SHERIDAN CROSSING: MARKET OPPORTUNITY AND DEVELOPMENT FRAMEWORK

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ACRONYMS AND DEFINED TERMS

AADT	Annual Average Daily Traffic
ADR	Average Daily Rate
ARPA	American Rescue Plan Act (2021)
BAH	Basic Allowance for Housing
B2	General Business District (North Chicago Zoning)
CDBG	Community Development Block Grant
CMAQ	Congestion Mitigation and Air Quality
CN	Canadian National Railway
CPLO	Community Planning Liaison Office / Community Planning Liaison Officer
DCEO	Illinois Department of Commerce and Economic Opportunity
DPP	Development Planning Partners, LLC
DoD	U.S. Department of Defense
EAV	Equalized Assessed Value
EDA	U.S. Economic Development Administration
FAR	Floor Area Ratio
FEMA	Federal Emergency Management Agency
FHCC	Federal Health Care Center
F&B	Food and Beverage
FRA	Federal Railroad Administration
GLRI	Great Lakes Restoration Initiative
HUD	U.S. Department of Housing and Urban Development
IBRC	Indiana Business Research Center
ICSC	International Council of Shopping Centers
IDNR	Illinois Department of Natural Resources
IDOT	Illinois Department of Transportation
IDOR	Illinois Department of Revenue
IHSA	Illinois High School Association
IMPLAN	Impact Analysis for Planning
ITEP	Illinois Transportation Enhancement Program
JLUS	Joint Land Use Study
LIHTC	Low-Income Housing Tax Credits
LWCF	Land and Water Conservation Fund

MLS	Multiple Listing System
MWR	Morale, Welfare, and Recreation
NEH	National Endowment for the Humanities
NMTC	New Markets Tax Credits
NMDP	Illinois New Markets Development Program
NRA	National Restaurant Association
NSGL	Naval Station Great Lakes
NWI	National Wetlands Inventory
OEA	Office of Economic Adjustment
PEM	Palustrine Emergent
PPV	Privatized Military Housing
PTA	Primary Trade Area
PUD	Planned Unit Development
RFI	Request for Information
RFP	Request for Proposals
SBA	U.S. Small Business Administration
SF	Square Feet / Square Footage
STA	Secondary Trade Area
STR	Smith Travel Research
TAD	Tax Allocation District
TAP	Transportation Alternatives Program
TDY	Temporary Duty
TIF	Tax Increment Financing
URO	Urban Residential Overlay
USAHEC	U.S. Army Heritage and Education Center
USDA	U.S. Department of Agriculture
USEPA	U.S. Environmental Protection Agency
USL	United Soccer League
USSF	United States Soccer Federation
WIOA	Workforce Innovation and Opportunity Act

GLOSSARY

Adaptive Reuse. Conversion of an existing structure or land use to a new purpose. In this report, adaptive reuse refers primarily to the potential long-term conversion of the Canadian National freight rail corridor to a public trail or linear park.

Average Daily Rate (ADR). Average revenue earned per occupied hotel room per day. Used alongside occupancy rate to calculate Revenue Per Available Room (RevPAR).

Basic Allowance for Housing (BAH). A DoD pay supplement provided to eligible service members to offset private-market housing costs. Rates are set by duty station and vary by rank and dependent status. At Great Lakes, BAH for enlisted personnel with dependents generally ranges from approximately $2,400 to $2,900 per month.

Boutique Hotel. A smaller, independently operated or boutique-brand hotel typically characterized by distinctive design and a stronger sense of place than a conventional chain property. Usually 50 to 150 rooms.

Capture Rate. The share of available market demand estimated to be capturable by a given site, given its competitive position and market context. In this report, capture rates reflect the percentage of trade area spending opportunity a well-executed Sheridan Crossing development could realistically attract.

Competitive Set. The group of comparable properties against which a given hotel, retail center, or commercial development is benchmarked for performance and market share.

Drive-Time Trade Area. A market area defined by travel time to a destination rather than straight-line distance. Standard practice in retail and commercial real estate analysis, particularly in suburban and auto-oriented markets.

Equalized Assessed Value (EAV). The assessed value of a property after application of the State of Illinois equalization factor. EAV is the basis for property tax obligations and for calculating tax increment within a TIF district. Illinois law requires assessment at 33.33% of estimated market value.

Floor Area Ratio (FAR). The ratio of a building's total floor area to the area of the lot on which it sits. A common zoning tool for regulating building density.

Green Infrastructure. Stormwater management strategies that use natural or nature-based systems, including wetland restoration, bioswales, and native vegetation. Green infrastructure investments at Sheridan Crossing may qualify for state and federal grant programs.

Ground Lease. A long-term lease arrangement under which a landowner leases land to a developer who constructs and operates improvements on it. Typically 50 to 99 years. Retaining City ownership through a ground lease preserves long-term public value while reducing developer acquisition costs.

Institutional Demand Driver. A major employer, government installation, medical center, university, or similar institution generating recurring demand for nearby commercial, hospitality, and residential uses. Naval Station Great Lakes is the primary institutional demand driver for Sheridan Crossing.

Mixed-Use Development. Development incorporating two or more land uses within a single building, block, or district. Associated with stronger activation, longer visitor dwell times, and more resilient long-term performance than single-use development.

Net Developable Acreage. The portion of a site available for construction after subtracting constrained areas such as wetlands, floodplains, and rights-of-way. The Sheridan Crossing site contains approximately 40.8 gross acres, with an estimated net developable acreage of approximately 28 to 30 acres pending formal wetland delineation.

New Markets Tax Credits (NMTC). A federal tax credit program incentivizing private investment in low-income communities. The credit totals 39% of the original investment, claimed over seven years. Qualifying projects in North Chicago may be eligible to stack federal NMTC with the Illinois New Markets Development Program.

Opportunity Ratio. The estimated share of effective trade area consumer spending representing an unmet or undercaptured demand opportunity available to a new commercial development. Opportunity ratios for each category were developed by DPP based on competitive field analysis and trade area spending data.

Palustrine Emergent (PEM) Wetland. A non-tidal, inland wetland dominated by herbaceous vegetation such as grasses, sedges, and cattails. Two PEM wetland types are mapped within Sheridan Crossing: PEM1F (semi-permanently flooded, approximately 1.82 acres) and PEM1C (seasonally flooded, approximately 3.58 acres). Both require formal field delineation to confirm jurisdictional status.

Planned Unit Development (PUD). A zoning mechanism allowing a development proposal to be reviewed as a single integrated project. Under North Chicago's Zoning Ordinance, developments with buildings exceeding 55 feet or an FAR greater than 5.0 within the URO require PUD approval.

Privatized Military Housing (PPV). Market-rate housing developed and managed by private operators under long-term DoD agreements, financed in part by resident BAH. At Naval Station Great Lakes, PPV housing operates at 97.8% occupancy with an active waitlist.

Rails-to-Trails Conversion. The conversion of an abandoned or underutilized rail corridor into a shared-use trail. The long-range CN freight corridor opportunity at Sheridan Crossing is discussed in this context throughout the report.

Request for Information (RFI). A non-binding solicitation used to gather market feedback or identify interested parties before issuing a formal RFP. Naval Station Great Lakes has issued an active RFI for hotel development near the installation.

Request for Proposals (RFP). A formal solicitation inviting qualified developers to submit proposals for a specific development opportunity. A competitive RFP process for Sheridan Crossing is one of the intended outcomes of this study.

Select-Service Hotel. A hotel positioned between economy and full-service lodging. Typically includes branded flag affiliation, consistent quality standards, limited food and beverage service, and limited meeting space. Upper-midscale select-service is the product type most aligned with the Sheridan Crossing hospitality opportunity.

Stabilized Occupancy. The occupancy level a hotel is expected to reach once it has achieved a mature competitive position, typically two to three years after opening. A target stabilized occupancy of 65% to 70% is used in this report's hospitality analysis.

Triple Net Lease (NNN). An arrangement in which a tenant agrees to cover both the rent and ongoing expenses on a property. Typically rent in a triple net lease is lower than a standard lease.

Tax Increment Financing (TIF). A public financing mechanism authorized under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4) that captures incremental property tax revenue growth within a designated district and dedicates it to eligible redevelopment expenses. TIF districts in Illinois may run up to 23 years.

Urban Residential Overlay (URO). A zoning overlay applied to portions of North Chicago's B2 zoning district that relaxes standard setback and bulk requirements to allow greater development flexibility. Buildings exceeding 55 feet or an FAR of 5.0 trigger the PUD review process.

Visitor Dwell Time. The average amount of time an individual spends inside a property or specific space per visit. Measured in minutes or hours, it acts as a key indicator of customer engagement, space utilization, and overall destination appeal.

Wetland Delineation. A formal field investigation conducted by a qualified wetland scientist to identify and map jurisdictional wetland boundaries on a specific property. A formal delineation of the NWI-mapped potential wetlands at Sheridan Crossing is a critical prerequisite for site planning, development programming, and RFP issuance.

EXECUTIVE SUMMARY

Sheridan Crossing represents North Chicago's largest and most strategically significant redevelopment opportunity: a prominently located 40.8-acre site at the intersection of Sheridan Road and Martin Luther King Jr. Drive, adjacent to Naval Station Great Lakes, regional transportation infrastructure, and several important institutional and employment anchors. Long underutilized despite its visibility and location, the site presents a rare opportunity to establish a new mixed-use district capable of supporting hospitality, dining, entertainment, residential, and community-oriented development over time.

The site's gross acreage includes the Canadian National freight rail corridor running along the northern edge of the property, discussed in this report as a longer-term planning and connectivity opportunity. Net developable acreage on the primary parcel, excluding the CN corridor and potential wetlands, is estimated at approximately 28 to 30 acres pending formal wetland delineation.

PURPOSE OF THIS STUDY

The City of North Chicago commissioned this study to evaluate long-term redevelopment opportunities for the Sheridan Crossing site and establish a market-supported framework capable of guiding future planning, economic development, land allocation, and developer solicitation efforts. While the study is intended in part to support a future competitive Request for Proposals process, its broader purpose is to provide the City with an independent, strategically grounded assessment of the site's realistic redevelopment potential and the types of uses, development patterns, and implementation approaches most likely to support long-term success.

Accordingly, the study serves multiple functions. First, it provides the City with a credible, independently sourced market foundation for future discussions with developers, investors, institutional partners, and other stakeholders. Second, it establishes a strategic framework for evaluating redevelopment opportunities, including the relative roles of catalytic, supporting, long-term, and conditional land uses. Third, it provides a basis for future planning and implementation decisions related to redevelopment phasing, infrastructure investment, placemaking, economic development strategy, and the evaluation of development proposals.

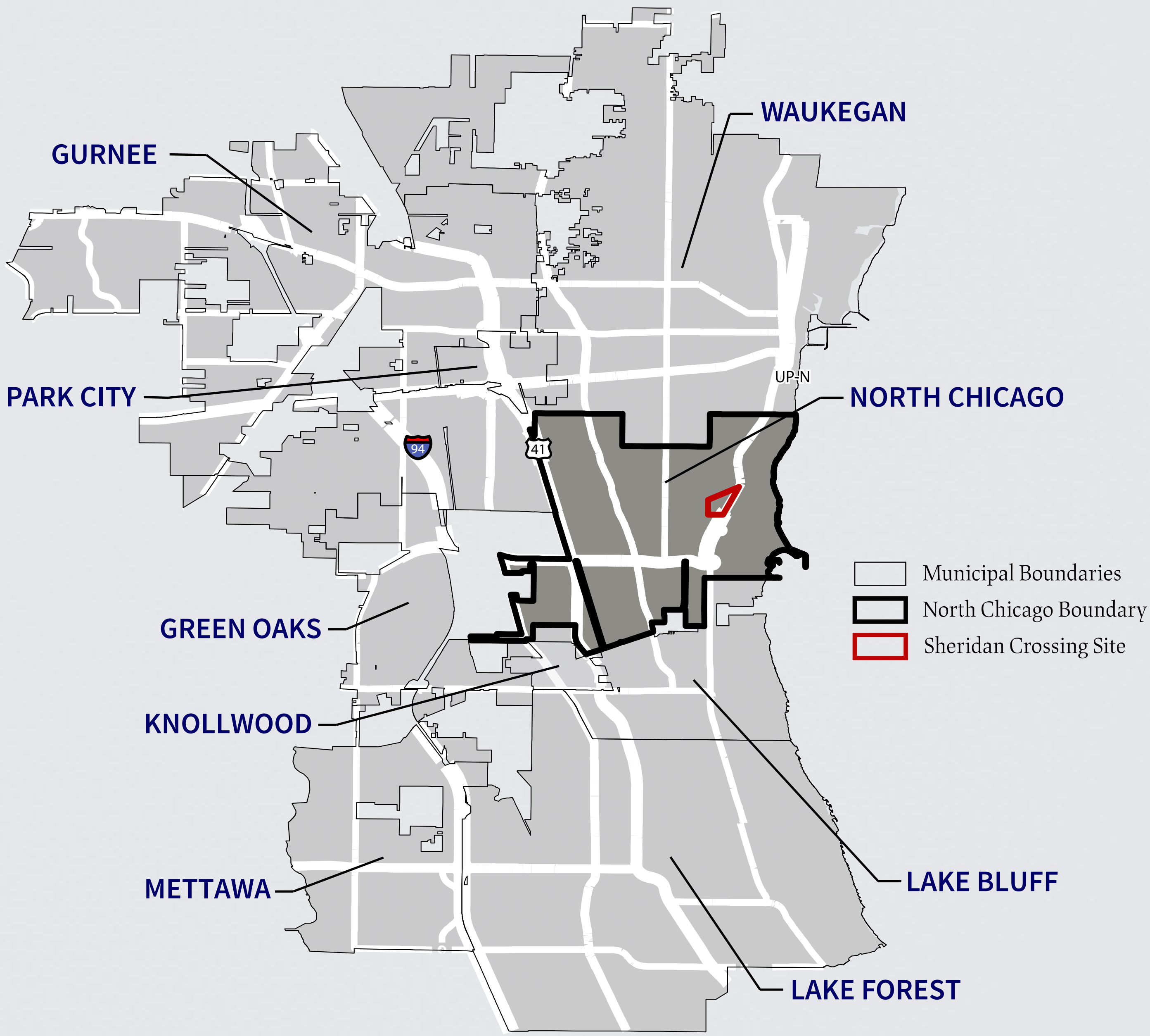
SHERIDAN CROSSING'S STRATEGIC POSITION

Sheridan Crossing is a uniquely positioned redevelopment site within North Chicago and the broader Lake County region. Located adjacent to Naval Station Great Lakes along the Sheridan Road corridor, the site benefits from proximity to one of the area's most significant institutional anchors while maintaining access to regional transportation corridors, employment centers, lakefront amenities, and existing trail systems.

Unlike many redevelopment sites in the region, Sheridan Crossing combines large-scale redevelopment capacity with direct access to established institutional demand drivers, including military training activity, graduation-related visitation, and broader regional employment. These characteristics create opportunities for mixed-use development that are not available at more isolated or conventionally suburban commercial sites.

The site also possesses long-term placemaking potential through its visibility, connectivity, gateway position, and relationship to NSGL and the surrounding community. Sheridan Crossing represents not only a redevelopment opportunity, but also an opportunity to establish a distinct destination environment capable of supporting broader reinvestment along the corridor over time.

FIGURE 1: SHERIDAN CROSSING - REGIONAL CONTEXT MAP



At the same time, the surrounding market context presents important constraints. The Primary Trade Area is large and stable but not experiencing significant population growth, and household incomes in the immediate area are moderate relative to the broader region. The site also operates within a competitive landscape that includes more established retail and commercial nodes throughout Lake County, limiting its potential as a major standalone regional destination.

STRATEGIC DEVELOPMENT APPROACH

The redevelopment of Sheridan Crossing requires a phased and market-aligned implementation strategy. While the site benefits from strong visibility, regional access, and proximity to major institutional and employment anchors, the surrounding market does not currently support large-scale speculative retail or high-density mixed-use development absent a catalytic driver. Redevelopment should therefore focus initially on uses capable of generating activity, establishing identity, and creating the conditions for sustained investment over time.

Hospitality is the site's highest-priority anchor use and the strategic destination of the overall development program. A quality hotel serving the NSGL graduation visitor population, military families, and regional business travelers addresses the most significant and best-documented gap in the corridor's current market offer. However, hotel financing requires demonstrated commercial performance: lenders will not underwrite new lodging supply on an unproven site. For this reason, the development sequence prioritizes food and beverage, dining, and neighborhood-serving commercial uses in Phase 1, not as alternatives to hospitality, but as the mechanism through which hospitality becomes financeable. Phase 1 activity generators create the occupancy data, visitor traffic patterns, and site identity that hotel investors and lenders require before committing capital. Hotel delivery is targeted for early Phase 2, following Phase 1 commercial establishment, and should be understood as the planned outcome of Phase 1 rather than a deferred goal.

Residential development may ultimately become an important long-term component of the site, but current market conditions suggest it is more appropriately positioned as a supporting and largely later-phase use.

FIGURE 2: NORTH CHICAGO METRA SIGNAGE

The redevelopment framework for Sheridan Crossing should prioritize flexibility throughout. Future market conditions, infrastructure investments, institutional partnerships, and potential catalytic projects including a possible stadium, entertainment venue, or cultural amenities may influence the site's long-term evolution. The framework presented in this report is intended to function as a strategic guide rather than a fixed master plan, allowing the site to adapt while maintaining a cohesive overall vision.

