

Assessing the Investment: The Economic Impact of the Great Lakes Restoration Initiative

A Case Study of Waukegan, Illinois

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In Waukegan, IL, Great Lakes Restoration Initiative-funded improvements have been an influencing factor in numerous economic benefits.

- **Development:** Waukegan's waterfront has recently seen its first new developments in decades, including the \$5 million Bay Marine Chicago Yachting Center opened in 2018.
- **Tourism:** Five new waterfront festivals launched in 2016, bringing 20,000 people to the waterfront.
- **Recreation:** Boating activity has experienced a resurgence, as slip occupancy at Waukegan Marina increased from 65 percent in 2014 to 72 percent in 2017.

According to Michael Edgar, Waukegan, IL residents' perception of Waukegan Harbor on Lake Michigan's western shore has historically ranged from "neutral" to "hellacious."

"Nobody would want to go down there," says Edgar, president and board chair of the Greater Waukegan Development Corporation (GWDC). "It'd be like the three-eyed fish on The Simpsons."

That was because Waukegan Harbor was ravaged by pollution from years of improper industrial practices and municipal sewer discharges. Most notably, for over a decade in the '60s and '70s, a boat manufacturer allowed a hydraulic fluid containing PCBs to escape into floor drains that discharged into the harbor. As a result, an estimated 300,000 pounds of PCBs accumulated in the harbor and its sediments. Waukegan beaches also experienced closures due to fecal coliform contamination resulting from sewer discharges into the Waukegan River.

In 1981 the U.S. Environmental Protection Agency recommended against the consumption of fish caught in the harbor, and fish and wildlife habitats were negatively affected both by sediment contamination and widespread industrialization of the harbor area.

However, Waukegan Harbor and the city of Waukegan have experienced significant environmental and economic revitalization, much of it promoted by cleanup efforts including a \$35.4 million influx of Great Lakes Restoration Initiative (GLRI)-funded waterway restoration projects. GLRI-funded work in Waukegan has included the removal of 82,000 cubic yards of contaminated sediment from Waukegan Outer Harbor and installation of green infrastructure that contributes to higher water quality and improved wildlife habitat. It's also led to the creation or improvement of systems to track contaminated sediment and forecast water quality issues at public beaches.

Work funded by GLRI has contributed to numerous positive economic indicators for Waukegan, including new waterfront development, increased participation in water-based recreation, and increased interest in the city among the millennial generation.

"The public perception of Waukegan, in general, was this somewhat dilapidated industrial area. It was just contaminated and left to the wayside," says Waukegan Harbor General Manager Joe Seidelmann.

"Since cleanups like the GLRI funding have come through, it's turned into more of a public atmosphere, a place for visitors to come down and utilize Lake Michigan and the beaches and all the trails and waterways. It's really a complete 180-degree turn-around."

After decades, development returns

As the harbor's environmental health and public perception have begun to improve, new development has begun to return to Waukegan's waterfront for the first time in decades. The biggest and most recent development in the city is the Bay Marine Chicago Yachting Center, a \$5-million facility opened in 2018. Here, boaters can enjoy a cleaner waterfront for the first time.

The development includes a variety of amenities for large watercraft owners who enjoy boating on Lake Michigan and its tributaries, including outdoor and heated indoor boat storage, a service center, and a sales showroom.

Noelle Kischer-Lepper, director of planning and economic development for the city of Waukegan, describes Bay Marine as a game-changer for the city.

"There was no off-season storage on this side of Lake Michigan anywhere," she says. "So it's a new market, and it serves a multi-state area."

Seidelmann echoes Kischer-Lepper's sentiment.

"My hope is that the rest of the population, seeing somebody invest that much into Waukegan, will be more happy to develop down here," he says.

The Bay Marine development's significance and relative scale are put into perspective by a much smaller development, the 2014 opening of Waukegan's waterfront Harbor's Edge restaurant and music venue. Edgar's architectural firm, Design Studio C, designed the \$250,000 facility.

