the Land Use Department.

A business park planned for Lockport since 2007 is on schedule to complete its first structure this month. Homer Glen is annexing land near I-355 and preparing for big road improvements along 159th Street, Mayor Jim Daley said.

"Everything is in place for a big boom in commercial along our 159th Street corridor," Daley said.

In New Lenox, plans for an outlet mall have been proposed near the hospital, and in Lemont, a town home development is going up along I-355 on 127th Street. The developer is hanging the success of the project on its proximity to the tollway, officials said.

Schloneger said the most frequently question asked by Lockport residents is, "When is Target coming?"

"They want their tax dollars to stay in their own community, and they don't want to leave Lockport to do their shopping," he said. "It's going to happen, it's just a matter of how quickly."

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