



Regional
Transportation
Authority



DEVELOPER
DISCUSSION
PANEL SUMMARY

October 2018



INTRODUCTION

Since 1998, the RTA's Community Planning program has been providing funding and technical assistance for transit-oriented planning and implementation initiatives with local partners throughout the six-county service area. The program promotes walkable and sustainable communities around transit service by encouraging transit-supportive land uses and infrastructure, local economic development, and better access to employment and amenities.

The Community Planning program continues to be an important tool in the region for implementing transit-oriented development (TOD). Throughout the 20-year history of the program, the RTA has invested over \$20 million in federal, local and RTA funds and collaborated on over 200 projects. Partners include the RTA Service Boards (CTA, Metra, and Pace), all six county governments within the service area, several councils of mayors, and over 175 local governments.

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



7th Street Business District

TOD Developer Discussion Panels

The RTA partners with ULI Chicago, a professional organization of real estate and land use experts, to connect local communities with development professionals to facilitate practical discussions on the market potential of opportunity sites. These half-day events are intended for those municipalities that have completed a TOD plan, but need additional assistance in attracting transit-supportive projects within their study areas. The panels involve local government staff engaging with development experts to discuss potential strategies to effectively revitalize key parcels of land in a community. Village representatives chose two opportunity sites near the Winthrop Harbor Metra station for the panel to discuss.

DISCUSSION PANEL PARTICIPANTS

The panel was held on October 25, 2018 in Winthrop Harbor with the following participants.

Village of Winthrop Harbor

Dr. Michael Bruno - Mayor

Pat DiPersio - Community Development Director

Buddy Hargett - Village Trustee

Margo Nelson - Chairperson, Economic Development Commission

Urban Land Institute and the Regional Transportation Authority

Cindy McSherry - Executive Director, ULI Chicago

James M. Hanson - Principal, Avison Young Commercial Real Estate

Jon P. Talty - Chairman & CEO, OKW Architects

Brian Hacker, AICP - Senior Planner, Local Planning, RTA



Winthrop Harbor Metra station

BACKGROUND

Demographics

Winthrop Harbor is a community of roughly 7,000 residents, located in the northeastern corner of Lake County and bordered by the Wisconsin state line and Lake Michigan. It is home to North Point Marina, the largest marina on the Great Lakes, which is owned by the Illinois Department of Natural Resources and operated by a private company. Winthrop Harbor's predominate land use is single-family residential with a significant amount of open space along the lakefront in the Spring Bluff Nature Preserve and Illinois Beach State Park, which surround North Point Marina. The Sheridan Road corridor is Winthrop Harbor's commercial district, which includes a small central business district at the corner of Sheridan Road and 7th Street, roughly a third of a mile west of the Winthrop Harbor Metra station on the Union Pacific North (UP-N) commuter rail line.

Winthrop Harbor's population has not changed significantly since the 2000 census. At 41.2, the median age of residents trends several years older than Lake County (37.6) and the region (36.5). The median household income, at roughly \$78,000, is at the median for Lake County but significantly greater than the median income for the region (\$63,441). Nearly 90% of housing in the Village was built prior to 1970 and 75% of all housing units are owner-occupied¹.

Transit Service

Transit service in the Village is limited to the Winthrop Harbor Metra station, which is the next station to the south of Kenosha, the outlying terminal on the UP-N line. Service to all stations north of Waukegan, where Metra's railyard is located, have a lower level of service compared to others on the line. On weekdays, nine inbound and outbound trains stop at the station with reduced service on weekends.

Planning & Development Projects

Since completing a TOD plan in 2006 with assistance from the RTA's Community Planning program, the Village has worked to implement its recommendations and accomplished several key tasks. These include pedestrian improvements that connect the commercial district to the Metra station, as well as a new commuter parking lot and warming shelter at the station. In 2007, a Tax Increment Financing District (TIF) was established for the property referred to as the Triangle, an eight-acre parcel located on the northeast corner of the intersection of Sheridan Road and 7th Street, which encompasses the majority of the central business district. Additionally, new zoning was introduced for the central business district and TOD area to support the recommendations of the TOD plan, which was completed with grant assistance from the RTA's Community Planning program. More recently, Winthrop Harbor updated its Comprehensive Plan in 2016 and in the past year, reopened discussions with the State of Illinois regarding a potential hotel on the marina property, which included a feasibility study.

Despite these ongoing efforts to promote TOD and economic development, Winthrop Harbor has struggled to attract private development projects in its central business district and around the Metra station. In 2008, a developer proposed a large-scale, mixed-use project for the Triangle site that included housing and retail, but the project was abandoned before completing the approval process.