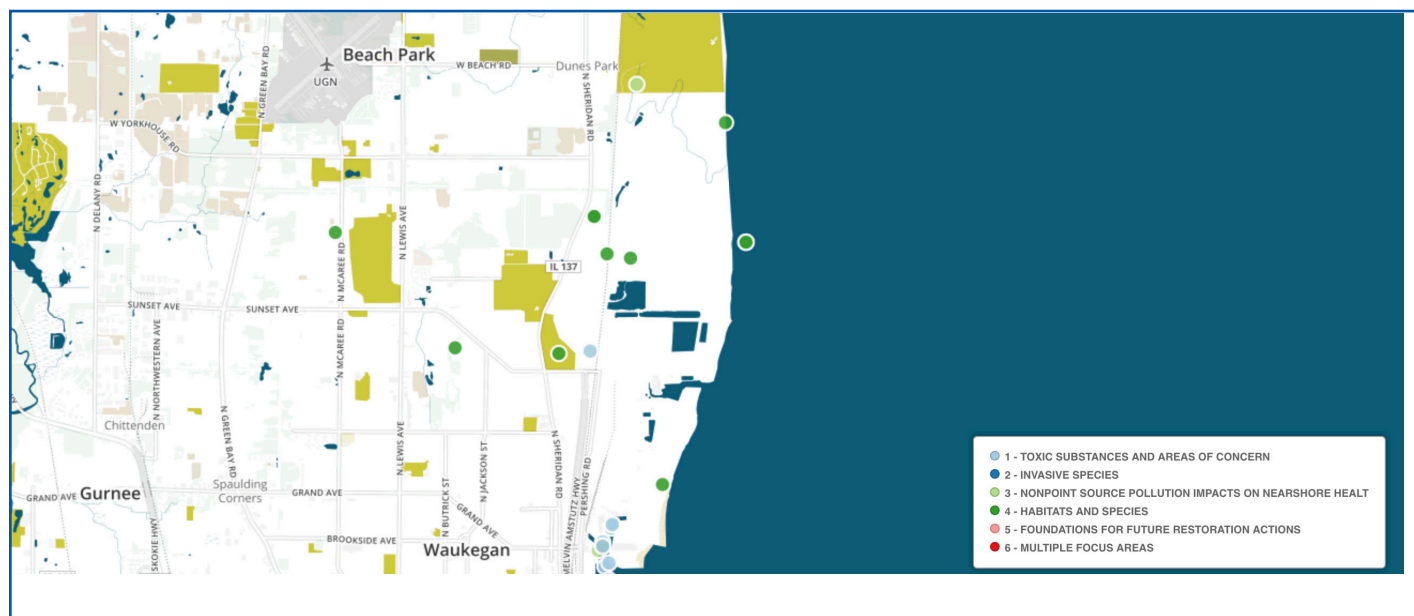
"When we built that, it was the first new construction on the harbor since 1985," Edgar says.

These developments are indicative of a community-wide attitude towards rethinking the waterfront and Waukegan in general. In 2015, the city released a Lakefront Active Implementation Plan, focused on remaking the waterfront as a mixed-use, transit-oriented district that offers year-round activity and improves Waukegan residents' quality of life. The Waukegan Port District's 2017 Harbor Master Plan embraces a similar vision for the community.

"I think everybody has a forward-looking attitude about growth and development, as people start to see the lakefront as being clean," Kischer-Lepper says.

"Thousands of people converging on the lakeside"

GLRI cleanup in Waukegan has also prompted a resurgence of recreational activity in and around a waterway once actively avoided by both locals and



Great Lakes Restoration Initiative projects around Waukegan, IL.

tourists.

One of the largest new recurring attractions is a series of summer festivals the GWDC began holding at Harbor's Edge and along the waterfront in 2016. The Cinco de Mayo, Harbor Fest, Blues on the Water, Harbor-Q, and Fiestas Patrias events were all introduced in the same year, collectively attracting 20,000 people to the waterfront.