CORE DEVELOPMENT PRINCIPLES

Build Around Existing Demand Drivers

Sheridan Crossing's strongest competitive advantage is its proximity to Naval Station Great Lakes and the constellation of institutional employers, medical facilities, and regional anchors surrounding it. Redevelopment should be organized around this advantage from the outset, positioning the site as the commercial and hospitality destination that serves the installation's visitors, personnel, and families rather than competing with more established retail and entertainment centers elsewhere in Lake County. Every phase of development should be evaluated against a simple test: does this use serve the people who are already here, or does it depend on attracting an entirely new market the site has not yet earned?

Establish Early Activity Generators

A mixed-use district lives or dies by its ability to create visible, recurring activity in its earliest phases. Empty storefronts and underutilized parking lots signal failure to investors, tenants, and the community alike, regardless of the long-term vision. At Sheridan Crossing, the first phase must prioritize uses that generate foot traffic, extend dwell time, and create a reason for people to return: quality food and beverage establishments capable of serving graduation families on weekends and daytime workers on weekdays, and programming elements that give the site an identity before the full build-out is complete. These early investments are not a substitute for hospitality. They are the precondition for it. The goal of Phase 1 is not to deliver a finished product but to create the conditions that make Phase 2 hotel financing achievable and faster to execute.

Phase Development Incrementally

Large-scale mixed-use developments that attempt to deliver their full program in a single phase routinely underperform because they outrun their market. Sheridan Crossing's surrounding trade area is stable but not rapidly growing, and the site's institutional demand base, while meaningful, supports a measured program rather than a speculative one. The phasing strategy recommended in this report sequences uses in order of their market readiness and their ability to support subsequent development: food and beverage and neighborhood commercial in Phase 1 to establish identity and generate absorption data; hotel delivery in early Phase 2 once lease-up evidence justifies the investment; limited residential in Phase 2 as well; and entertainment, additional commercial, and expanded residential in Phase 3 as the district's market position matures. Each phase should be treated as a proof of concept for the next. Development decisions should be driven by demonstrated performance, not pro forma projections.

Preserve Long-Term Flexibility

The most durable redevelopment frameworks commit to a direction without locking in every decision. Market conditions, institutional priorities, infrastructure timelines, and partnership opportunities will all evolve over the years it takes to fully develop a 40-acre site, and the framework must be capable of evolving with them. This means reserving land for uses that are not yet market-ready rather than filling every parcel in the earliest phases, designing infrastructure to serve multiple program scenarios rather than a single fixed concept, and treating the stadium, the CN corridor conversion, the walking museum, and other longer-range opportunities as genuine options rather than either firm commitments or dismissed ideas. The goal is a framework that is clear enough to guide investment decisions today and flexible enough to capture opportunities that do not yet exist.

MAJOR FINDINGS AND OPPORTUNITIES BY USE

The following sections summarize the principal market findings for each major use category evaluated as part of this study. While each use was analyzed independently, the findings collectively support a redevelopment strategy centered on hospitality, dining, entertainment, and neighborhood-serving commercial uses.

HOSPITALITY

Hospitality-oriented redevelopment is the site's highest-priority anchor use and the primary goal of the overall development program. No newer, high-quality lodging currently exists adjacent to the NSGL installation. Sheridan Crossing is well positioned to support a select-service or upper-midscale hotel of approximately 120 to 145 rooms, targeted for delivery in early Phase 2 following Phase 1 commercial establishment. Phase 1 food and beverage and retail investment is specifically designed to generate the demonstrated commercial performance that hotel financing requires.

FOOD AND BEVERAGE

While restaurant space in the broader trade area is at nearly full occupancy, no publicly accessible dining options exist immediately adjacent to the site. Food and beverage in multiple formats should help anchor initial commercial leasing, serving visitors, area employees, and residents alike. Approximately 9,600 to 15,900 square feet are supported, allowing for a mixed dining cluster.

RETAIL AND SERVICES

The market analysis supports approximately 15,000 to 24,700 square feet of neighborhood-serving retail and service uses integrated within the broader mixed-use redevelopment framework. Retail should focus on supporting nearby residents, NSGL-related activity, hospitality uses, and day-to-day visitor needs while helping activate the corridor and reinforce overall site vitality.

ENTERTAINMENT

The market supports approximately 3,900 to 6,400 square feet of entertainment and experiential uses integrated within the broader mixed-use environment. One or more smaller-scale activity-oriented concepts may help reinforce evening activity, dining demand, and broader site activation over time.

RESIDENTIAL

High quality, market-rate rental housing is largely absent in the immediate area. Sheridan Crossing can help address this gap by providing, in early phases, 15 to 25 rental townhomes primarily targeting military and workforce households, with longer-term expansion potential to approximately 35 to 50 units if early absorption supports it.

STADIUM (ALT.)

A moderately-sized soccer stadium and event venue, if successfully developed, could provide meaningful lift across uses. However, this complex, speculative use should be treated as a supplemental rather than primary catalyst, contingent on operator identification, successful financing, and other factors.

USES NOT SUPPORTED AT THIS TIME

- **Large-format or destination retail.** Area market dynamics suggest that the site is not well-suited to compete successfully with established retail destinations such as Gurnee Mills and Fountain Square.
- **For-sale housing.** Area home sale prices remain well below new-construction cost thresholds, making the successful development of for-sale housing unlikely at this time.
- **Office.** Office uses are challenging due to limited demand and strong competition from established suburban submarkets elsewhere.

DEVELOPMENT FRAMEWORK, HIERARCHY, AND ECOSYSTEM SUMMARY

The market analysis indicates that not all development components at Sheridan Crossing are equally positioned in terms of timing, catalytic potential, or strategic importance. The following table summarizes the relative role of each major use category and distinguishes between near-term activity generators, the primary hospitality anchor, supporting uses, long-term opportunities, and conditional future development scenarios.

FIGURE 3: DEVELOPMENT ROLE AND TIMING

Development Component	Strategic Role	Timing
Hospitality	Early Catalyst	Near-Term
Dining & Entertainment	Supporting Activation Uses	Near-Term
Neighborhood Retail & Services	Supporting Activation Uses	Near- to Mid-Term
Residential	Evolving Supporting Use	Limited Near-Term; Expanded Long-Term
Stadium/Event Venue	Conditional Opportunity	TBD (Dependent on Partnerships, Financing, Etc.)

The development framework is intentionally phased to align future development with demonstrated market absorption, infrastructure timing, and evolving investment potential. This approach allows the site to establish early momentum through Phase 1 commercial uses while building directly toward the hotel delivery that is the program's central objective. Note that the mixed-use framework treats the stadium as a redevelopment overlay scenario providing an additional amenity to an already-viable development, not as an anchor that makes other uses possible.

WHY PHASING MATTERS

- Reduces upfront development exposure. Smaller initial investments reduce risk, preserve capital, and allow returns from early phases to fund subsequent development.
- Aligns investment with market demand. Phased delivery ensures that space is brought online only as demonstrated absorption supports it, reducing vacancy risk.
- Allows uses to build upon one another. Each phase creates conditions that strengthen demand for the next, compounding the site's overall momentum and identity.
- Supports incremental infrastructure expansion. Roads, utilities, and public realm improvements can be staged alongside development rather than front-loaded.
- Preserves flexibility for future opportunities. A phased approach keeps options open for residential, entertainment, stadium, and other uses as market conditions evolve.

Hospitality, dining, entertainment, and neighborhood-serving commercial uses each support different aspects of site activity and, when strategically clustered, help create sustained visitation, site activation, and a stronger overall sense of place.
The development framework presented in this report organizes the site accordingly: food and beverage and neighborhood commercial leading Phase 1 to establish identity and generate the performance data that hospitality financing requires; hotel delivery and limited residential in early Phase 2; and entertainment, additional commercial, and expanded residential in Phase 3 as the district matures.

1 Local & Institutional Demand	2 Hospitality & Dining	3 Activity & Identity	4 Expanded Commercial	5 Residential Opportunity
NSGL, Abbott/ AbbVie, Lovell, regional workforce	Hotel anchor + F&B cluster establishes Phase 1 identity	Sustained visitation, repeat engagement, corridor activation	Retail, entertainment, services drawn by established traffic	Mixed-use maturity supports year-round residential absorption

REVENUE POTENTIALS

The table below summarizes the estimated stabilized revenue potential associated with the principal commercial uses evaluated as part of this study. These figures are intended to illustrate relative economic scale and should be interpreted as directional planning-level estimates rather than detailed feasibility projections.

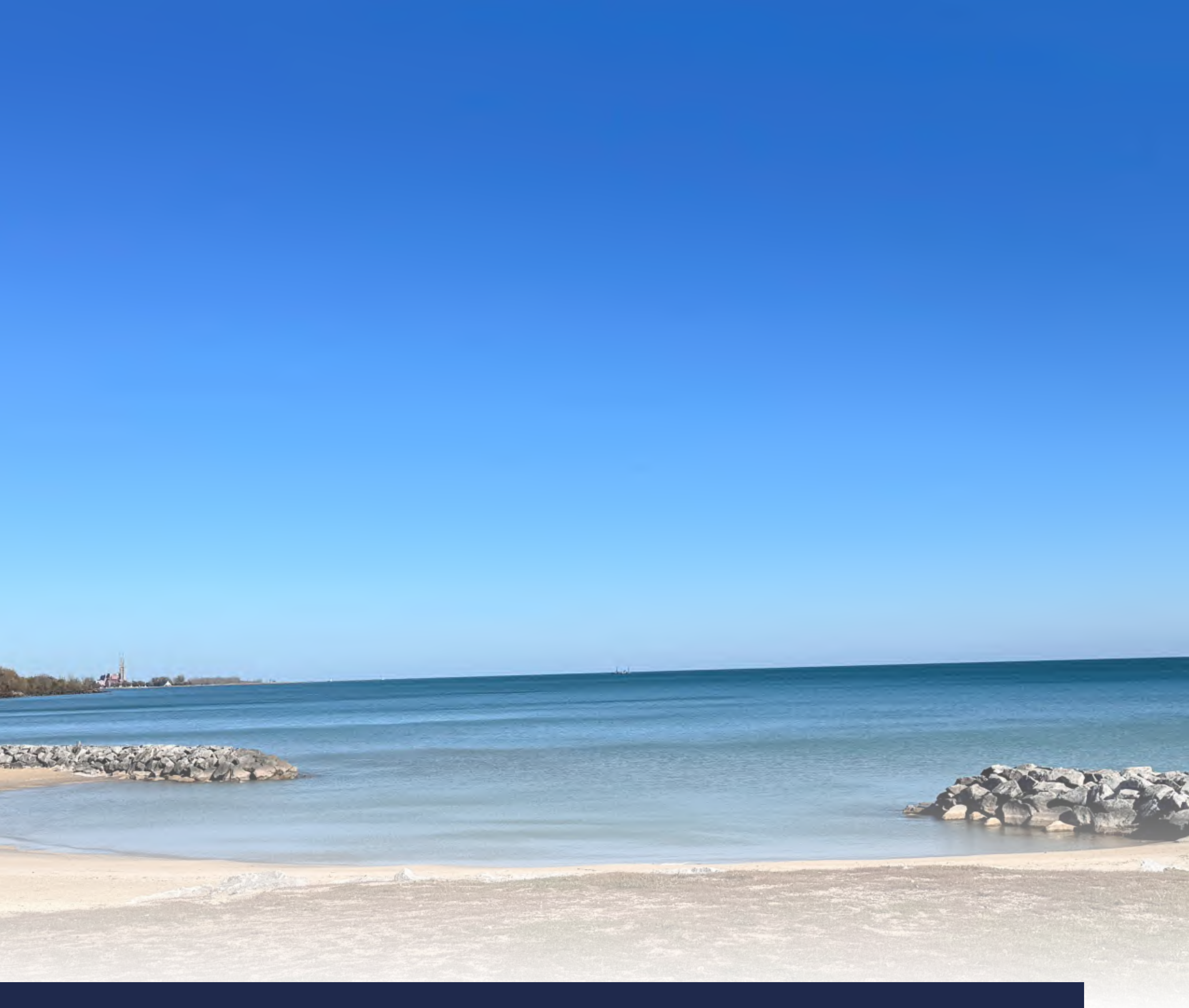
FIGURE 4: ILLUSTRATIVE REVENUE POTENTIAL BY PRIMARY USE CATEGORY

Use Category	Approx. Annual Rev. Potential ($M)
Retail and Services	$6.5-$10.7
Food and Beverage	$6.3-$10.5
Hospitality	$3.5-$4.5
Entertainment	$1.4-$2.2
Total	**$17.7-$27.9**

FIGURE 5: NORTH CHICAGO FALL FOILAGE


ADOPT A PATH
17

TABLE OF CONTENTS



CHAPTER 1. *Study Background*

This section establishes the analytical foundation for the study, describing the site's regional position, trade area characteristics, demographic and economic conditions, institutional demand drivers, and key physical site attributes that together define the redevelopment environment at Sheridan Crossing.

STUDY PURPOSE AND ANALYTICAL FRAMEWORK

The City of North Chicago commissioned this study to evaluate long-term redevelopment opportunities for the Sheridan Crossing site and establish a market-supported framework capable of guiding future planning, land allocation, developer solicitation, and implementation efforts. While the study is intended in part to support a future competitive Request for Proposals (RFP) process, its broader purpose is to provide the City with an independent assessment of the site's realistic redevelopment potential and the types of uses, development patterns, and implementation approaches most likely to support long-term success.

The analysis draws upon multiple sources, including publicly available demographic and economic data, CoStar commercial market information, area Multiple Listing System (MLS) housing data, field observations, stakeholder interviews, and site assessment work conducted by Development Planning Partners and Antero Group. Stakeholder engagement included discussions with representatives from Naval Station Great Lakes (NSGL), development and real estate interests, nonprofit organizations, and local and regional public-sector entities.

This section provides a concise overview of the site's regional context, demographic and economic conditions, institutional demand drivers, and key physical site characteristics that establish the foundation for the redevelopment analyses presented later in this report. Detailed sector-specific market analyses for retail, dining, hospitality, entertainment, and residential uses are presented in Section 2. A separate analysis pertaining to the potential development of a sports stadium and event venue is provided in Section 3. These analyses were incorporated into the land allocation plan and development framework presented in Section 4. Implementation guidance is provided in Section 5. Additional detailed analysis and context are provided in the Appendix.

FIGURE 6: SHERIDAN CROSSING SITE REMEDIATION SIGNAGE

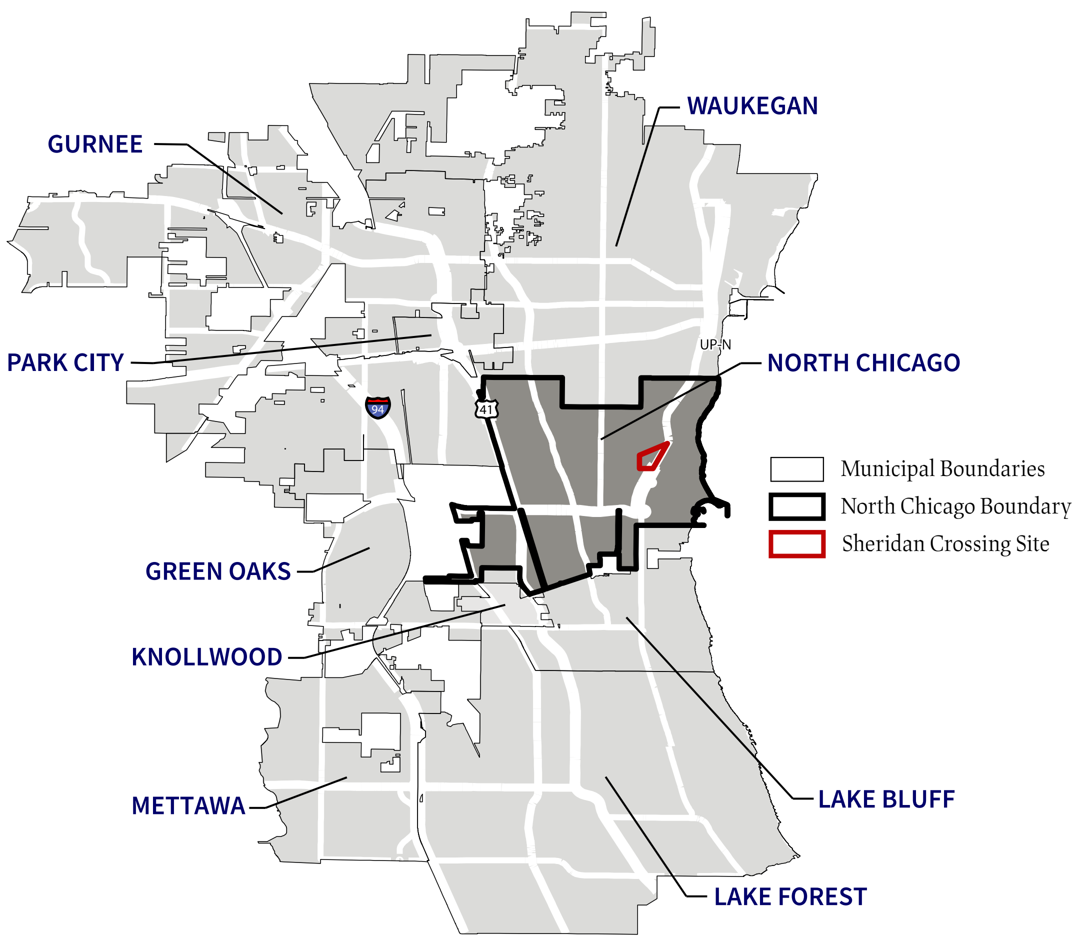
SITE AND REGIONAL CONTEXT

Sheridan Crossing occupies a strategically located redevelopment site along the Sheridan Road corridor in eastern Lake County. The approximately 41-acre site sits near several important regional assets and activity generators, including NSGL, major north–south transportation corridors, established employment centers, regional retail districts, and Lake Michigan shoreline communities.

