



# Waukegan Development Dialogue Report

Northeastern Illinois  
February 2025

# Contents

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<b>Introduction</b>	<b>3</b>
Development Dialogues	3
Attendees	4
Waukegan Port District	4
City of Waukegan	4
Urban Land Institute District Council (ULI Chicago)	4
Regional Transportation Authority (RTA)	4
Project Study Area	5
Local Redevelopment Vision	6
The City of Waukegan Lakefront Downtown Master Plan (2003)	7
The Waukegan Port District Harbor Master Plan (2017)	7
City of Waukegan Comprehensive Land Use Plan (2020)	7
Key Questions for Panelists	8

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<b>Recommendations</b>	<b>8</b>
Align the Port and City's Development Vision, Approval Process, and Funding Sources	8
Action Items:	10
Resolve the Unknowns	10
Action Items:	11
Prioritize Downtown Development and Connections to the Lakefront	11
Action Items:	12

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<b>Conclusion</b>	<b>13</b>
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# Introduction

Since 1998, the RTA's Community Planning program has provided funding and technical assistance for transit-oriented planning and implementation initiatives with local partners throughout the six-county service area. The goal is to foster the growth of sustainable, equitable, walkable, and transit-friendly communities around transit assets by encouraging transit-supportive land uses and infrastructure. The program aids local economic development by increasing equitable access to employment centers and amenities to serve the constantly evolving needs of our diverse population.

The Community Planning program continues to be an important tool in the region for implementing equitable transit-oriented development (ETOD). Throughout the 27-year history of the program, the RTA has collaborated on 239 projects and invested over \$25 million in federal, local, and RTA funds. Collaborating partners include the RTA Service Boards (CTA, Metra, and Pace), all six county governments within the service area, several councils of mayors, and over 177 local governments.

Through its support for transit-oriented planning throughout the region, the Community Planning program builds on the strength of our transit network to promote more sustainable and livable communities that deliver value on our transit investments for both local partners and the Service Boards.

## Development Dialogues

One important element of the Community Planning program is the focus on projects and activities that implement completed planning studies, including Development Dialogues. The RTA partners with the Urban Land Institute's Chicago District Council (ULI Chicago), a non-profit organization of real estate and land use professionals, to connect local governments with development experts and facilitate discussions on practical strategies to maximize the development potential of opportunity sites. These half-day events are intended for municipalities that have completed a TOD or similar plan but need additional assistance in drawing transit-supportive projects within their study areas. The panels involve local government officials and staff engaging with development professionals to discuss strategies to revitalize key parcels of land. The Waukegan Port District (the Port) and the City of Waukegan (the City) were selected to participate in a panel after applying to the Community Planning program in spring of 2024.

The panel was held on Wednesday, November 20th, 2024, at the College of Lake County Lakeshore Campus in Downtown Waukegan. Following a presentation by City and Port staff regarding relevant planning and development activities, and the opportunity sites, attendees took part in a site visit to the study area. After walking the study area and touring the opportunity sites, the panelists convened a closed-door discussion to prepare their responses to the questions put forth. This was followed by presentation of recommendations to the City and Port staff. RTA and ULI staff facilitated the presentation and the follow-up discussion.



# Attendees

## Waukegan Port District

- Ben Veal- Board Member
- Greg Petry- Board Member
- Joe Seidelmann- Director of Operations
- Robert Kutzler- Operations Manager
- Khalilah Brown- Board Liaison & Executive Secretary

## City of Waukegan

- Ann B. Taylor- Mayor
- Noelle Kischer-Lepper- Director of Planning, Zoning and Economic Development
- Sam Greene- Assistant Planner

## Urban Land Institute District Council (ULI Chicago)

- Swasti Shah, ULI Chicago
- Christopher Hall, Skidmore, Owings & Merrill
- Tyler R. Holland, CFA, East Lake Management and Development Corporation
- Terry “Vic” Howell, Focus
- Matthew Otto, Apex Companies, LLC

## Regional Transportation Authority (RTA)

Michael Horsting, Manager, Local Planning

Robert Morris, Principal Analyst

Mayor Taylor gives opening remarks to Development Dialogue attendees. November 20, 2024.