STUDY AREA

This project is focused primarily on the area between the intersection of Sheridan Road and 7th Street and the Metra station, located roughly a third of a mile to the east on 7th Street. Further east of the Metra station, 7th Street provides a connection to the North Point Marina and recreational areas on the lakefront. Within the study area are two opportunity sites that are vital to the Village's efforts to implement TOD. The "Triangle Site" encompasses the northeast quadrant of the Sheridan and 7th intersection. It consists of multiple parcels that are primarily developed with existing uses, including several properties owned by the Village. "The Bluff" is an undeveloped site located between the Triangle Site and the Metra station on the south side of 7th Street, stretching southward to 11th Street. On the day of the event, Village representatives gave a presentation to panelists on recent planning and development activities before providing a tour of the opportunity sites as well as other relevant locations within Winthrop Harbor.



GENERAL RECOMMENDATIONS

During the discussion, panelists made several overarching recommendations for attracting private development to Winthrop Harbor, summarized in the points below.

Leverage Winthrop Harbor's existing assets to promote a sense of place

- Despite being located at the far northern end of metropolitan Chicago, Winthrop Harbor has qualities of a vacation destination, due to its location on Lake Michigan and natural features. It has the feel of a place where “time slows down.” These characteristics may attract interest on a broad level.
- With access to Lake Michigan, the Village should consider the potential for a lakefront restaurant or event venue that could host weddings, which would be unique in the north shore suburbs.
- There is an opportunity to attract visitors to Winthrop Harbor for overnight stays due to the draw of charter-fishing boats at the marina and other recreational activities. Rather than pursuing a national chain hotel, the Village should consider the possibility of renovating existing motels along Sheridan Road into boutique establishments that provide a modern take on the classic motel and capitalize on Winthrop Harbor's small-town feel. A project of this nature would require a developer and/or investor who is willing to pursue creative projects, such as someone with past local experience who has a stake in the area.



Illinois Beach State Park in Winthrop Harbor

“TRIANGLE” SITE RECOMMENDATIONS

The “Triangle” site consists of 28 properties in the northeast quadrant of the Sheridan Road and 7th Street intersection, the core of Winthrop Harbor’s downtown. There are 15 owners of the properties within the site, including 10 active businesses, 10 occupied private residences, three vacant parcels and five Village-owned parcels – two of which house the local community center. The panel members offered the following recommendations for the site.

Promote small local businesses to build identity

- Attracting national retailers to this site will be challenging because of the proximity to Lake Michigan and lack of density, as retail market analyses strongly consider the number of households within a reasonable driving distance. Therefore, the greatest opportunity to attract new businesses to the site and downtown, in general, is by promoting local businesses. This is the best way to foster authenticity and a sense of place, which will draw interest from both inside and outside the community. One strategy is to encourage existing businesses located disparately along Sheridan Road to relocate in the downtown.
- There is a growing trend of medical services moving from large office buildings to smaller “main street” offices of roughly 4,000 square feet. The addition of small-scale office space to this location may support other local business that would support medical office visits, such as a café for waiting patients. Walkable streets with on-street parking and pedestrian amenities will support this activity by allowing visitors to park once and walk to multiple locations.
- Consider using economic development incentives to attract restaurants by potentially reducing the cost of permitting and development fees. Reach out to existing restaurants and food retailers in the area regarding the possibility of expanding or relocating to the downtown.
- The Village should be cautious of displacing existing businesses with new development. If thriving businesses are forced out of their current locations because of a new development, it may negatively affect the downtown economy.



Pedestrian improvements connecting downtown to the Metra station



Downtown Winthrop Harbor

Activate downtown by creating a public gathering space

- Converting a portion of the Triangle Site to a public pavilion or similar gathering space will give residents and others a reason to visit the downtown, helping to build its identity as a destination. Programming could consist of a range of options such as festivals, markets, pop-up shops, and cultural and informational events.
- A public space would not only engage residents but also provide an opportunity for local businesses and institutions to take part in events. For example, the Cancer Center of America, located nearby in Zion, could be engaged as a potential partner to hold health and wellness workshops. Public markets could provide local businesses an additional option to sell their goods and get exposure. Additionally, public events may draw attention from those in surrounding communities and drivers passing through on Sheridan Road. Drawing more attention to the downtown may also build interest for businesses to locate there.
- Programming should include year-round events that draw interest even during winter months. For example, Glencoe's public ice-skating rink is a popular outdoor attraction.
- [District Hall](#), in Boston's Seaport Square, is an example of a civic space that had a transformational impact on a neighborhood. Initially intended as a place for innovators and entrepreneurs to exchange ideas and host events, District Hall grew to become a community center and gathering space for local residents with a variety of programming. Built on the site of a former railyard and located next to a small park, it has been vital to Boston's effort to redevelop a former industrial area into an active neighborhood where people live and work thanks to the interest it has garnered from residents.

Land acquisition may pose a challenge for a large-scale development

- The number of property owners within the site poses a challenge to a development that spans the entire site. If one owner is resistant to selling it may deter a potential developer due to the threat of litigation. Therefore, it is ideal for the Village to acquire a string of adjacent properties within the site to promote redevelopment.