The site benefits from direct frontage along Sheridan Road (Illinois Route 137) and Martin Luther King Jr. Drive, with proximity to Green Bay Road (IL-131), Skokie Highway (U.S.-41), and Interstate 94. The property lies adjacent to the Metra Union Pacific North Line, with the North Chicago Metra station located approximately 0.4 miles north of the site.

Unlike many conventional suburban redevelopment sites, Sheridan Crossing combines large-scale redevelopment capacity with direct access to institutional demand drivers, regional transportation infrastructure, and surrounding residential neighborhoods. These characteristics create opportunities for a differentiated redevelopment environment oriented toward hospitality, dining, entertainment, neighborhood-serving commercial uses, residential development, and related supporting uses over time.

FIGURE 7: SHERIDAN CROSSING - REGIONAL CONTEXT MAP

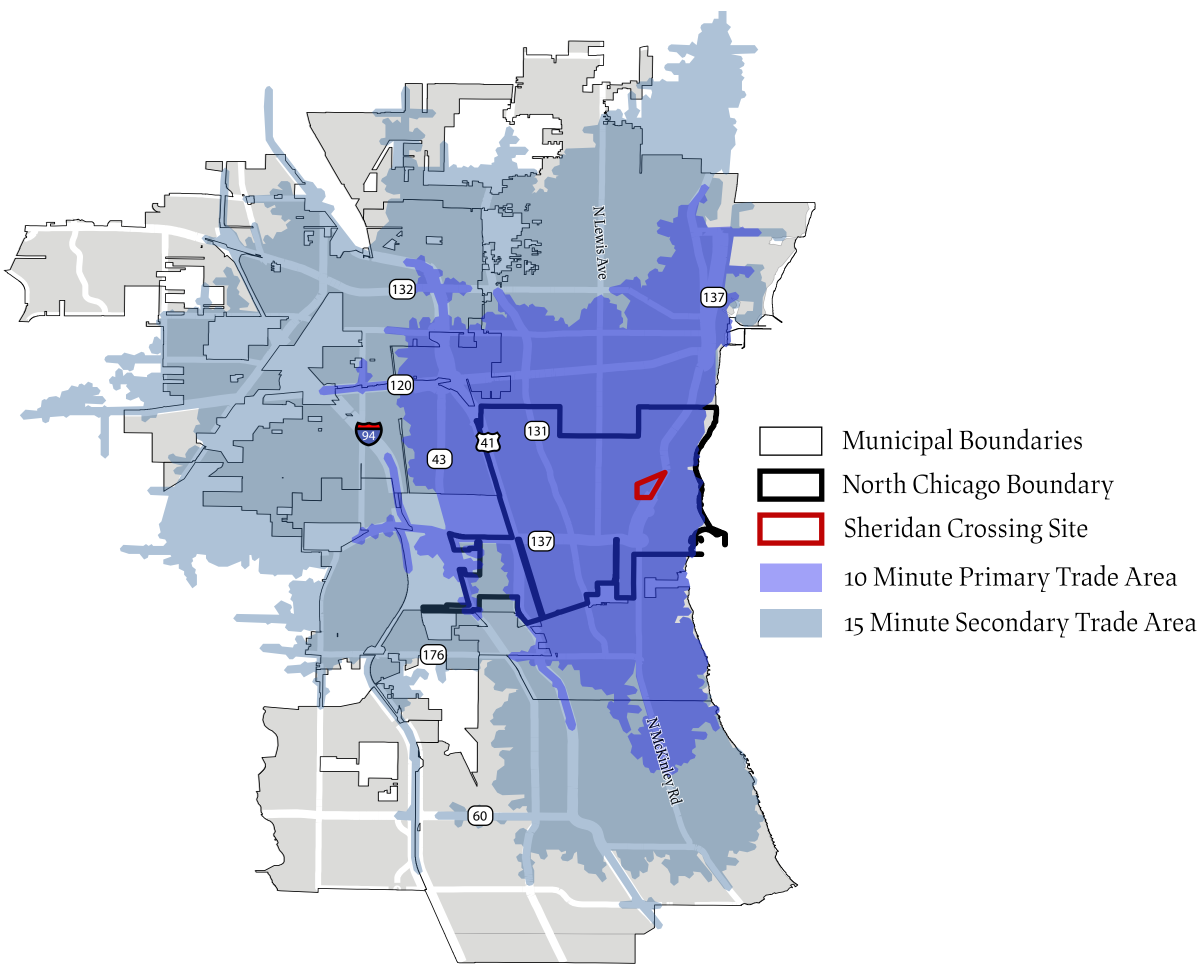


TRADE AREA DEFINITIONS

Two trade areas are utilized throughout this analysis to evaluate demographic, economic, and commercial market conditions surrounding Sheridan Crossing. The Primary Trade Area (PTA) encompasses the area generally reachable within approximately 10 minutes of the site and represents the market area most closely connected to the property for neighborhood-serving and convenience-oriented uses. The Secondary Trade Area (STA) expands the analysis to approximately 15 minutes and captures a broader regional market area relevant to selected commercial, dining, entertainment, and visitor-oriented uses.

The use of drive-time trade areas is consistent with standard retail and mixed-use market analysis practices, particularly within suburban environments where travel behavior is more closely associated with roadway access and travel time than straight-line distance.

FIGURE 8: SHERIDAN CROSSING - TRADE AREA MAP



DEMOGRAPHIC AND ECONOMIC SNAPSHOT

The Sheridan Crossing trade areas encompass a substantial existing population, employment, and consumer base within eastern Lake County. While the surrounding market is not characterized by rapid population growth, the area benefits from stable household patterns, significant employment activity, and a relatively young demographic profile within the PTA.

The PTA contains approximately 90,700 residents and 27,800 households, while the broader STA includes more than 174,000 residents and approximately 59,000 households. Median household income is estimated at approximately $69,700 within the PTA compared to approximately $81,300 within the STA. More than half of households within the PTA (52%) are renter-occupied, compared to approximately 44% within the STA.

The surrounding market also includes a substantial daytime population supported by institutional uses, employment centers, and regional commercial activity. Approximately 45,000 workers are employed within the PTA, contributing additional support for food service, convenience retail, and related commercial uses.

Taken together, these conditions suggest a stable and active market environment capable of supporting selected redevelopment opportunities, particularly uses aligned with institutional demand, visitor activity, and neighborhood-serving functions.

FIGURE 9: AREA DEMOGRAPHIC AND ECONOMIC SNAPSHOT

Indicator	Primary Trade Area (10-Min)	Secondary Trade Area (15-Min)
Population (2025)	90,747	174,336
Households (2025)	27,785	59,028
Median HH Income (2025)	$69,749	$81,292
Median Age (2025)	29.7 yrs	33.7 yrs
Renter-Occupied HH	52.1%	43.5%
Daytime Population	89,528	181,171
Workers (Daytime)	45,129	94,103
HH Income $100K+ (2025)	33.7%	41.4%

INSTITUTIONAL AND EMPLOYMENT DEMAND DRIVERS

NSGL represents the site's single most important institutional demand driver and one of the defining influences on redevelopment opportunities at Sheridan Crossing. As the Navy's sole Recruit Training Command ("Boot Camp") facility, NSGL supports substantial year-round activity associated with military training operations, recruit graduations, civilian employment, and family visitation.

Stakeholder discussions conducted as part of this study consistently identified NSGL as one of the site's strongest long-term demand generators, particularly for hospitality, dining, entertainment, and housing uses. Recruit Training Command graduation ceremonies occur 48 weeks per year, graduating 1,000 recruits on average, and typically attracting roughly 5,000 visitors per ceremony, generating recurring demand for lodging, food service, and related visitor-serving activity throughout the surrounding corridor.

The installation also contributes to ongoing housing demand within the area. On-base privatized housing currently operates at high occupancy levels with active waitlists, while existing Basic Allowance for Housing (BAH) levels exceed prevailing rent levels in the surrounding area, suggesting supportability for higher-quality rental housing product types not currently well represented within the immediate market.

Additional regional employment and institutional anchors include the Abbott and AbbVie campuses, the Captain James A. Lovell Federal Health Care Center, Rosalind Franklin University, and broader manufacturing, health care, education, and service-sector employment concentrations throughout Lake County.

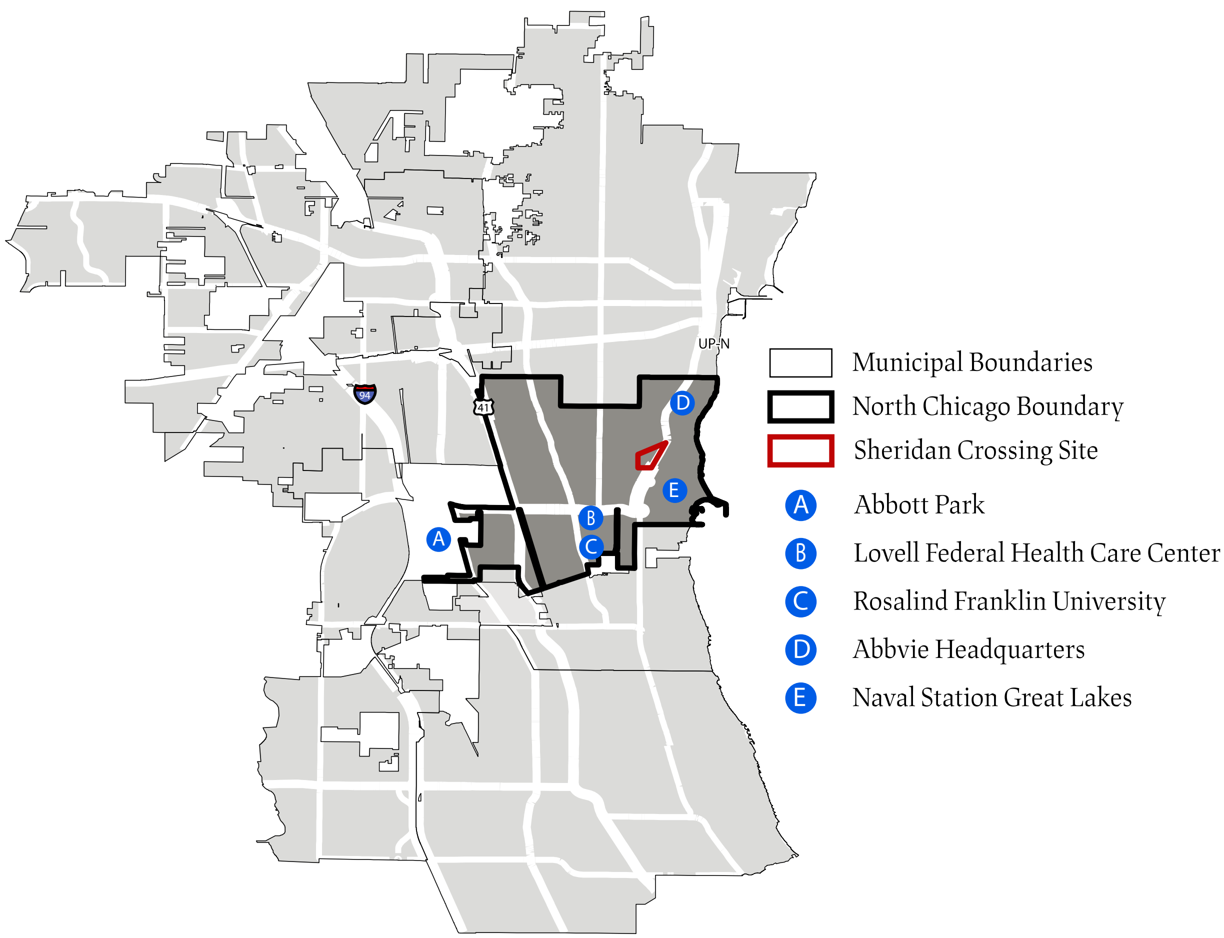
Collectively, these institutional and employment drivers reinforce the site's long-term potential to support redevelopment activity oriented toward employees, visitors, military families, and nearby residents.

FIGURE 11: NAVAL STATION GREAT LAKES GRADUATION DEMAND

Graduations / Year	Graduates / Ceremony	Visitors / Ceremony	Room Nights / Graduation*	Est. Annual Room Nights
48	~1,000	~5,000	~11,000	~528,000

SOURCE(S): *Source: NSGL stakeholder discussions.*

FIGURE 10: SHERIDAN CROSSING - INSTITUTIONAL MAP



SITE CHARACTERISTICS AND CONNECTIVITY CONSIDERATIONS

The site's Future Land Use designation of Regional Commercial and its B2 General Business zoning with an Urban Residential Overlay provide flexibility for a range of redevelopment configurations. Existing conditions analysis and site assessment also identified several characteristics supportive of redevelopment, including strong roadway visibility, access to regional transportation corridors, proximity to commuter rail service, and adjacency to existing institutional and residential areas.

The site also benefits from several longer-term connectivity and public realm opportunities associated with regional trail systems, open space investments, and potential adaptive reuse of transportation corridors. Stakeholder discussions with the Lake County Forest Preserve District identified ongoing investments in trail connectivity and lakefront access throughout the broader corridor, including planned improvements associated with the Robert McClory Bike Path.

At the same time, several physical site conditions may influence future redevelopment planning. National Wetlands Inventory mapping identifies approximately 5.4 acres of potential wetlands requiring formal delineation, while pedestrian connectivity—particularly east of Sheridan Road toward NSGL—will require careful consideration as part of future redevelopment planning efforts.

A detailed engineering and physical site assessment prepared by Antero Group is included in the Appendix to this report.

FIGURE 12: ROBERT MCCLORY BIKETRAIL

FIGURE 13: NAVAL STATION GREAT LAKES ROAD ACCESS

FIGURE 14: NORTH CHICAGO METRA STOP

COMMUNITY AND HOUSING CONTEXT

The neighborhoods surrounding Sheridan Crossing are characterized by a diverse housing stock, a substantial renter population, and strong connections to major institutional employers, particularly NSGL. Within the Primary Trade Area, renter households slightly outnumber owner households, reflecting a more mobile and workforce-oriented housing market than is typical of many suburban Lake County communities. At the same time, much of the existing housing inventory consists of older residential properties, including a significant share of income-restricted and subsidized rental housing.

While these conditions contribute to housing affordability, they also create gaps in the availability of newer, higher-quality housing options. Market analysis indicates that prevailing rents and home prices generally do not support large-scale market-rate residential development under current conditions. However, stakeholder input, together with data from the NSGL housing office, suggest that military personnel, regional employees, and other workforce households represent an important source of demand for well-designed housing offering modern amenities, convenient access to employment centers, and a strong sense of place.

Stakeholder discussions also identified broader community priorities related to economic opportunity, neighborhood reinvestment, and quality-of-life improvements. These conditions may support the inclusion of community-serving commercial uses, public gathering spaces, and related neighborhood-supportive redevelopment components.

KEY SITE CHARACTERISTICS SUMMARY

Several defining characteristics shape the long-term redevelopment potential of Sheridan Crossing. Collectively, these conditions suggest a site that is well positioned for phased redevelopment while also requiring careful calibration to surrounding market conditions and long-term implementation realities.

FIGURE 15: SHERIDAN CROSSING - STRENGTHS AND CONSIDERATIONS

Strengths	Considerations
NSGL adjacency	Moderate surrounding income profile
Regional roadway access	Competition from established retail nodes
Large redevelopment footprint	Phased absorption required
Existing institutional demand	Connectivity improvements needed
Trail and rail adjacency	Wetland delineation considerations
Flexible zoning framework	Legacy corridor perceptions

FIGURE 16: ROGER MCCLORY BIKE PATH SIGNAGE

CHAPTER 2. *Market Opportunities*

This section presents the findings of the market analysis for each major land use category evaluated as part of this study, translating trade area conditions and institutional demand patterns into directional development ranges, strategic roles, and implementation considerations for hospitality, food and beverage, retail, entertainment, and residential uses.

MARKET OPPORTUNITIES OVERVIEW

The market analysis conducted for this study evaluated the supportability of multiple land uses at Sheridan Crossing, including hospitality, dining and entertainment, neighborhood-serving retail and services, residential development, and related supporting uses. The findings indicate that the site's strongest near-term opportunities are concentrated in uses capable of generating recurring activity and reinforcing the site's relationship to NSGL and other institutional demand drivers.

Importantly, the redevelopment potential of Sheridan Crossing should not be viewed through the lens of any single use category in isolation. Rather, the analysis suggests that hospitality, dining, entertainment, and supporting commercial uses are most effective when developed as part of an integrated mixed-use environment capable of creating sustained activity, extending visitation time, and establishing long-term development momentum.