# Project Study Area

The Study Area for this project is the Waukegan lakefront area, located to the east of Downtown Waukegan and the Waukegan Metra Station, and home to the Waukegan Harbor and Marina. The focus of the Development Panel was the two parcels identified as “Site 1 and Site 2” in the maps below, with Site 1 owned by the Port and Site 2 by the City. Discussion amongst the panelists was focused on the two development sites but within the context of the entire lakefront area and adjacent Downtown Waukegan.

Figure 1. Project Study Area Map showing Site 1 and Site 2 in the context of Downtown Waukegan and transit service.

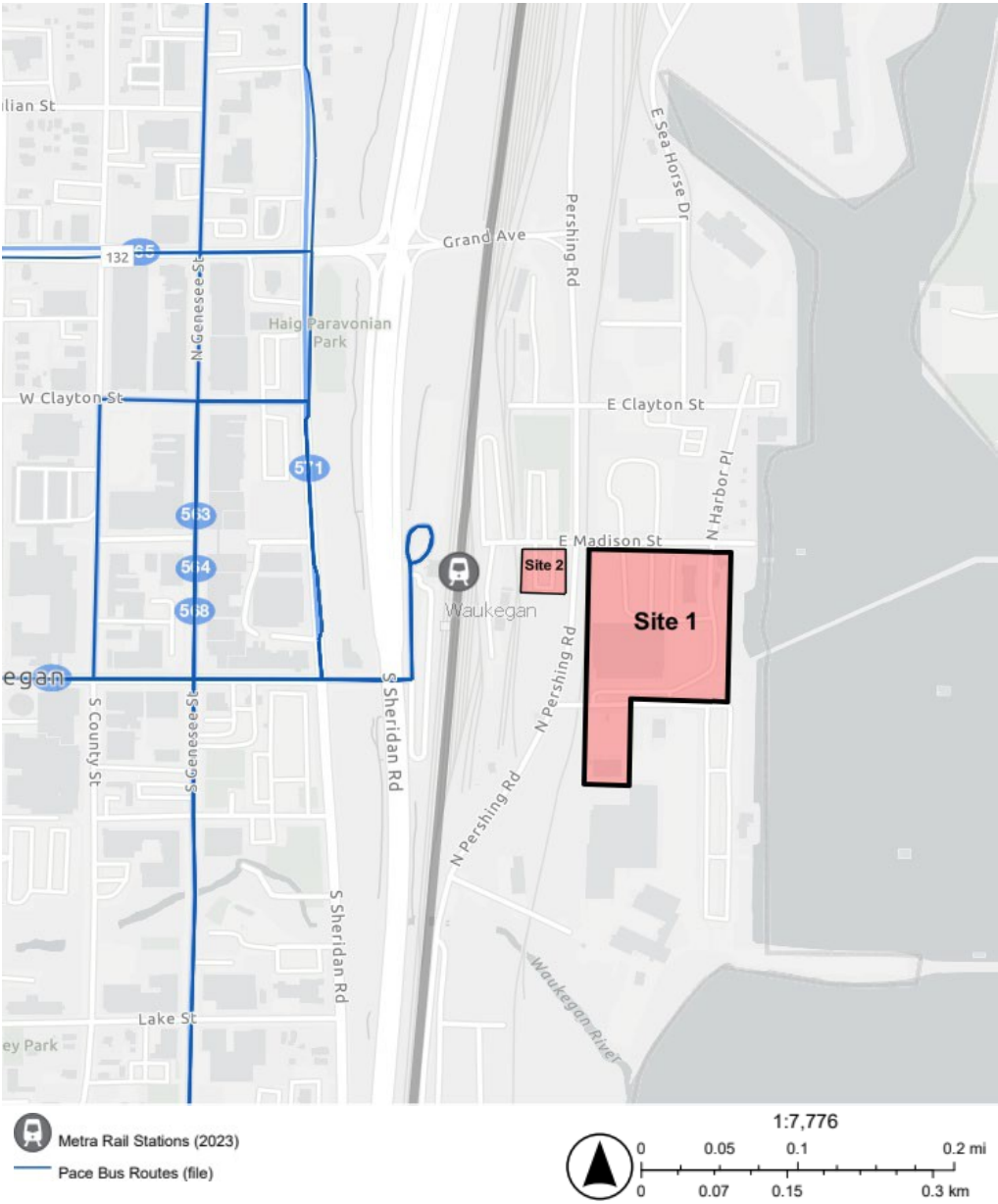


Figure 2. Project Study Area Map showing Site 1 and Site 2 with satellite imagery of the lakefront and Marina.



## Local Redevelopment Vision

The City of Waukegan and the Waukegan Port District have taken proactive steps to usher in redevelopment of the lakefront in Waukegan. This includes several planning studies, strategic conversations, and updates to the City's development and approval processes. The City and Port District are committed to working in partnership to realize the vision that has been developed through the planning studies highlighted below.



## **The City of Waukegan Lakefront Downtown Master Plan (2003)**

The Lakefront Downtown Master Plan was the first planning document that laid out a new vision for Downtown Waukegan and the lakefront. The plan proposed the following vision for the Harborfront and North Harbor.

*“The Harborfront and the North Harbor A new district will grow at the Harborfront between a new Intermodal Transit Center and a regionally renowned marina. It will offer housing, boat service and construction, and marina-related retail. This new neighborhood will be organized around a central open space connecting Downtown to the lake edge. Waukegan Harbor will be a Great Lakes center for sailing and boating. Visitors to the marina will shop at the Harborfront and Downtown. A Harborfront Park will be Waukegan's new civic garden.*

*Festivals, special events, family sports and entertainment will bring people to Waukegan from around the region. The North Harbor will take advantage of its waterfront location and lake and harbor views to become a primarily residential mixed-use neighborhood. Product development, boat service and launch facilities and civic and education activities will also be part of this new neighborhood.”*