Three of those events have become annual features on the waterfront and have seen steady increases in attendance. Edgar says many attendees are city residents who had never been to Waukegan Harbor before.

"My favorite comment from the police – and it was the only comment we had from the police – was, 'Please ask your guests not to call 911 because they can't find a parking spot,'" he laughs.

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A similarly tight parking situation has arisen at Waukegan Municipal Beach. Weekend beach parking permits have begun selling out on a regular basis as interest in the beach has returned. Waukegan Police lieutenant Robert Beach notes that a variety of factors make it difficult to track parking permits sold year-to-year, but notes one striking increase: The number of permits sold on the Fourth of July skyrocketed from 300 in 2016 to 800 in 2017.

"We can definitely see that there's been a huge increase in users of the natural spaces at Waukegan Beach," says David Motley, director of marketing and public relations for the city of Waukegan. "On any given Saturday or Sunday there are thousands of people converging on the lakeside."

The number of watercraft plying Waukegan's waters has risen significantly as well since 2010. Seidelmann says slip occupancy at Waukegan Marina has been steadily recovering from a multi-year slump since 2014, with occupancy increasing from 65 percent that year to 72 percent in 2017. He attributes that increase partly to renewed interest in sports fishing.

Smaller craft have also become more popular in Waukegan. The city installed a new public canoe and kayak launch in the harbor in the summer of 2018, and Motley said the public didn't wait until the



Waukegan mayor Sam Cunningham cuts the ribbon to officially open Waukegan's new ADA accessible canoe and kayak launch.

launch's official opening to start making use of it.

"They figured it out even though we actually did no fanfare whatsoever," he says. "All we did was post one photograph on Instagram and one photograph on Facebook, and it's being used."

Motley also says kitesurfers have also taken an interest in Waukegan within the last three years. He notes that he counted 20 kitesurfers using the harbor at the same time on one busy Sunday last year.

"We know, only because I counted them, that there were at least 5,000 people simultaneously using the lakefront for their various purposes," he says. "Fishing, birdwatching, doing yoga, doing tai chi, passively sunbathing, playing volleyball. Everyone is converging to the Waukegan lakefront for different reasons, but what they have in common is the love of the space."

Changing the millennial mentality

As both the environmental quality and associated public perceptions of Waukegan Harbor have improved, so has Waukegan's attraction and retention of millennial residents. The city's number of millennial residents has increased by three percent since in 2010, while Illinois' millennial population overall has increased by only one percent. In Lake County, the share of population aged 25 to 34 with at least a bachelors degree increased by 4.8 percentage points compared to 4.5 in U.S. overall.

Seidemann says that's a significant change from years past when Waukegan's young people were more likely to view the lakefront as a detriment.

"They were packing up and they were heading south to the north shore communities of Chicago, where it was a more attractive lakefront," he says. "Here in Waukegan, with this turnaround, I think we've seen a lot more people willing to stay in the area after they graduate and look to start a career in the adjacent communities."

Perhaps even more notably for Waukegan's future, Motley says younger Waukegan residents have not only a heightened sense of enjoyment in the waterfront but a heightened sense of its environmental importance.

"Whether or not it translates into long-term investment in buying homes or properties here, I think that's yet to be determined," he says. "But they are showing this reverence for this space and they are responsibly using it, and in the past, that wasn't always the case."

Information included in this case study was provided by the interviewees or obtained from the City of Waukegan, Illinois, "Lakefront Active Implementation Plan" (2015); Waukegan Port District, "Waukegan Port District Master Plan" (2017); American Community Survey (2010, 2016); or other data sources.

This case study is part of a project entitled "Assessing the Investment: The Economic Impact of the Great Lakes Restoration Initiative" (September 2018). A summary report and other documents for the project are available at <https://www.glc.org/work/blue-economy/GLRI-economic-impact>.

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