The market opportunities identified for Sheridan Crossing are also not uniform in terms of timing, scale, or strategic importance. Certain uses — particularly hospitality and food and beverage — appear positioned to function as early-phase catalysts capable of generating immediate activity and visibility for the site. Other uses, including residential development and larger entertainment concepts, may become increasingly viable as redevelopment activity matures and broader market momentum is established over time.

The following sections summarize current market conditions, institutional demand drivers, supportable development ranges, and strategic implications for each major use category evaluated as part of this study. For more detailed background analysis of market conditions by sector, see the **Summary of Existing Conditions** report in the Appendix.

The demand estimates presented in this report represent directional planning-level projections informed by current and anticipated market conditions, institutional demand drivers, and comparable development performance. Detailed modeling assumptions and methodology are provided in the Appendix.

FIGURE 17: GRUNEE MILLS SIGNAGE

SOURCE(S): *Enjoy Illinois:*

RETAIL AND NEIGHBORHOOD SERVICES OPPORTUNITIES

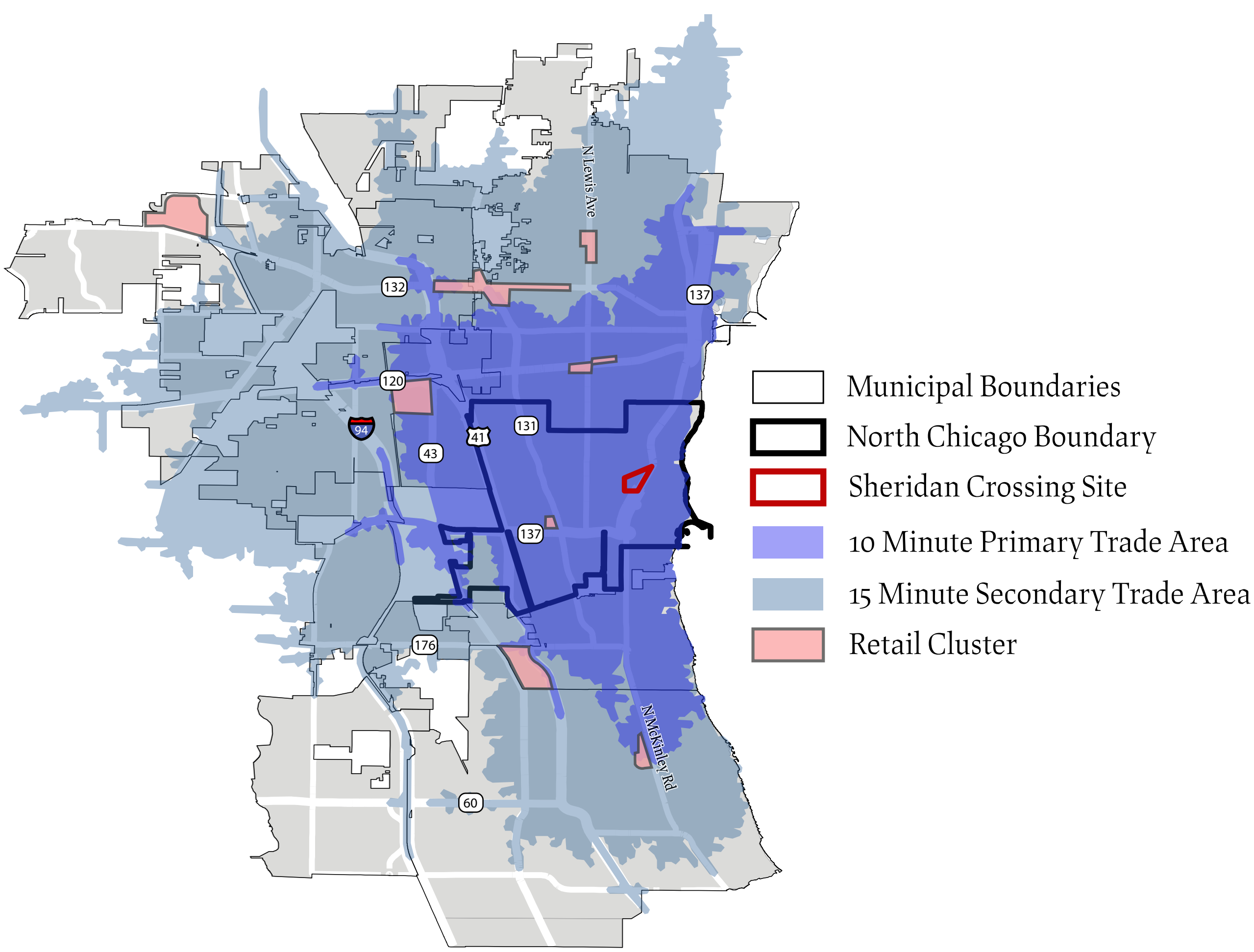
CURRENT MARKET CONTEXT

The Sheridan Crossing trade area contains several established retail corridors and commercial concentrations serving eastern Lake County, including retail districts along Green Bay Road, Waukegan's commercial corridors, the Fountain Square shopping and mixed-use center, and the Gurnee/Gurnee Mills district. These areas collectively provide a substantial inventory of regional retail, convenience commercial services, restaurants, and entertainment uses.

At the same time, portions of the immediate Sheridan Road corridor surrounding the site exhibit relatively limited concentrations of neighborhood-serving retail and service-oriented commercial space. Existing commercial conditions nearest to the site are characterized by a mix of smaller-scale convenience uses, aging commercial properties, automotive-oriented businesses, and scattered neighborhood retail activity.

Occupancy conditions, while varying by corridor and property type, are generally strong, with few observed vacancies along primary commercial corridors; however, the surrounding market does not presently demonstrate support for large-scale speculative retail expansion or additional regional shopping center development.

FIGURE 18: SHERIDAN CROSSING - KEY RETAIL MAP



MARKET IMPLICATIONS FOR SHERIDAN CROSSING

These conditions suggest that future retail opportunities at Sheridan Crossing are likely to be most successful when oriented toward convenience, service, and mixed-use-supportive functions rather than destination retail formats competing directly with established regional commercial centers. More specifically, the strongest opportunities appear concentrated in smaller-scale neighborhood-serving retail, convenience commercial services, and uses that directly support hospitality, dining, residential, and visitor activity generated elsewhere within the redevelopment framework.

Potential supportable retail categories may include convenience-oriented grocery and personal care shopping, personal services, small-format specialty retail tenants, grab-and-go concepts, fitness and wellness uses, and other commercial functions serving nearby residents, employees, military visitors, and future on-site activity generators. The integration of these uses within a walkable mixed-use environment may also help reinforce overall site activity and activation.

Importantly, the site's recommended commercial positioning emphasizes complementarity rather than direct competition with larger regional retail concentrations elsewhere in Lake County. This approach aligns more closely with both observed market conditions and the site's broader redevelopment role within the corridor.

Potential Supporting Retail and Service Categories:

- Convenience Retail. Small-format grocery, pharmacy, personal care, household goods.
- Personal Services. Dry cleaning, hair and nail services, alterations, pet care.
- Health and Wellness. Urgent care, physical therapy, specialty fitness, yoga.
- Specialty Food. Coffee shops, bakeries, specialty grocery, butcher/deli formats.
- Grab-and-Go. Sandwiches, prepared meals, juice bars oriented to daytime workers.
- Neighborhood Professional Services. Insurance, tax, notary, financial counseling.

SUPPORTABLE DEVELOPMENT PROGRAM

Based on current market conditions, trade area spending patterns, and the anticipated mixed-use character of the development, the analysis indicates that Sheridan Crossing could support approximately $6.5 million to $10.7 million in annual neighborhood-serving retail and commercial service sales potential. Depending on tenant mix, sales productivity, and phasing assumptions, this demand could translate into roughly 15,000 to 24,700 square feet of retail and service-oriented commercial space, or approximately four to six venues of this type.

Estimated supportable retail development potential is generally concentrated within smaller-format spaces integrated alongside hospitality, dining, entertainment, and related mixed-use activity generators rather than within larger-format standalone configurations.

Retail demand at the site is also likely to evolve incrementally in coordination with broader redevelopment activity. Early-phase retail opportunities will depend heavily on the establishment of initial hospitality, dining, and visitor-serving uses capable of generating sustained on-site traffic and activity.

FIGURE 19: ESTIMATED SUPPORTABLE RETAIL/SERVICES SALES AND SPACE POTENTIAL

Category	Estimated Annual Sales Potential ($M)	Approx. Supportable Sq. Ft.
Convenience Retail	$4.7-$7.7	10,400-17,100
Neighborhood Svcs./Specialty Retail	$1.8-$3.0	4,600-7,600
Total	**$6.5-$10.7**	**15,000-24,700**

STRATEGIC ROLE WITHIN THE FRAMEWORK

Retail and neighborhood-serving commercial uses are not expected to function as primary redevelopment catalysts at Sheridan Crossing. Instead, these uses are best positioned as supporting commercial components that reinforce broader site activity, improve convenience for visitors and residents, and contribute to the creation of an active mixed-use environment.

The long-term success of retail development at Sheridan Crossing will therefore depend on the careful integration of smaller-scale commercial uses alongside hospitality, dining, entertainment, residential, and public realm components capable of generating sustained activity throughout the redevelopment district.

FOOD AND BEVERAGE OPPORTUNITIES

CURRENT MARKET CONDITIONS

The trade area contains a wide range of restaurant and food service establishments, particularly within larger commercial corridors in Gurnee, Waukegan, and surrounding suburban communities. However, the immediate Sheridan Road corridor near the site currently offers relatively limited concentrations of newer dining options, destination-oriented full-service restaurants, or walkable restaurant clusters capable of serving visitors, military families, employees, and nearby residents in a cohesive setting.

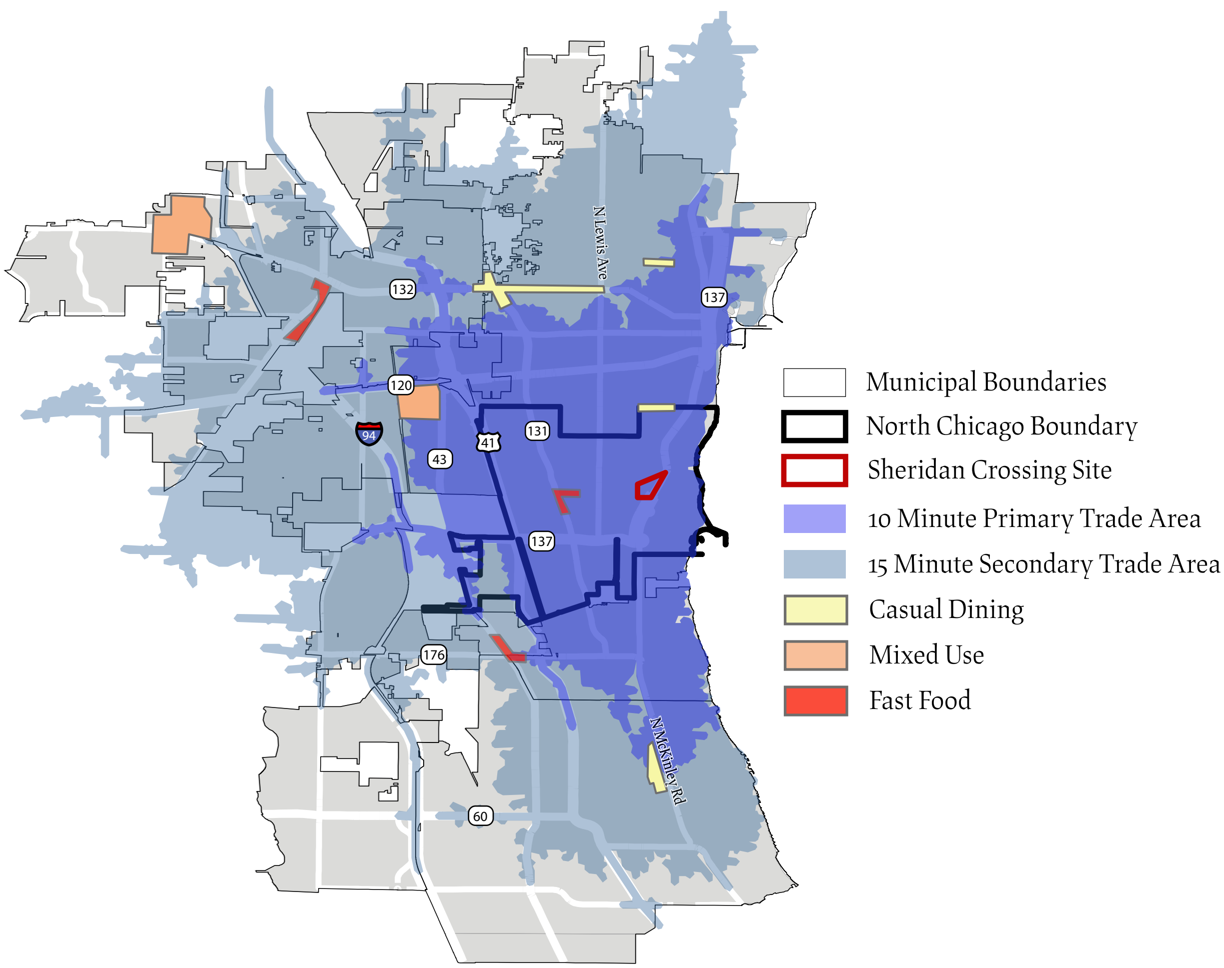
FIGURE 20: FOUNTAIN SQUARE SIGNAGE

Stakeholder discussions conducted as part of this study consistently identified a lack of quality dining options in proximity to NSGL, particularly for graduation visitors and military families seeking gathering-oriented restaurant environments before or after ceremonies and related events. Existing restaurant supply nearest the installation is generally fragmented, convenience-oriented, or limited in terms of atmosphere and destination appeal. Moreover, on-base dining options are not necessarily accessible to the general public on a daily basis.At the same time, regional (and national) trends continue to favor experiential food and beverage clusters that combine casual dining with nearby social activity, outdoor gathering spaces, and entertainment-oriented elements. These trends align well with the type of mixed-use, activity-supportive environment envisioned for Sheridan Crossing.

MARKET IMPLICATIONS FOR SHERIDAN CROSSING

The market conditions surrounding Sheridan Crossing suggest that food and beverage uses may represent one of the site's strongest near-term commercial opportunities. In particular, the combination of recurring NSGL visitation, institutional proximity, regional roadway visibility, limited

FIGURE 21: SHERIDAN CROSSING - RESTAURANT CLUSTER MAP



nearby dining options, and the site's broader placemaking potential creates favorable conditions for selected restaurants, cafés, breweries, and other food and beverage venues that can serve both daily and visitor target markets.

The clustering of dining uses alongside other uses within a walkable environment can help create a more active and destination-oriented environment, encouraging longer visits and reinforcing broader redevelopment momentum.

Potential supportable concepts may include casual dining restaurants, breweries or taprooms, fast-casual concepts, coffee shops and cafés, family-oriented gathering spaces, and entertainment-supportive food service uses oriented toward both military visitors and the surrounding community.

Potential Food and Beverage Typologies for Sheridan Crossing:

- Brewery or Taproom. Destination-oriented gathering concept; strong fit with young military demographic and graduation family visits.
- Casual Dining Restaurant. Sit-down, family-oriented; serves graduation visitors seeking pre/post-ceremony dining.
- Fast Casual Concept. Counter-service quality dining; high lunch traffic from daytime workers; lower occupancy threshold.
- Coffee Shop / Cafe. Morning commuter activation; trail user service point; year-round daily traffic anchor.
- Patio / Outdoor Dining. Activates plaza and public realm; extends evenings; supports event programming.
- Entertainment-Adjacent Dining. Bar or casual food service integrated with entertainment concept for evening activation.

SUPPORTABLE DEVELOPMENT PROGRAM

Food and beverage demand at Sheridan Crossing is supported primarily by a combination of local household spending, visitor activity associated with NSGL, daytime employment concentrations, and the site's potential evolution as a mixed-use destination environment. Collectively, these demand sources could support approximately $6.3 million to $10.5 million in annual food and beverage sales potential. Depending on tenant mix, concept type, sales productivity, and phasing assumptions, this demand could translate into roughly 9,600 to 15,900 square feet of restaurant and food service space distributed across a mix of coffee/breakfast, quick-service, and full-service/casual dining concepts.

Importantly, supportable food and beverage demand is likely to depend heavily on the successful establishment of complementary hospitality, entertainment, and visitor-oriented uses.

STRATEGIC ROLE WITHIN THE FRAMEWORK

Food and beverage uses are expected to function as one of the primary activity-generating components of the Sheridan Crossing redevelopment framework. In addition to serving existing residents and employees, these uses may help establish the site as a gathering-oriented environment, support hospitality uses, and create a stronger overall sense of identity and destination appeal.

The strategic value of food and beverage development at Sheridan Crossing therefore extends beyond direct commercial absorption alone. When integrated with hospitality, entertainment, and pedestrian-oriented public spaces, these uses may play an important role in creating the sustained activity and experiential character necessary to support broader long-term redevelopment momentum within the site and—with time and market maturation—along neighboring corridors as well.