## **The Waukegan Port District Harbor Master Plan (2017)**

In 2017, the Port District adopted their own master plan for the Waukegan Harbor. The Waukegan Port District Master Plan built on the 2003 Lakefront Downtown Master Plan detailing a roadmap to guide the Port District in achieving the overall vision of a more active lakefront in Waukegan that is home to a mix of residents, businesses, and accessible beautiful public spaces on Lake Michigan. Recommendations from the Port District's Master Plan include:

- Expansion of mixed-use lakefront commercial uses to support existing business tenants in modernized facilities with greater access to the pedestrian promenade and improved parking resources
- Lakefront residential development along the shoreline immediately adjacent to Waukegan Marina.
- Improved pedestrian connections to downtown from the Marina area.
- Lakefront Hotel and Conference Center with Restaurant, Pool, and other Amenities.
- Multi-family residential developments in strategic locations throughout the Port District.

## **City of Waukegan Comprehensive Land Use Plan (2020)**

In 2020 the City adopted the Comprehensive Land Use Plan. The Comprehensive Plan serves as the City's official land use and development guide for the next 10-20 years. The plan builds on the vision set forth in the 2003 Lakefront Downtown Master Plan and expanded upon in the 2017 Port District Harbor Master Plan. The Comprehensive Plan identifies the opportunity to provide better connections between downtown Waukegan and the Lakefront as a key objective. A major strategy of the Comprehensive Plan is to “position the Waukegan lakefront and Harbor for catalytic waterfront development”. The Comprehensive Plan is clear that the City should focus on creating a year-round local and regional destination at the lake front by redeveloping the area to bring in more residential and commercial uses.

# Key Questions for Panelists

The Port and City posed three key questions to the panelists to help bring their vision of a vibrant mixed-use waterfront to fruition. While there were other considerations mentioned, the discussion focused mainly on these key questions.