Consciously "connect" to the lakefront

- Wayfinding signage on Sheridan Road is minimal, small and easy to miss. Improving signage, especially at 7th Street, is needed to better communicate to the passer-by that the Lake and all of its amenities are just down the street.
- Offer additional forms of transportation from the triangle site area to the Metra station and the Lake. Shuttles, pedicabs and other intentional connectors could serve as additional circulation resources, especially in the summer months.



District Hall in Boston's Seaport neighborhood²

“THE BLUFF” SITE RECOMMENDATIONS

The Bluff property provides 600 feet of frontage on 7th Street (the only road to North Point Marina) across from the Metra station. The property runs south along the train tracks to 11th Street and includes 29 acres of land overlooking the north portion of Illinois Beach State Park. A significant portion of the acreage is covered by wetlands and an engineering study will be required to determine the potential for new development based on environmental conditions. There is currently no infrastructure on the site, therefore, water and sewer lines would need to be built to support new development.

Development costs are a challenge

- The high cost of improvements needed to develop the property may deter developers. Due to developmental restrictions that may be raised upon further study, the Village should not purchase the site and, instead, prioritize the Triangle as the greater opportunity of the two sites considered.
- The greatest potential for development on the site is likely at the frontage of 7th Street, possibly for single family homes or townhomes.

Potential for redevelopment in the neighborhood west of the Bluff

- The neighborhood located directly to the west of The Bluff may present an opportunity for residential redevelopment, being located on high ground that could offer a direct view of Lake Michigan, possibly as senior housing. The location may attract residents from communities to the west, drawn by the attraction of transit service and proximity to the lakefront.
- To accommodate a development at this site, it is likely that Park Place would need to be reconfigured northeast of Landon Avenue and 9th Street to provide a continuous connection with the street grid and create a developable property along the bluff.



The Bluff property

Consider creative development possibilities

- Due to the unique qualities of the property, the best option for development on the site may be a creative, context-sensitive approach to land use. Some communities have experimented with residential projects that minimize the burden of property ownership by building small-footprint homes in conservation districts or forest preserves that provide communal amenities. Residences often have unique architectural design features to make them more appealing and add character to the community. The [Orchard Residences at the Carneros Resort](#), in Napa, California, is an example of such a development. Residents live in small cottages, owning only the property beneath the footprint of their home, and have access to a number of communal gathering spaces that host regular events such as cookouts. A development such as this may be appealing to and marketed towards seniors.
- Other creative uses for The Bluff may include small cabins for overnight stays that take advantage of the natural surroundings. For example, in the Red River Gorge in Kentucky – a popular destination for rock climbers – visitors can [rent tree houses built into the surrounding forest](#). These small cabins are suspended in the trees and custom designed to their surroundings. They are an attraction unto themselves and offer a unique experience for visitors.
- Attracting a creative project to this site will likely require a partnership with a developer that has previously done a similar project or is looking for a site that can accommodate a specific vision. The Village should research relevant case studies and reach out to other communities that have attracted unconventional projects for more information.



The Orchard Residences at the Carneros Resort in Napa, California³



Treehouses in the Red River Gorge in Kentucky⁴

CONCLUSION

With its proactive approach to planning and economic development, the Village of Winthrop Harbor has positioned itself as a friendly community for new development and set the stage for future projects. Yet the community faces challenges when it comes to drawing interest from developers due to its location at the far fringe of metropolitan Chicago and directly on the border of Wisconsin where communities with lower taxes and development costs, such as Pleasant Prairie, are attracting significant new development.

Considering these circumstances, Winthrop Harbor leadership should continue to leverage its unique qualities and amenities to distinguish it from other nearby communities. It boasts natural attractions and a 'north woods' feel associated with recreational destinations in Wisconsin or Michigan that is unique in the metropolitan Chicago. Additionally, Village leadership should focus on growing from within, fostering local businesses to attract development interest and boost the local economy, while keeping an open-mind to unconventional projects.

The recommendations provided in this report are intended to augment the knowledge gained through the Village's recent planning accomplishments and guide leadership as they continue their effort to grow Winthrop Harbor as a desirable transit-oriented community.

REFERENCES

- 1 2015 American Community Survey Five-Year Estimates
- 2 "District Hall." BostonSeaport.xyz, n.d. Web. Fall 2018. < <https://www.bostonseaport.xyz/venue/district-hall/>>
- 3 "Carneros Resort." EliteMeetings.com, n.d. Web. Fall 2018. < <https://www.elitemeetings.com/property/carneros-resort-and-spa/>>
- 4 "The Tradewinds Treehouse." TheCanopyCrew.com, n.d. Web. Fall 2018. < <https://www.thecanopycrew.com/tree-house-rentals>>



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