FIGURE 22: ESTIMATED FOOD & BEVERAGE SALES AND SPACE POTENTIAL

Category	Estimated Annual Sales Potential ($M)	Approx. Supportable Sq. Ft.
Coffee/Breakfast	$0.8-$1.3	1,000-1,700
Quick-service/Fast Casual	$3.7-$6.2	5,300-8,800
Full-service/Causal Dining	$1.8-$3.0	3,300-5,400
Total	**$6.5-$10.7**	**15,000-24,700**

HOSPITALITY OPPORTUNITIES

CURRENT MARKET CONTEXT

The broader Lake County hotel market includes a range of limited-service, extended-stay, and select-service lodging properties concentrated primarily near Interstate 94, Fountain Square, Gurnee Mills, and other major regional commercial corridors. Existing hotel supply near NSGL and the Sheridan Road corridor, however, remains relatively limited in both quantity and quality, particularly for visitors seeking newer national-brand lodging proximate to the installation and surrounding areas.

Competitive market conditions suggest that higher-quality upper-midscale and select-service hotel properties consistently outperform older economy-oriented properties within the broader regional market. Nevertheless, existing lodging near the installation is generally characterized by aging and uneven inventory with limited integration into walkable mixed-use environments.

These conditions suggest an opportunity for a newer hospitality-oriented redevelopment component capable of serving military visitors, institutional travelers, and related area activity within a more cohesive mixed-use setting.

FIGURE 23: SHERIDAN CROSSING - HOSPITALITY MAP

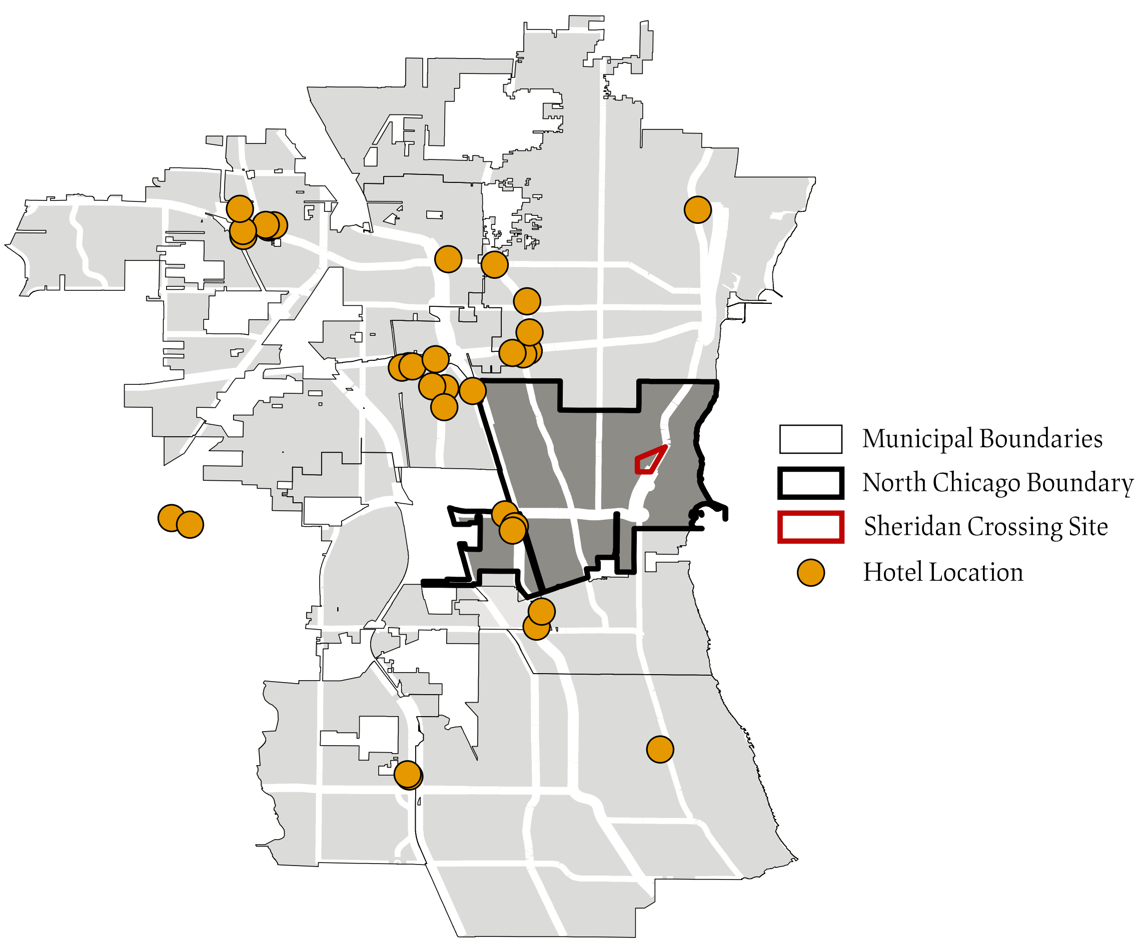


FIGURE 24: NAVAL STATION GREAT LAKES

SOURCE(S): *Chicago Tribune*

FIGURE 25: NORTH CHICAGO METRA STOP

FIGURE 26: METRA TRAIN TRACKER

INSTITUTIONAL DEMAND DRIVERS

NSGL represents one of the most significant recurring institutional hospitality demand generators in the region and functions as the primary driver of hospitality opportunity at Sheridan Crossing.

Stakeholder discussions conducted as part of this study identified recurring unmet demand for quality lodging options located near the installation's primary access points. Weekly graduation ceremonies and related activities generate significant visitor volumes throughout much of the year, while nearby hotel supply remains limited in terms of both proximity and product quality.

Additional demand generators could include corporate travel associated with the Abbott and AbbVie campuses, visitation related to the Captain James A. Lovell Federal Health Care Center, local and regional tourism activity, and broader Lake County business travel patterns. Collectively, these institutional and visitor demand drivers constitute a relatively stable demand pool capable of supporting hospitality and related visitor-oriented redevelopment uses in the immediate area.

SUPPORTABLE DEVELOPMENT PROGRAM

Based primarily on institutional visitation patterns, competitive market conditions, and identified unmet demand, Sheridan Crossing appears well positioned to support a select-service or upper-midscale hotel integrated within the broader mixed-use redevelopment environment. Potential supportable program ranges generally align with a moderately scaled hotel of approximately 120-145 rooms serving NSGL visitors, institutional travelers, and related corridor activity rather than large-scale convention or destination tourism demand.

An additional planning consideration is the Navy's ongoing exploration of redevelopment opportunities on selected parcels within NSGL, including the potential development of lodging accommodations. While any future on-base hotel development could capture a portion of military-related visitation demand, the timing, scale, and implementation pathway of such projects remain uncertain. Moreover, stakeholder discussions and market analysis suggest that existing visitor demand associated with NSGL and other regional institutions is substantial, yet currently dispersed across a broad lodging market. As a result, the introduction of additional nearby hotel supply would not necessarily eliminate support for a strategically positioned hospitality component at Sheridan Crossing, particularly one integrated within a broader mixed-use environment offering a variety of visitor-serving amenities.

Importantly, the long-term success of hospitality-oriented redevelopment at Sheridan Crossing will likely depend not only on room demand alone, but also on the site's ability to create a more active and cohesive visitor environment through the integration of other uses as discussed above. These complementary uses may help reinforce the overall attractiveness and competitiveness of hospitality uses while also supporting broader site activation.

As a result, the hospitality opportunity at Sheridan Crossing is best understood not simply as an individual lodging use, but as part of a broader institutional and visitor-oriented redevelopment framework capable of enhancing the overall development environment and identity.

FIGURE 27: HOSPITALITY PROGRAM SUMMARY

Metric	Range
Supportable Keys	120-145
Stabilized Occupancy (Target)	65%-70%
Segment Positioning	Upper-Midscale/Select-Service
Primary Demand Drivers	NSGL Visitors/Institutional/Other Visitors

ECONOMIC IMPLICATIONS

Using current upper-midscale operating benchmarks observed within the broader market—including Average Daily Rates (ADRs) approximating $120 to $125 and occupancy assumptions in the mid-to-upper 60% range reflecting the potential advantages of a newer, strategically positioned hotel property—a hotel of this scale could potentially support roughly $3.5 million to $4.5 million or more in annual room revenue under stabilized conditions. While these estimates are illustrative rather than predictive, they help demonstrate the potential economic significance of hospitality development as an early-phase catalyst within the broader Sheridan Crossing redevelopment framework.

STRATEGIC ROLE WITHIN THE FRAMEWORK

Hospitality is expected to function as the primary near-term redevelopment catalyst at Sheridan Crossing, although the ultimate scale and timing of a future lodging component should continue to be monitored in light of evolving plans both within NSGL and elsewhere in the regional hospitality market.

Unlike retail or office development, which would require substantially broader market depth to support large-scale speculative expansion, the hospitality opportunity within Sheridan Crossing is directly reinforced by recurring institutional visitation patterns already present within the corridor, particularly those associates with NSGL. As a result, hospitality-oriented redevelopment has the potential to establish an early and sustained activity base capable of supporting adjacent dining, entertainment, and related uses.

Like the food and beverage category, the strategic value of hospitality at Sheridan Crossing thus extends beyond revenue potentials alone. As part of the phased redevelopment framework, hospitality-oriented development can help create the foundation for broader site activation while preserving flexibility for additional redevelopment components as market conditions and implementation opportunities continue to evolve.

ENTERTAINMENT AND RECREATION OPPORTUNITIES

CURRENT MARKET CONTEXT

Entertainment and recreation opportunities within the broader Sheridan Crossing trade area are currently concentrated primarily within larger regional commercial districts, including Gurnee Mills, Six Flags, Fountain Square, other interstate-oriented retail corridors, and scattered standalone locations throughout the trade area. While these destinations provide a range of entertainment offerings, few cohesive activity-oriented environments currently exist in close proximity to Naval Station Great Lakes or along the immediate Sheridan Road corridor.

Existing entertainment uses near the site are generally fragmented and limited in their ability to function as integrated gathering environments for military families, younger adults, visitors, and nearby residents. Stakeholder discussions also identified a relative lack of social gathering spaces and evening-oriented activity environments adjacent to the installation and surrounding corridor.

Collectively, these conditions suggest an opportunity for selected activity-oriented entertainment and recreation uses capable of reinforcing broader site activity and supporting a more cohesive visitor environment near NSGL.

ACTIVITY-ORIENTED ENTERTAINMENT OPPORTUNITY

The strongest entertainment opportunities at Sheridan Crossing are likely concentrated in flexible, activity-oriented concepts. Rather than relying on large-scale destination entertainment anchors, the site appears better positioned for entertainment uses that reinforce broader hospitality, food and beverage, and public realm activity throughout the corridor.

FIGURE 28: NORTH CHICAGO PARK PLAYGROUND

In particular, emerging "social entertainment" concepts may align well with the site's institutional demand drivers, visitor patterns, and mixed-use redevelopment objectives. These concepts typically combine food and beverage service with interactive gaming (non-gambling), casual recreation, and group-oriented activity within highly social environments designed to appeal to a broad range of users and age groups.

Potential entertainment formats may include integrated concepts combining arcade and other types of gaming, casual recreation, sports viewing, flexible event programming, and related social activities alongside bars, restaurants, patios, and other gathering-oriented spaces. These formats are designed to encourage extended visitation, repeat activity, and group interaction rather than functioning as single-purpose entertainment venues.

The combination of recurring NSGL-related support, nearby residential neighborhoods, younger adult demographics, and broader mixed-use activity generation may create favorable conditions for entertainment concepts capable of serving military personnel, graduation visitors, families, and the surrounding community simultaneously.

PUBLIC REALM & EXPERIENTIAL CONCEPTS

In addition to activity-oriented entertainment uses, Sheridan Crossing may also support complementary public realm and experiential placemaking elements that reinforce site identity, walkability, and visitor experience. These concepts can be seen as supporting layers within the broader redevelopment framework primary attractions or redevelopment drivers.

Site assessment and stakeholder discussions identified opportunities to better connect the site with surrounding trail systems, public spaces, and institutional assets, including potential relationships to the Robert McClory Bike Path and broader lakefront connectivity initiatives. These connections can create opportunities for outdoor gathering spaces, trail-oriented amenities, event programming, and pedestrian-oriented public realm improvements integrated alongside commercial uses.

FIGURE 29: EXAMPLE FARMERS MARKET

FIGURE 30: EXAMPLE TOWN CENTER

FIGURE 31: EXAMPLE STREET FAIR

Additional opportunities may also exist for interpretive and experiential elements connected to the site's military and transportation history. Potential concepts could include public art, heritage interpretation features, informal walking exhibits, military recognition elements, or related placemaking components capable of reinforcing corridor identity and creating a more distinctive visitor environment. Such concepts could also act as satellites of the existing National Museum of the American Sailor.

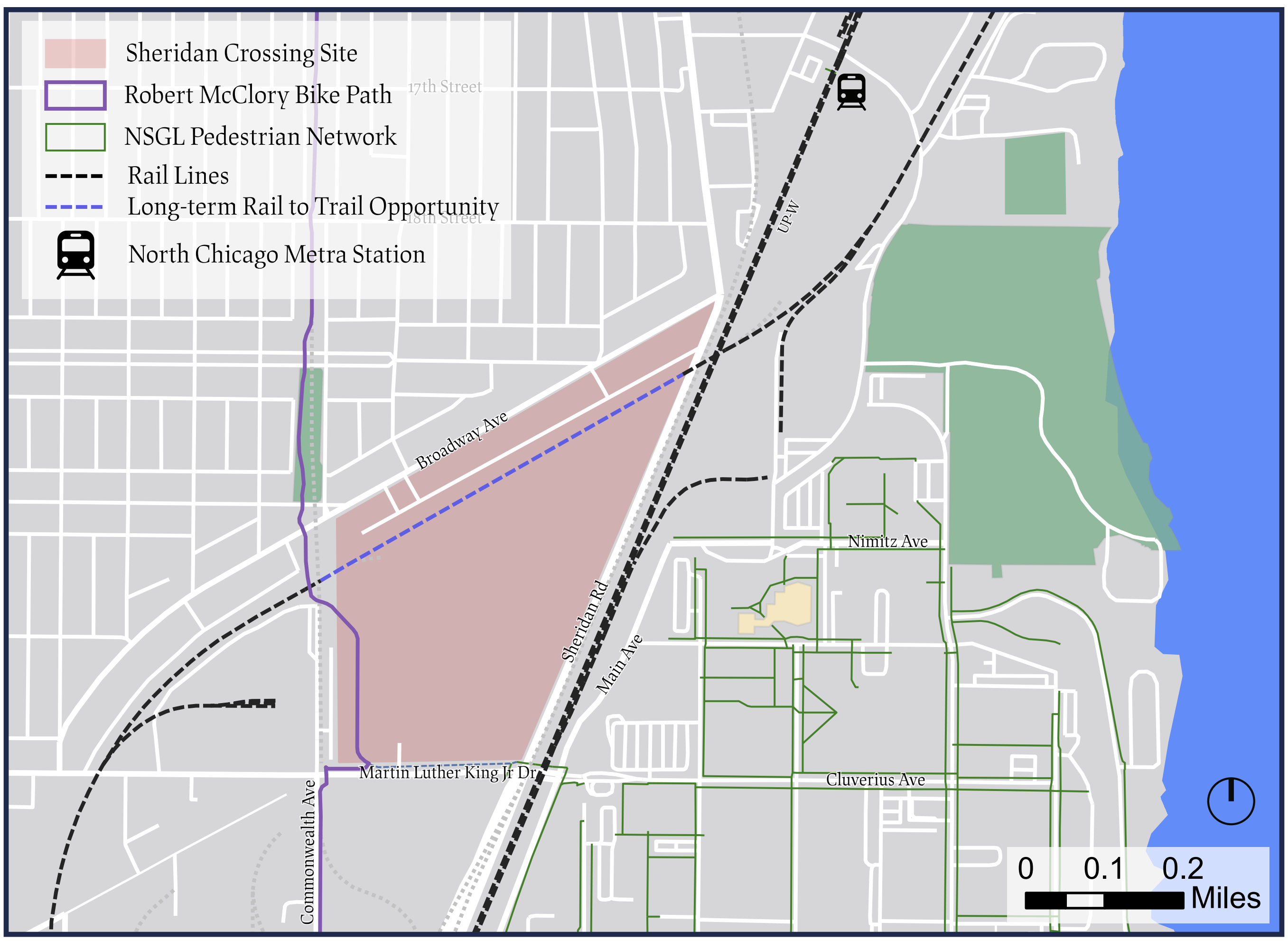
When integrated within active mixed-use areas, these features can help create a more memorable destination experience.

SUPPORTABLE DEVELOPMENT PROGRAM

As discussed, commercial entertainment and recreation opportunities at Sheridan Crossing are likely to function as supporting experiential uses tied primarily to hospitality activity, food and beverage clustering, and broader mixed-use placemaking objectives. Within this context, the site could support approximately $1.4 million to $2.2 million in annual entertainment-related revenue over time. Depending on concept type, operating model, and phasing assumptions, this demand could translate into roughly 3,900 to 6,400 square feet of space integrated within the larger development framework.

Importantly, entertainment formats are highly flexible and continue to evolve rapidly within mixed-use environments. As a result, these estimates should be

FIGURE 32: SHERIDAN CROSSING - SITE CONNECTIVITY MAP



interpreted directionally and understood as representing a range of potential experiential, recreational, and social entertainment uses rather than a single predetermined entertainment format or type.

Entertainment demand at Sheridan Crossing is likely to evolve incrementally alongside broader site activation. Early-phase opportunities may be relatively modest in scale and closely tied to other site activity, while more specialized or multifaceted concepts may become increasingly viable as redevelopment momentum and visitor activity strengthen.