1. What do the Port District and City need to do to activate development and make the sites shovel ready? What should the focus be to activate development interest in terms of infrastructure, marketing, and incentives?
2. What is the best process for developing the area? Should all sites be offered all at once or should it be parcel-by-parcel? Will developers have capacity to do one large development as a master developer? What are the pros and cons of phasing the developments/RFQs? How established does the market need to be for a development of this size to occur?
3. What are the next immediate steps? What is most urgent? Most impactful on the outcome?

# Recommendations

ULI Chicago panelists developed recommendations to address the specific questions posed to them as well as overall strategies to help the Waukegan lakefront transition from its industrial past to a vibrant, mixed-use future.

Panel members presented following three main recommendations with complementary action steps to the Port and City:

1. Align the Port and City's Development Vision, Master Plans, Approval Process, and Funding Sources
2. Resolve the Unknowns
3. Prioritize Downtown Development and Actively Seek Grants/Resources to Strengthen Connections to the Lakefront

## Align the Port and City's Development Vision, Approval Process, and Funding Sources

The Port and City have created plans with mostly complementary visions, that generally align for redevelopment of their respective properties on the lakefront. However, to successfully achieve redevelopment of the magnitude identified in their plans, the panel recommends a higher level of organization and a more formal working relationship between the two entities.

Most of the redevelopment sites are owned by the Port District but entitlements and approvals for any future projects on these sites would need to be obtained through the City.



The City and Port should work together to create a transparent, well-defined and streamlined approval process to make it easier for developers and other stakeholders, such as future tenants, to navigate the Port and the City's requirements seamlessly. For example, the redevelopment vision set forth by both the Port and the City includes public park space, however there are inconsistencies in location and size of the park, which might make it difficult for a future developer to satisfy both the City and the Port's development requirements. The panel recommends resolving these differences in advance to make it easier to evaluate and approve any future development proposals

The Port's 2017 Master Plan calls for new mixed use and dense, multifamily residential development where the Bay Marine facility is currently located (Site 1). During the site tour the Port representatives expressed that Bay Marine has a 99-year land lease and perhaps even considering expanding their operation at the current site. Given this current active use, the panel didn't think the available land area in Site 1 was large enough to attract a new mixed-use development, while additional vetting and conversations are likely required to confirm the future of Bay Marine and Site 1, it is not the only site that has active operations in the current footprint. The Port should evaluate all the current occupants on their properties to understand realistic timelines for redevelopment.

Panelists also discussed alternative land uses such as logistics or light-industrial uses in specific locations to capitalize on the area's strategic location and complement existing and previous land uses. Panelists encouraged further discussion with local partners and developers, and a market study to assess feasibility of different land uses.

Port and City representatives lead the panelists on a tour of the lakefront redevelopment sites. November 20, 2024.

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## Action Items:

- Evaluate all current occupants on the Port District's properties to understand realistic timeframes for redevelopment and expand available redevelopment areas to attract developers
- Conduct a real estate market analysis to properly gauge market demand for different land uses
- Based on the market study, re-evaluate the near-term and longer-term development potential and preferred land use of the lakefront and confirm a unified vision at a parcel-by-parcel level
- In addition to creating a unified vision, enhance coordination between the City and the Port by:
  - Coordinating approval process
  - Aligning funding sources to leverage both Port and City resources to achieve shared development goals

## Resolve the Unknowns

Redevelopment of any site is a complex process often with many hurdles to identify and solve. Downtown Waukegan and the lakefront are no different. While the City has recently enacted a Unified Development Ordinance to streamline its development review process, there are several remaining unknowns that can add to the development complexity and timeline. These include:

- Lack of clarity on the environmental condition of some properties including cost of cleanup
- Whether the Port District has the authority to sell land or if long-term leases are the only option
- Plans and or funding to bury overhead utilities
- Plans for discontinued/ underutilized rail lines
- Development incentives that the City can offer to help offset any extraordinary costs and improvement development feasibility.

While resolving these issues will take time, effort, and financial commitments, it is vital to do so to successfully attract developers to the lakefront. Additionally, panelists believed that the potential developer pool would shrink greatly if the Port District could not sell or transfer land and only do long-term leases.