STRATEGIC ROLE WITHIN THE FRAMEWORK

Entertainment and recreation uses are best positioned as supporting activation components within the Sheridan Crossing redevelopment framework. When integrated alongside hospitality, dining, public gathering spaces, and pedestrian-oriented development, entertainment and recreation uses integrated into the development could help strengthen and reinforce evening and weekend activity, extend visits, strengthen corridor identity, and contribute to a more active and experiential mixed-use environment.

RESIDENTIAL OPPORTUNITIES

CURRENT MARKET CONTEXT

The Sheridan Crossing site is not currently positioned to support large-scale speculative residential development as a primary redevelopment catalyst. Existing ownership housing conditions within North Chicago remain relatively weak, with prevailing home sale prices generally below levels necessary to support substantial new for-sale construction. While pockets of newer development have occurred in places around the wider region, little recent market-rate residential investment has occurred within the immediate area around the Sheridan Crossing site.

At the same time, however, the site benefits from its unique institutional context that differentiates it from many surrounding residential submarkets. NSGL generates recurring demand for housing associated with military personnel, trainees, instructors, contractors, and related institutional activity. While this demand does not currently support large-scale conventional apartment development, it may create opportunities for more targeted rental housing concepts tied to the broader mixed-use evolution of the site.

RESIDENTIAL OPPORTUNITY

The most supportable residential opportunities at Sheridan Crossing are smaller-scale, phased rental housing oriented primarily toward military-affiliated households, workforce renters, and residents seeking proximity to NSGL and other regional employment centers.

Potentially viable concepts include:

- Rental townhome, cottage, or courtyard-style units that can be developed incrementally over time
- Smaller-scale multifamily buildings integrated into mixed-use areas
- Workforce-oriented rental housing serving nearby employment centers
- Potential furnished or flexible-duration rental concepts oriented toward military- and other institutional-related demand

Importantly, achievable rent positioning will likely need to remain sensitive to military and workforce household rent tolerances. This dynamic will likely favor smaller-

FIGURE 33: ESTIMATED ENTERTAINMENT SALES AND SPACE POTENTIAL

Category	Estimated Annual Sales Potential ($M)	Approx. Supportable Sq. Ft.
Entertainment	$1.4-$2.2	3,900-6,400
Total	**$1.4-$2.2**	**3,900-6,400**

format units, attached rental formats, and flexible housing concepts capable of aligning more effectively with military-affiliated demand patterns and renter affordability expectations.

These concepts are likely to be most successful as the district matures and establishes a stronger sense of place, supported by increased activity, amenities, and investment throughout the site. As redevelopment activity gains momentum, residential uses could play an increasingly important role in supporting year-round activity, expanding the customer base for on-site businesses, and reinforcing the district's long-term vitality.

SUPPORTABLE DEVELOPMENT PROGRAM

Current market conditions suggest that a relatively modest initial residential program is most appropriate. Based on the broader market analysis and institutional demand indicators—including occupancy levels approaching 100% within NSGL housing facilities and established wait lists exceeding 60 households—an initial pilot phase in the range of 15 to 25 rental units appears directionally supportable under current conditions, particularly if targeted toward military-affiliated and workforce households.

An additional factor supporting the residential opportunity is the alignment between achievable rents for new construction and military housing allowances available to many NSGL personnel. Based on current Basic Allowance for Housing (BAH) schedules for enlisted personnel with dependents, effective rental purchasing power generally falls within a range of approximately $2,100 to $2,700 per month after accounting for utility allowances. This range aligns closely with the rent levels likely required to support

FIGURE 34: ILLUSTRATIVE TOWNHOME DEVELOPMENT: MORRIS STATION, MUNDELEIN

new townhome and family-oriented rental product at Sheridan Crossing, suggesting that military households may represent an important source of demand for future residential development.

While near-term residential demand appears relatively modest, opportunities for expansion may strengthen as redevelopment activity progresses and the district establishes a stronger identity. For long-range planning purposes, Sheridan Crossing could ultimately accommodate a somewhat larger residential component, potentially approaching 35 to 50 units over time. These figures should be viewed as flexible planning ranges rather than fixed development targets, with the pace and scale of future residential development calibrated to evolving market conditions and redevelopment momentum.

STRATEGIC ROLE WITHIN THE FRAMEWORK

Within the broader Sheridan Crossing redevelopment framework, residential development is best understood as a complementary use that helps reinforce long-term mixed-use activity rather than as an independent economic driver. Over time, a modest residential presence could help support additional site activity, strengthen demand for neighborhood-serving uses, and contribute to a more cohesive and active district environment.

Similarly, residential uses may become increasingly viable as development momentum strengthens, but near-term redevelopment efforts should remain focused primarily on the uses most directly aligned with demonstrated institutional demand and site activation objectives.

FIGURE 35: RESIDENTIAL DEVELOPMENT FRAMEWORK

Scenario	Approximate Supportable Units	Primary Strategic Positioning
Initial Pilot Phase	15-25	Military/workforce rental
Long-Term Potential	35-50	Mixed-use supporting residential

CHAPTER 3. *Stadium Scenario*

This section evaluates the potential redevelopment implications of a moderately scaled soccer stadium and event venue at Sheridan Crossing, treating the concept as a conditional overlay scenario that could amplify activity and reinforce other uses if successfully advanced, rather than as a prerequisite for the site's broader viability.

STADIUM SCENARIO OVERVIEW

As part of the stakeholder outreach and market exploration process conducted for this study, a private development group expressed preliminary interest in the potential development of a soccer-oriented stadium and entertainment venue within Sheridan Crossing. The concept, as discussed during stakeholder interviews, generally envisions a moderately scaled stadium capable of supporting lower-division professional or semi-professional soccer activity, along with related entertainment programming, community events, tournaments, concerts, and other activity-generating uses.

At the time of this study, however, the concept remains highly preliminary and should be understood as exploratory rather than fully defined. Accordingly, the analysis presented in this section focuses on the potential redevelopment implications of such a venue rather than the feasibility of a specific stadium proposal.

Importantly, the broader redevelopment framework outlined throughout this report is not dependent upon stadium development. The market analysis completed as part of this study supports a viable mixed-use redevelopment pathway for Sheridan Crossing independent of a stadium scenario, particularly through hospitality-oriented redevelopment, supporting food and beverage uses, activity-oriented entertainment concepts, targeted residential investment, public realm improvement, and phased mixed-use activation.

The stadium scenario is therefore evaluated as a potential redevelopment overlay capable of amplifying activity levels, reinforcing hospitality and entertainment demand, and accelerating certain aspects of redevelopment should such a concept advance in the future.

For purposes of this analysis, the stadium scenario generally assumes a venue in the approximate range of 3,000 to 5,000 seats capable of supporting recurring athletic events, community programming, and ancillary entertainment activity integrated within the broader mixed-use redevelopment framework envisioned for Sheridan Crossing. The analysis that follows focuses primarily on the strategic redevelopment implications of such a concept.

POTENTIAL REDEVELOPMENT IMPLICATIONS

ACTIVITY AND VISITATION AMPLIFICATION

A stadium-oriented redevelopment scenario has the potential to increase activity intensity and visitation levels within Sheridan Crossing beyond the baseline mixed-use redevelopment framework evaluated throughout this study. Recurring athletic events, tournaments, concerts, community programming, and related entertainment activity could generate concentrated periods of visitor traffic capable of extending activity into evenings, weekends, and seasonal event cycles beyond existing institutional visitation patterns associated primarily with Naval Station Great Lakes.

Importantly, these activity increases would be episodic in nature, not occurring continuously or uniformly throughout the year.

HOSPITALITY & ENTERTAINMENT REINFORCEMENT

Additional visitor activity generated through a stadium-oriented scenario could strengthen support for hospitality, dining, and entertainment uses already identified elsewhere in this report as important components of the broader redevelopment framework. Increased event attendance and recurring visitation could contribute to higher lodging utilization, expanded restaurant demand, greater evening activity, and stronger support for activity-oriented entertainment concepts throughout the site.

However, the stadium scenario does not fundamentally alter the underlying market positioning of these uses. Hospitality, dining, entertainment, and public gathering environments would remain most successful when developed as part of a cohesive mixed-use setting rather than as isolated event-oriented facilities. The stadium scenario instead functions primarily as a potential amplification mechanism capable of increasing utilization levels and reinforcing broader redevelopment momentum.

PUBLIC REALM & IDENTITY IMPLICATIONS

A stadium-oriented redevelopment pathway could also contribute to a more active and recognizable public environment within Sheridan Crossing, particularly if integrated alongside gathering spaces, outdoor programming areas, and pedestrian-oriented public realm improvements. Event-day activity, community programming, and recurring public gatherings could help strengthen the corridor's identity as a destination-oriented mixed-use environment while reinforcing broader placemaking objectives identified elsewhere in this report.

The presence of a stadium venue (and associated parking and other stadium-related infrastructure) may also create opportunities for expanded public programming, seasonal events, festivals, military-related ceremonies, and community-oriented gathering activities capable of extending site utilization beyond athletic events alone. In this sense, the stadium concept has potential implications not only for economic activity, but also for long-term site identity and experiential character.

IMPLEMENTATION CONSIDERATIONS

While a stadium-oriented redevelopment scenario could materially amplify activity levels and redevelopment momentum, it would also introduce additional implementation complexity relative to the baseline redevelopment framework identified elsewhere in this report. Infrastructure coordination, parking demand, and event management would become more significant considerations should such a concept advance in the future.

1. **Stadium Events** — Soccer matches, Concerts, Tournaments
2. **Visitor Traffic Surge** — Event attendees + hotel guests
3. **Dining Activation** — Pre/post-event restaurant demand
4. **Hotel Utilization** — Overnight visits; shoulder period fill
5. **Site Identity** — Visibility recognition, repeat visitaiton

At this stage, however, detailed planning analysis remains premature given the conceptual nature of the stadium scenario. As a result, the primary relevance of the stadium scenario at this stage lies less in specific operational assumptions and more in its potential influence on long-term redevelopment intensity, visitor activity, and mixed-use activation.

STRATEGIC RISKS AND UNCERTAINTY

While a stadium-oriented redevelopment scenario could create meaningful redevelopment opportunities, the concept evaluated as part of this study remains highly preliminary. No finalized operator, financing structure, ownership arrangement, development agreement, event schedule, or implementation framework has been established. As a result, significant uncertainty remains regarding the timing, structure, and long-term viability of any future stadium-oriented redevelopment scenario.

Stadium-oriented redevelopment would also likely involve substantially greater implementation complexity and long-term coordination requirements than the baseline redevelopment framework identified elsewhere in this report. These conditions reinforce the importance of maintaining flexibility within future redevelopment planning efforts while avoiding overdependence on any single catalytic component.

SUMMARY FINDINGS

The stadium scenario evaluated as part of this study represents a potentially significant but highly conditional redevelopment overlay within the broader Sheridan Crossing framework. If successfully implemented, such a concept could amplify visitor activity, reinforce hospitality and entertainment demand, and strengthen the corridor's identity as a destination-oriented mixed-use environment.

At the same time, the stadium concept remains preliminary and should not be understood as a prerequisite for redevelopment viability. Rather, it represents one potential pathway capable of accelerating broader mixed-use redevelopment activity should such a concept ultimately advance.

FIGURE 36: STADIUM SCENARIO OPPORTUNITIES AND RISKS

Opportunities	Risks
Increased visibility	Capital intensity
Hospitality reinforcement	Operational complexity
Expanded economic activity	Parking/infrastructure demands
Stronger destination identity	Uncertain implementation
Community programming	Land allocation tradeoffs

CHAPTER 4. *Development Framework*

This section will translate the market findings presented in Sections 1 through 3 into a phased spatial framework organizing the site into use areas, establishing land allocation priorities, and guiding future planning, infrastructure investment, and developer solicitation efforts; it will be completed following wetland delineation, site survey, and City review of the market findings.

OVERVIEW

This section establishes the spatial and programmatic framework for the redevelopment of the Sheridan Crossing site. Drawing directly from the market findings presented in Sections 1 through 3, it identifies how land uses should be organized across the site, articulates the rationale for each use's location and configuration, and defines the sequencing logic that should govern phased investment over time. All recommendations are grounded in documented market demand; no use is advanced without an evidentiary basis, and no sequence is proposed without a market rationale for the ordering.

The framework is structured to provide clear development direction while preserving the flexibility necessary to respond to changing market conditions, investment interest, and partnership opportunities over the life of what will be a multi-year, multi-phase redevelopment process. It should be understood as a planning guide for developer solicitation and early project negotiations rather than a fixed site plan or final land allocation.

Two prerequisites must be satisfied before this framework can be finalized. A formal wetland delineation is required to confirm the extent and jurisdictional status of the NWI-mapped potential wetlands on the western portion of the site. A licensed boundary survey is required to establish precise parcel dimensions and the alignment of the Canadian National freight corridor across the site. Until both are complete, the use area boundaries described herein should be treated as planning-level guidance rather than adopted spatial boundaries.

SITE ORGANIZATION

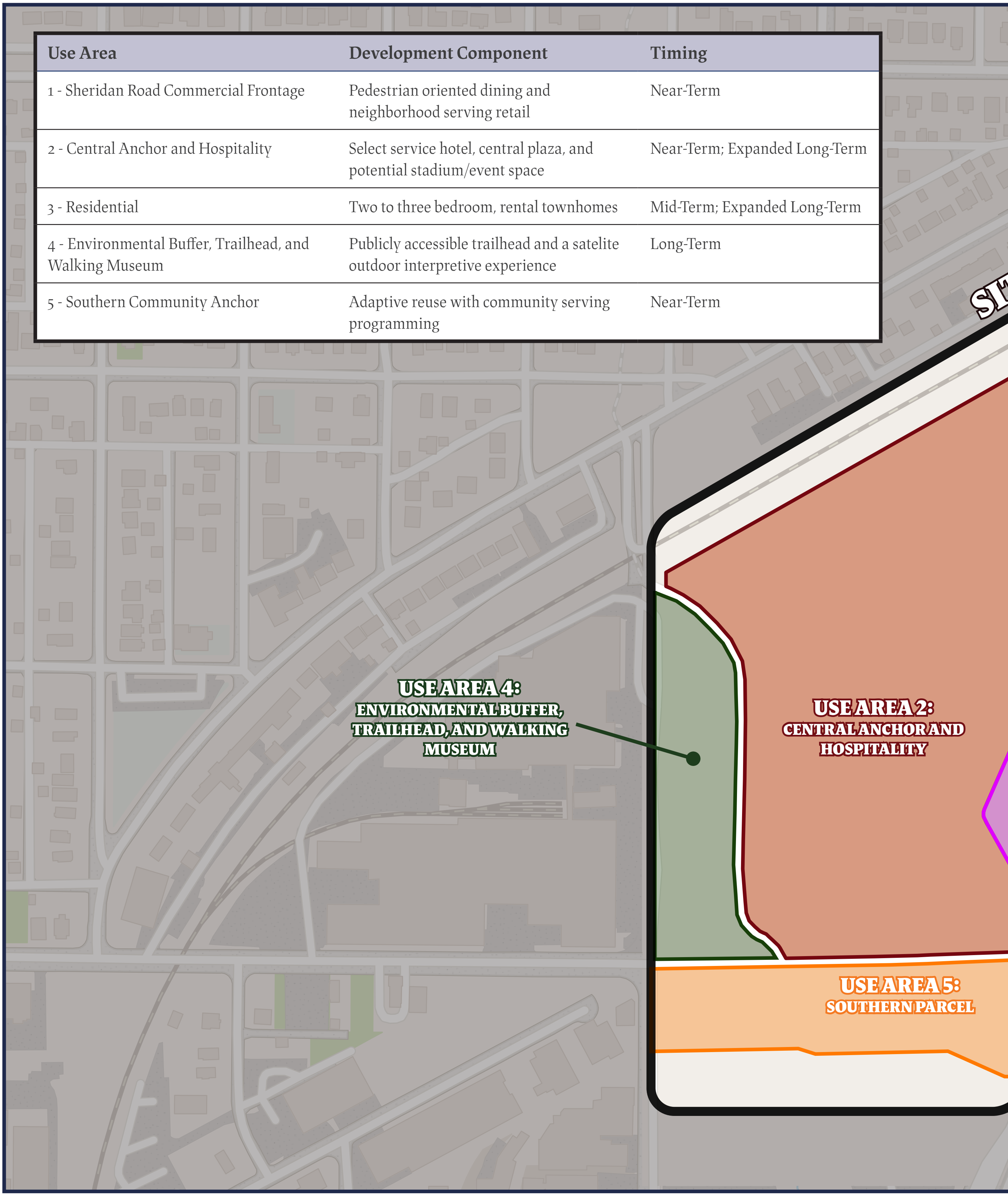
The Sheridan Crossing site encompasses approximately 40.8 gross acres bounded by Sheridan Road (US-137) to the west, Martin Luther King Jr. Drive to the south, and the Metra Union Pacific North Line to the east. The Canadian National Railway freight corridor bisects the site diagonally from the northwest to the northeast. The Robert McClory Bike Path runs along the western edge of the site. Naval Station Great Lakes is located immediately to the east and southeast.