Panelists emphasized that time kills deals. The amount of time that it takes to bring a development from plan to reality is crucial in attracting and solidifying a developer. If a developer must wait for the local officials to investigate all these conditions after being engaged, the prospect of the project moving forward becomes much less likely. Instead, the Port and City should resolve these unknowns in advance of engaging a developer. The panel recommends preparing a clear schedule with associated timelines for different phases of work required to get the sites shovel-ready, so potential developers are better equipped to evaluate the required time and capital investment.

## Action Items:

- Conduct Phase 1 Environmental Site Assessments (Phase 1 ESAs) for each of the sites that are proposed for redevelopment
- Utilize information from the Phase 1 ESAs to develop theoretical remediation scope, schedule, and budgets that evaluate how these sites may be remediated either individually or in aggregate
- Investigate the potential for funding through the Illinois Environmental Protection Agency (IL EPA) for remediation of the sites
- Investigate the ability of the Port to sell or transfer land
- Solidify local development incentives and have a clear message to developers about what can be offered
- Bury overhead utility wires
- Establish a formal development review process for the Port that is coordinated with the City's approval process

## Prioritize Downtown Development and Connections to the Lakefront

The lakefront is an immense asset to the region and to Waukegan specifically. Another key asset is strong transit infrastructure that connects Downtown Waukegan and its lakefront to rest of the City and the region, including downtown Chicago.

However, currently, the Amstutz Expressway is a significant visual and physical barrier separating downtown Waukegan from the Metra station and the Lakefront with limited pedestrian and vehicular access points. This interruption in connectivity makes it challenging to create a synchronized environment spanning the downtown, the Metra station and the lakefront and diminishes the area's appeal for residents, businesses, visitors, and developers.

The City submitted a federal grant application that, if awarded, would fund a feasibility study of capping or reducing the footprint of the Amstutz Expressway that dissects Downtown Waukegan from Lake Michigan. Overcoming this physical barrier is key for the future of Downtown Waukegan and unlocking the redevelopment potential of the lakefront in Waukegan. The panelists encouraged the City to continue pursuing funding to improve connectivity and access to the lakefront from the downtown.

Additionally, east of the Amstutz, there are underutilized rail lines that hinder seamless access to the lakefront from downtown. The City and Port should continue engaging with rail companies to minimize this barrier.

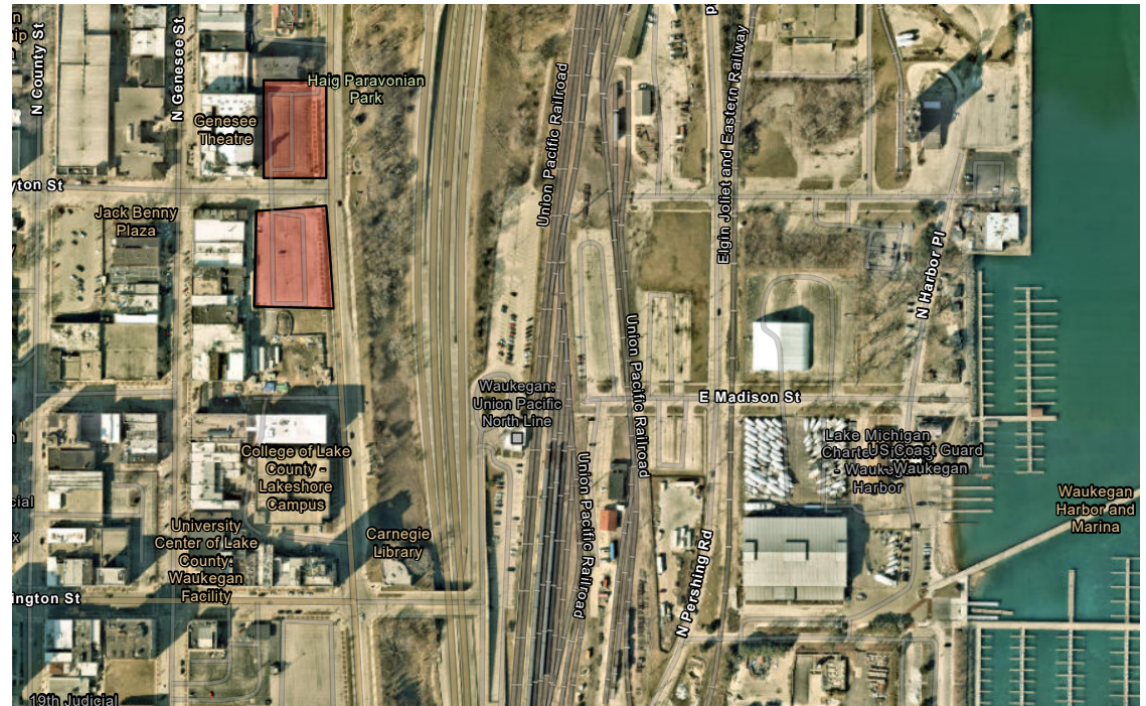
Recognizing that capping and/or reducing the footprint of the Amstutz and removing the rail lines are major undertakings, the panel recommended that the Port and City collaborate to activate the lakefront with interim uses or activities that will draw residents and visitors to the lakefront. Activities such as community events, farmers markets, and food truck festivals will give residents a reason to visit the lakefront, which will build further interest in redeveloping the area.