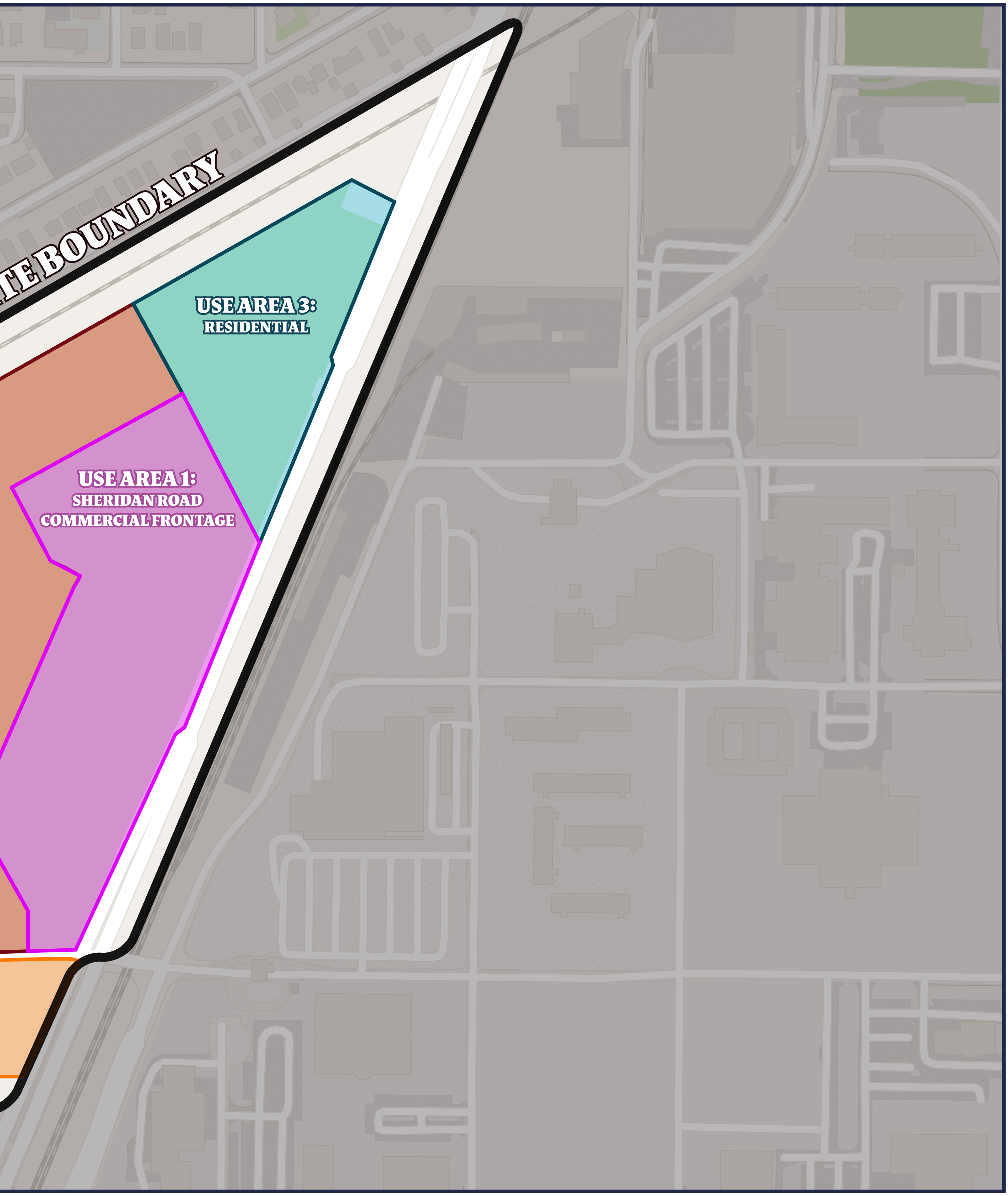
The site's physical conditions and market relationships together organize development into five use areas. The following section defines those use areas, their spatial logic, and their relationship to the market findings.

FIGURE 37: SHERIDAN CROSSING SITE LOOKING NORTH

FIGURE 38: SHERIDAN CROSSING LAND USE FRAMEWORK MAP

Use Area	Development Component	Timing
1 - Sheridan Road Commercial Frontage	Pedestrian oriented dining and neighborhood serving retail	Near-Term
2 - Central Anchor and Hospitality	Select service hotel, central plaza, and potential stadium/event space	Near-Term; Expanded Long-Term
3 - Residential	Two to three bedroom, rental townhomes	Mid-Term; Expanded Long-Term
4 - Environmental Buffer, Trailhead, and Walking Museum	Publicly accessible trailhead and a satelite outdoor interpretive experience	Long-Term
5 - Southern Community Anchor	Adaptive reuse with community serving programming	Near-Term




TE BOUNDARY
USE AREA 3:
RESIDENTIAL
USE AREA 1:
SHERIDAN ROAD
COMMERCIAL FRONTAGE

USE AREA CONCEPT

The development framework organizes the Sheridan Crossing site into five use areas, each defined by its physical location, the market demand it is designed to serve, and the role it plays in the overall sequence of development. Use areas are not rigid zones or formal zoning designations; they are planning guidance identifying where different types of investment belong, why, and in what order. Together they form a coherent program that builds from the site's documented strengths, responds to its physical constraints, and preserves flexibility as market conditions and partnership opportunities evolve.

USE AREA 1: SHERIDAN ROAD COMMERCIAL FRONTAGE

The eastern edge of the site, running along Sheridan Road from the northern boundary to Martin Luther King Jr. Drive, constitutes the site's primary commercial frontage and its most important Phase 1 investment priority. This use area is defined by its direct exposure to Sheridan Road, which carries 8,050 Annual Average Daily Traffic vehicles adjacent to the site, and its proximity to the 45,129 daytime workers within a 10-minute drive. These two conditions, combined with a documented absence of quality food and beverage and neighborhood-serving retail in the immediate corridor, establish the commercial program's demand foundation.

Market research confirms a trade area restaurant occupancy rate of 98.5% and average asking rents of $21.91 per SF NNN, the tightest category in the broader market analysis. No sit-down dining exists on the publicly accessible side of the installation or immediately adjacent to the site. The market analysis supports a total commercial program of 28,500 to 47,000 SF organized across three categories. Food and beverage (9,600 to 15,900 SF) encompasses coffee and breakfast, quick-service and fast casual, and full-service casual dining formats. Retail and services (15,000 to 24,700 SF) encompasses convenience retail and neighborhood-serving personal and professional services. Entertainment (3,900 to 6,400 SF) supports one smaller-format social or activity-oriented concept consistent with the trade area's median age of 29.7 years and its young professional and military demographic.

Development within this use area should consist of one- to two-story inline storefront buildings positioned along the Sheridan Road edge with active ground-floor uses, transparent storefronts, and weather-protected pedestrian frontage. The Urban Residential Overlay waives the standard 30-foot front yard setback of the underlying B2 zoning district, permitting buildings to address the street directly. Surface parking should be located to the rear of commercial buildings rather than between buildings and the street, consistent with best practices for pedestrian-oriented commercial development. A continuous pedestrian promenade along the commercial frontage constitutes the primary public realm investment in Phase 1 and should be designed to accommodate both daily foot traffic and periodic community programming such as farmers markets and outdoor events.

The Sheridan Road and Martin Luther King Jr. Drive intersection recorded 19 of the site's 52 documented crashes between 2020 and 2024, representing the highest crash concentration in the study area. Development generating additional turning movements or pedestrian crossings at this location will require coordination with the Illinois Department of Transportation prior to occupancy. Signal timing modifications, dedicated turn lane improvements, and pedestrian crossing enhancements are eligible expenditures within a Tax Increment Financing district and should be incorporated into the TIF project plan at the outset of the redevelopment process.

USE AREA 2: CENTRAL ANCHOR AND HOSPITALITY

The central interior of the site is designated for the primary hospitality anchor and the site's principal public gathering space. This use area is positioned to serve visitors who are heading to the site rather than passersby on Sheridan Road. The distinction is materially significant: the hotel demand base is institutional and predictable, generated primarily by NSGL graduation ceremonies, corporate travel to Abbott and AbbVie, and medical visits to Captain James A. Lovell Federal Health Care Center. These visitors navigate directly to their lodging destination and do not rely on roadside visibility to find it.

Market demand modeling supports a select-service hotel with 120 to 147 keys, targeting a stabilized occupancy of 65% to 72%. The base case scenario produces 33,148 annual room nights at the site, of which the vast majority originate from NSGL-related institutional activity. No quality lodging product currently exists adjacent to the installation's primary access points on the public side. The Naval Station has issued an active Request for Information for hotel development in the vicinity of the installation, confirming institutional awareness of and interest in the demand gap. The appropriate product type is upper-midscale select-service with a nationally recognized brand affiliation, 120 to 150 keys, limited food and beverage service, and modest meeting space suited to the military family and institutional traveler market.

The hotel should be sited in the northern portion of this use area. A central plaza immediately to the south of the hotel serves as the site's primary public gathering space and should be designed to accommodate both the hotel's daily operational needs and larger public programming including graduation-day events, outdoor concerts, community markets, and civic ceremonies. The plaza functions as the activated connector between the hotel, the commercial uses in Use Area 1, and the residential program in Use Area 3, and its design should reflect that multi-directional relationship.

The southern portion of this use area should be reserved for the stadium and events venue if that scenario is advanced in Phase 3. In Phases 1 and 2, this area serves as surface parking, preserving the development option without requiring a capital commitment. Should the stadium scenario not be pursued, the reserved area is suitable for additional hotel keys in an extended-stay format, a conference and events center, or a large-format entertainment venue, all of which are consistent with the use area's hospitality orientation and the site's overall development program.

The experience of comparable mixed-use redevelopments, including the phased delivery of the hotel district at Liberty Station in San Diego, confirms that hospitality investment requires demonstrated commercial performance as a prerequisite for financing. Hotel lenders require evidence of a functioning commercial environment before underwriting new lodging supply. Phase 1 commercial development serves a dual purpose: it generates economic activity in its own right and produces the lease-up and performance data necessary to support hotel financing in Phase 2.

USE AREA 3: RESIDENTIAL

The residential component of the Sheridan Crossing program addresses a specific, confirmed market need rather than a general population growth assumption. On-base privatized military housing at Forrestal Village and Nimitz Village is 97.8% occupied, with 64 service members formally registered on the waiting list. This waiting list, adjusted upward by a shadow demand multiplier to account for unmet off-base demand not reflected in the formal count, yields a base-case estimate of approximately 23 supportable rental units. The planning range extends from 13 units in a conservative scenario to 37 units in an upside scenario, with a planning placeholder of 40 units across approximately 5 acres applied for master planning purposes.

The target household is the E5 to E7 military service member with dependents, whose Basic Allowance for Housing at the Great Lakes duty station ranges from $2,427 per month at the E5 grade to $2,853 per month at the E7 and above grade. Applying the standard 87% rent component to the BAH schedule yields supportable target rents of $2,100 to $2,700 per month, well above the surrounding market's average of approximately $810 per month. This rent differential is a function of the BAH program rather than comparable rent growth, providing a more stable demand basis than comparable-construction-rate residential development. For-sale residential is not supported: the median detached transaction price of $254,000 and the median attached price of $133,500 are both below the cost of new construction.

Residential investment is designated as a Phase 2 activity, following Phase 1 commercial establishment. This sequencing is deliberate. A quality off-base housing product adjacent to established dining, retail, and a public trail amenity presents a materially stronger value proposition to prospective military family tenants than the same product adjacent to an undeveloped site. Phase 1 establishes conditions that improve the predictability of residential absorption in Phase 2.

The recommended building type is two- to three-bedroom rear-loaded townhomes of approximately 1,400 to 2,000 SF per unit with attached two-car garages, two to three stories in height. The residential character of this use area should be clearly differentiated from the commercial uses to the west through appropriate landscape buffering, residential-scale building massing, and lighting standards suited to a residential environment. Proximity to the North Chicago Metra station, 0.4 miles to the north, should be reflected in the site design through bicycle storage facilities and a well-defined pedestrian connection to the station.

USE AREA 4: ENVIRONMENTAL BUFFER, TRAILHEAD, AND WALKING MUSEUM

Approximately 5.4 acres of NWI-mapped potential wetlands along the western edge of the site (1.82 acres PEM1F and 3.58 acres PEM1C) constrain conventional building construction in this use area. Rather than treating these constraints as deficiencies to be remediated, the framework assigns uses that are specifically suited to the environmental conditions: a publicly accessible trailhead hub connecting to the regional trail network, and a satellite outdoor interpretive experience associated with the National Museum of the American Sailor.

Trailhead Hub

The western wetland buffer presents a planning challenge that a defined trailhead hub helps to resolve. The site's western edge is near the Robert McClory Bike Path, the principal north-south trail corridor running through Lake County. A designed trailhead at this location could include covered bike parking for 30 to 50 bicycles, a repair stand with basic tools, a water station, wayfinding describing the regional trail network, and a public restroom.

Parking for the trailhead can be managed in two ways depending on the development timeline. Prior to hotel or stadium delivery, a dedicated surface lot of 20 to 40 spaces adjacent to the trailhead provides access for trail users, graduation family visitors, and community members. Once adjacent uses are operational, the trailhead could transition to a shared parking arrangement with subsequent developers and property owners.

Research on comparable trail corridors documents measurable economic effects from trail adjacency. DePaul University's Institute for Housing Studies found a 22% property value premium in moderate-cost neighborhoods adjacent to Chicago's 606 trail. Applied conservatively to the residential program in Use Area 3, trail adjacency contributes to the financial viability of the housing program independent of other site improvements.

FIGURE 39: EXAMPLE TRAILHEAD

Walking Museum Experience

The National Museum of the American Sailor is a significantly underutilized cultural asset. The museum holds more than 40,000 artifacts and records, maintains the country's largest archive of boot camp photographs, and operates as one of 10 official Navy Museums under the Naval History and Heritage Command. It is located inside Naval Station Great Lakes in Building 42, a 1942 Hostess House designed by Gordon Bunshaft of Skidmore, Owings, and Merrill, and admission is free. The primary constraint is access: the museum is located on an active military installation, and the security process required for entry can limit public visitation, particularly for graduation visitors operating on compressed schedules.

A satellite outdoor interpretive experience at Sheridan Crossing, located on the public side of the installation boundary and requiring no security clearance, directly addresses this constraint. The concept consists of a linear outdoor program in the wetland buffer zone using boardwalk-style permeable surfaces, interpretive pavilions, and full-scale artifact displays organized around the history of Naval Station Great Lakes and the United States Navy's training mission. Its purpose is not to replicate or compete with the on-base museum, but to extend its educational reach to a broader public audience. The museum is accessible via the Metra Union Pacific North Line, with the Great Lakes station approximately a 10-minute walk from the museum entrance. A satellite experience at Sheridan Crossing, two blocks from that same station, reinforces that pedestrian connection and creates a public destination on the civilian side of the gate.

The National Endowment for the Humanities offers implementation grants of $100,000 to $400,000 for public humanities programs in community and outdoor settings, constituting a viable funding source for the interpretive infrastructure. The Navy Museum Foundation is the appropriate institutional partner for program development and grant coordination.

FIGURE 40: ARMY WALKING MUSEUM

CASE STUDY: Army Heritage Trail, U.S. Army Heritage and Education Center, Carlisle, Pennsylvania

The Army Heritage Trail is a one-mile self-guided outdoor museum loop on the grounds of the U.S. Army Heritage and Education Center in Carlisle, Pennsylvania, featuring 14 full-scale exhibits spanning nearly every era of Army history, including reconstructions of a Revolutionary War redoubt, a Civil War winter encampment, a World War I trench system, a World War II Normandy bocage scene, and a current-operations HESCO Bastion checkpoint. The trail is flat, made of cinder, and admission is free; a Huey helicopter and an M-18 Tank Destroyer visible from Interstate 81 serve as landmark elements communicating the trail's presence to passing motorists. This model represents the closest documented precedent for the Sheridan Crossing walking museum proposal: an indoor military museum on a secure campus paired with an outdoor, publicly accessible interpretive trail serving as the lower-barrier, no-clearance-required point of public engagement. The facility earned TripAdvisor Certificates of Excellence in 2014 and 2015 and serves audiences ranging from students to seniors.

SOURCES: U.S. ARMY HERITAGE AND EDUCATION CENTER OFFICIAL WEBSITE (AHEC.ARMYWARCOLLEGE.EDU); VISIT CUMBERLAND VALLEY DMO; AMERICAN BATTLEFIELD TRUST HERITAGE SITE LISTING.

USE AREA 5: SOUTHERN PARCEL

The southern parcel sits south of Martin Luther King Jr. Drive, outside the 40.8-acre project boundary, and is under separate private ownership. It holds old industrial buildings that are no longer in use. Two of the three buildings are set for demolition by the owner in 2026, and the demolition permits have already been filed. The parcel is best read as a private redevelopment site next to Sheridan Crossing, not a City-directed use area.

The owner controls the parcel and its timeline, so the City's role is to coordinate, not to program. The City cannot set the use, phasing, or tenant mix on land it does not own. Where the two sites meet, it can line up the parcel's redevelopment with the Sheridan Crossing framework.