At the onset of the site tour, Waukegan staff pointed out several sites in the Downtown that were potential redevelopment sites. Two city-owned sites along Sheridan Road seemed especially interesting to the panelists—one being an empty grass lot and the other a surface parking lot, both directly north of the newly constructed College of Lake County Lakeshore Campus building. The panelists believe those two parcels, in addition to other underused



parcels in the core of the Downtown should be prioritized to capitalize on the stronger development potential of the downtown compared to the lakefront. The panelists recommended focusing initial redevelopment efforts on these Downtown parcels that are ready for development to generate new activity and provide a “proof of concept” for new development in and near downtown Waukegan. The panel believes that this will help enhance the lakefront’s development potential as well.

Figure 3. The two sites identified in the map below represent the sites that panelists recommend prioritizing for development.



### Action Items:

- Develop a plan for strengthening the connection between the Downtown and the lakefront currently separated by the Amstutz expressway
  - Prioritize this effort
  - Include contingency plans in case current grant applications are unsuccessful
  - Consider applying for relevant State grants and programs (in addition to Federal programs) designed to promote transportation improvements and economic development
- Prioritize redevelopment opportunities at underused Downtown sites, engage with developers to make them aware of these opportunities.



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## Conclusion

The redevelopment of Waukegan's lakefront and downtown areas represents a significant opportunity for economic revitalization, community enhancement, and transit-oriented, sustainable growth. Through various planning studies, the City and Port District have laid out a vision for transforming the waterfront into a vibrant, mixed-use destination with enhanced connections to downtown and the Waukegan Metra station. However, the path forward requires continued alignment between the Port and City's visions, a thorough understanding of redevelopment hurdles, and a strategic focus on both the immediate and long-term actions needed to realize the shared vision.

Key recommendations from the Development Dialogue panel emphasize the importance of unifying the vision for the lakefront and addressing existing barriers such as environmental conditions, land ownership complexities, and infrastructure challenges. A critical focus will be

on ensuring that the sites are "shovel-ready" and that developers have the necessary incentives and clear processes to move forward. The City and Port should prioritize downtown redevelopment to generate overall development momentum in the area, and improve the connection between Downtown and the lakefront, to strengthen the development potential of the lakefront sites.

Ultimately, successful redevelopment of Downtown Waukegan and the lakefront depend on the ongoing collaboration between the City and Port District, and local stakeholders. With a clear roadmap, alignment of goals and resources, and a commitment to addressing challenges head-on, Waukegan has the potential to create a transformational and lasting impact on the shores of Lake Michigan.