Two points of coordination still matter for the area as a whole. First, Martin Luther King Jr. Drive is the seam between the southern parcel and Use Area 1. Building orientation, crossing locations, and street design on both sides of the drive should be planned together so the corridor reads as one place. The intersection of Sheridan Road and Martin Luther King Jr. Drive recorded 19 of the site's 52 documented crashes between 2020 and 2024, the highest crash concentration in the study area. Any new access points on the southern parcel should go through the same Illinois Department of Transportation coordination required for the main site. Second, the 2026 demolition will clear the land before most of the main site is built. The City should follow the owner's plans so that public realm and access investments on the north side of Martin Luther King Jr. Drive can connect to whatever the private redevelopment delivers.

DEVELOPER SOLICITATION GUIDANCE

This development framework should be conveyed to prospective developers as the City's preferred direction rather than as a prescriptive requirement. The Request for Proposals should articulate the City's programmatic objectives while affording developer respondents latitude on program quantities, building configurations, and tenant composition. Qualified development teams may propose alternative approaches to achieving the City's objectives, and the solicitation process should encourage such innovation provided it remains grounded in the market evidence documented in this report.

Respondents should be required to address each use area within the project boundary in their submissions, including those proposed for later phases. Proposals that engage only the highest-value commercial and hospitality components, without corresponding commitments to residential development and public realm investment, should be evaluated as incomplete responses to the City's stated objectives. The parcel south of Martin Luther King Jr. Drive is privately owned and lies outside the project boundary, so the City cannot require respondents to program it. Submissions should, however, describe how the proposed site plan connects to that parcel along the Martin Luther King Jr. Drive frontage. Preservation of the CN corridor right-of-way must be a non-negotiable requirement of all submitted site plans.

FIGURE 41: CN RAIL

FIGURE 42: EXAMPLE RAIL TO TRAIL

CHAPTER 5. Implementation & Next Steps

The Plan reflects almost a year of analysis, community engagement, and collaboration between the City, stakeholders, and the project team. It sets a direction for redeveloping Sheridan Crossing as a mixed-use district anchored by hospitality, neighborhood commercial uses, housing, and public space adjacent to Naval Stations Great Lakes.

A LONG-TERM VISION FOR SHERIDAN CROSSING

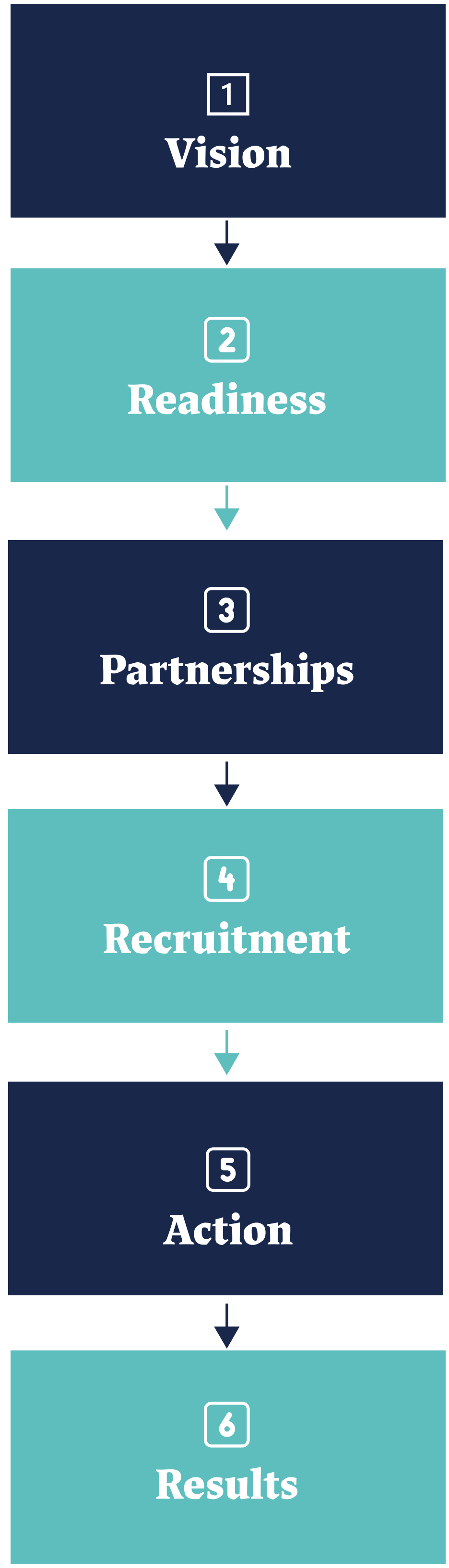
The opportunity at Sheridan Crossing extends beyond redevelopment of a vacant site. At its full potential, Sheridan Crossing can become a new mixed-use district that strengthens North Chicago's economic base, expands hospitality and entertainment offerings, creates new housing opportunities, and establishes a more active and welcoming City gateway adjacent to Naval Station Great Lakes.

Achieving this vision will require a phased and flexible implementation approach. Rather than pursuing a single large-scale development project, the City should focus on creating the conditions necessary to attract investment over time while preserving flexibility to respond to changing market conditions, development interests, and partnership opportunities. The recommendations that follow are intended to support that process and position Sheridan Crossing for long-term success.

DEVELOPMENT READINESS PRIORITIES

The market analysis presented in this report indicates that Sheridan Crossing possesses significant long-term redevelopment potential supported by institutional demand, visitor activity, and strategic location advantages. However, successful implementation will require more than market opportunity alone. As with many large-scale redevelopment sites, reducing uncertainty and improving development readiness will be critical to attracting qualified development partners and supporting successful project execution.

Accordingly, the City should focus near-term efforts on actions designed to clarify site conditions, strengthen infrastructure planning, and improve overall market readiness. These activities will help reduce development risk, improve the quality of future development proposals, and establish a stronger foundation for long-term investment.



CLARIFY SITE DEVELOPMENT CONSTRAINTS

Several physical site conditions warrant additional evaluation before long-term development programming is finalized. Most notably, the presence and extent of potential wetlands should be confirmed through a formal field delineation. While wetlands do not preclude redevelopment, a more precise understanding of their location and extent will improve site planning, infrastructure design, land allocation decisions, and future development feasibility assessments.

If possible, additional coordination regarding the Canadian National rail corridor and adjacent right-of-way may also help inform future planning efforts, particularly as they relate to long-term access opportunities.

Together, these actions will help provide greater certainty regarding the site's development envelope and physical constraints.

ADVANCE INFRASTRUCTURE AND ACCESS PLANNING

Infrastructure readiness represents another important component of successful implementation. Coordination with City public works and engineering staff, utility providers, and transportation agencies should be undertaken to confirm the capacity of existing water, sanitary sewer, stormwater, and roadway systems to support anticipated redevelopment activity.

Particular attention should be given to access and circulation along the Sheridan Road and Martin Luther King Jr. Drive corridors. Early coordination with the Illinois Department of Transportation (IDOT) can help identify improvements necessary to support future development while enhancing safety and connectivity throughout the area.

FIGURE 43: NORTH CHICAGO LOCAL RAIL CROSSING

IMPROVE DEVELOPMENT MARKET READINESS

Beyond physical site preparation, the City should continue assembling the information and materials necessary to support future developer engagement and project marketing efforts. This includes maintaining current market data, further documenting key institutional demand drivers, and refining development concepts and land allocation strategies as needed.

By establishing a clear vision, confirming key site conditions, and organizing supporting information in advance, the City can create a more competitive and informed development environment, encourage stronger development proposals, and ultimately strengthen project outcomes.

STRENGTHENING THE SHERIDAN CROSSING PARTNERSHIP NETWORK

Successful implementation of the Sheridan Crossing vision will depend not only on attracting private investment, but also on cultivating relationships among public, institutional, nonprofit, and private-sector partners. The site's unique location adjacent to NSGL, regional transportation assets, recreational resources, and surrounding neighborhoods creates opportunities for collaboration that extend beyond traditional real estate development.

Several organizations and stakeholder groups are particularly well positioned to support future redevelopment efforts. NSGL will remain a critical partner given its role as the site's primary institutional demand generator and its influence on visitor activity, housing demand, and workforce dynamics. Likewise, organizations involved in trail development, recreation, economic and workforce development, and community programming may help advance placemaking, connectivity, and long-term district activation objectives.

Private-sector partners will also play an essential role. Developers, hospitality operators, restaurateurs, entertainment providers, and other commercial users will ultimately determine how individual projects are implemented and brought to market. The City's role should be to foster collaboration, communicate a clear vision, and create an environment that encourages investment while supporting broader community goals.

By viewing implementation as a collaborative process rather than a single development transaction, North Chicago can position Sheridan Crossing to evolve over time into a more active, connected, and economically vibrant mixed-use district.

DEVELOPER RECRUITMENT & SOLICITATION STRATEGY

While the ultimate form of any developer solicitation will depend upon the City's goals, timing, and implementation priorities, the findings of this study can help position Sheridan Crossing as a compelling redevelopment opportunity supported by documented market demand and a clear long-term vision.

Sheridan Crossing should not be marketed simply as a vacant development site. Instead, the opportunity should be presented in terms of the site's unique mix of institutional demand, visitor activity, strategic location, and mixed-use redevelopment potential. The presence of NSGL, documented hospitality and dining demand, limited existing competition in several market segments, and the opportunity to create a new destination-oriented district differentiate Sheridan Crossing from many conventional redevelopment opportunities.

As the City moves toward developer engagement, it should remain flexible regarding specific development concepts while maintaining consistency regarding the broader vision and development framework outlined in this report. Qualified developers may propose different approaches to achieving the City's objectives, and the solicitation process should encourage innovation while remaining grounded in demonstrated market realities.

A phased developer recruitment approach may be particularly appropriate given the size of the site and the range of potential redevelopment outcomes. Early discussions may focus on developer qualifications, relevant project experience, and overall development philosophy before advancing to specific program concepts, financing approaches, and implementation strategies. Such an approach can help ensure that future development partners possess both the technical capabilities and long-term vision necessary to successfully implement a project of this scale and complexity.

Ultimately, the City's objective should be to attract development partners that recognize both the immediate market opportunities and the longer-term placemaking potential associated with Sheridan Crossing.

PRIORITY ACTION PLAN

The recommendations presented throughout this report are intended to position Sheridan Crossing for long-term redevelopment success through a phased and flexible implementation approach. Within this context, the following actions represent a logical sequence for advancing the site from planning to implementation.

The sequence outlined to the right is intended to provide a general implementation framework rather than a rigid schedule. Redevelopment will ultimately be influenced by market conditions, developer interest, funding opportunities, and evolving community priorities. Maintaining flexibility while continuing to advance site readiness and partnership-building efforts will position the City to capitalize on future opportunities as they emerge.

LOOKING AHEAD AND MOVING FORWARD

Sheridan Crossing presents a rare opportunity to transform a long-underutilized property into a mixed-use district that serves residents, visitors, military families, and the broader North Chicago community. While redevelopment is unlikely to occur all at once, the market analysis presented in this report suggests that meaningful opportunities exist today to begin building the foundation for long-term success.

The combination of institutional demand, hospitality potential, food and beverage opportunities, entertainment uses, and sequenced residential development creates a framework that is both realistic and adaptable. By pursuing a phased implementation strategy, strengthening key partnerships, and maintaining flexibility as opportunities emerge, North Chicago can position Sheridan Crossing to become one of the community's most significant redevelopment successes over the coming decades.

Near-Term (0-6 Months)

Prepare the Site:

- Complete the wetland delineation
- Verify utility capacities and infrastructure needs
- Coordinate with IDOT regarding access and circulation
- Refine development framework and supporting materials
- Continue engagement with NSGL and other key stakeholders

Mid-Term (6-12 Months)

Build Partnerships and Recruit Developers:

- Expand strategic partnership network
- Pursue funding and implementation opportunities
- Develop marketing materials and developer outreach strategy
- Engage qualified development teams
- Evaluate RFQ/RFP responses and advance discussions

Long-Term (Ongoing)

Implement the Vision:

- Advance phased mixed-use development
- Strengthen hospitality, dining, and entertainment offerings
- Pursue public realm and placemaking initiatives
- Support future residential development opportunities
- Maintain flexibility to capitalize on emerging opportunities, including potential stadium or destination-oriented uses

FIGURE 44: FOSS PARK BEACH WELCOME

APPENDIX *Demand Methodology*

PURPOSE AND NATURE OF THE ANALYSIS

This analysis was prepared to support long-range redevelopment planning for the Sheridan Crossing site in North Chicago, Illinois. The purpose of the demand modeling effort was to evaluate the relative supportability of various land uses at the site, identify major market opportunities and constraints, and inform the preparation of a phased development framework and land allocation strategy.

Importantly, this analysis is intended as a planning-level market assessment rather than a detailed financial feasibility study or investment underwriting exercise. The modeling framework was designed to estimate development supportability and relative market positioning under current and anticipated market conditions, absent formal development plans. As such, findings should be interpreted directionally and strategically rather than as precise forecasts of tenant absorption, sales volumes, or asset performance.

The analysis was intentionally calibrated using multiple inputs (as described below) to avoid overstating supportable development potential.

ANALYTICAL FRAMEWORK

The demand modeling framework employed for this study utilized a hybrid quantitative and qualitative methodology combining demographic analysis, consumer expenditure data, market benchmarking, stakeholder interviews, field observations, and professional judgment. This approach was deemed most appropriate due to the fragmented and highly context-sensitive nature of the Sheridan Crossing market area.

In order to fully capture the localized dynamics influencing redevelopment potential in the study area, this analysis emphasized calibration of market assumptions to observed real-world conditions, including

- Existing competitive retail and hospitality concentrations
- Physical access and visibility characteristics
- Consumer travel patterns
- Institutional demand drivers associated primarily with Naval Station Great Lakes (NSGL)
- Local stakeholder insights
- Observed gaps in the market
- Site-specific development positioning

The resulting calibrated estimates are intended to reflect realistic market opportunities rather than hypothetical maximum supportable demand.

PRIMARY DATA SOURCES

The analysis incorporated information from a variety of public, proprietary, and locally gathered datasets.

FIGURE 45: PRIMARY DATA SOURCES

Source	Primary Application
Esri Business Analyst	Consumer spending estimates, demographic and income estimates and projections, residential rent alignment analysis
U.S. Census Bureau/ACS	Housing, demographic, and socioeconomic characteristics
CoStar	Market conditions and trends by sector
Stakeholder Interviews	Demand calibration and market valuation
Naval Station Great Lakes	Competitive assessment, site evaluation, and area conditions assessment
Department of Defense Basic Allowance for Housing (BAH) Schedules	Visitor demand, housing conditions, and institutional highlights

RETAIL, DINING, AND ENTERTAINMENT DEMAND METHODOLOGY

Retail, dining, and entertainment demand estimates were developed using a capture-based methodology informed by consumer expenditure data and adjusted to reflect realistic market conditions.

Consumer spending estimates from Esri Business Analyst served as the initial basis for evaluating overall spending potential within the Primary Trade Area (PTA) and Secondary Trade Area (STA). These spending estimates were then adjusted using several layers of calibration to account for market realities and site positioning. Calibration layers included the following.

GEOGRAPHIC WEIGHTING

Demand estimates incorporated differential weighting between the PTA and STA to reflect expected consumer travel behavior and use-specific trade area dynamics. For example, uses expected to rely heavily on convenience-oriented or frequent visitation patterns (such as coffee, convenience retail, and quick-service dining) were weighted more heavily toward the PTA, while destination-oriented uses (such as entertainment and certain dining uses) incorporated larger STA influence.

OPPORTUNITY RATIOS

Raw spending estimates were further adjusted using "Opportunity Ratios," which reflect the degree to which unmet or underrepresented market opportunity (i.e., demand) appears to exist within each use category.

Opportunity ratios were calibrated based on

- Existing supply conditions
- Observed market gaps
- Competitive concentrations elsewhere in the trade areas and wider region
- Stakeholder feedback
- Field observations
- Relative saturation levels within the trade area

These adjustments were intended to distinguish between total consumer spending and realistically capturable market opportunity.

SITE CAPTURE ASSUMPTIONS

Following application of opportunity ratios, site-specific capture assumptions were applied to estimate the share of adjusted demand that Sheridan Crossing could reasonably be expected to attract.

- Capture assumptions considered
- Site visibility and access
- Proximity to NSGL, major employers, and other demand drivers
- Proximity and performance of existing competitive retail nodes
- Consumer behavior patterns
- Potential tenant mix
- Anticipated overall development character and positioning

Capture assumptions were intentionally moderated to reflect the site's anticipated role as a neighborhood- and visitor-oriented mixed-use node rather than a dominant regional retail draw.

INTERPRETATION OF RESULTS

Through the modelling process outlined above, planning-level demand estimates were adjusted to reflect real-world competitive conditions, market structure, and site-specific development dynamics. Accordingly, the model outputs should be interpreted as directional indicators of relative development potential and appropriate development scale.

Supportable revenue potentials were estimated by use across conservative, base, and upside scenarios. Those ranges were then converted into supportable square footage using industry typical sales productivity ratios.

FIGURE 46: RETAIL, DINING, AND ENTERTAINMENT DEMAND CALIBRATION FRAMEKWORK

Variable	Purpose
PTA/STA Weighting	Reflects geographic orientation of demand
Opportunity Ratio	Adjusts for realistic market opportunity
Site Capture Rate	Reflects Sheridan Crossing competitive positioning
Calibrated Output	Produces planning-level supportability estimates

HOSPITALITY DEMAND METHODOLOGY

Hospitality demand analysis focused primarily on institutional and visitor-driven demand associated with NSGL, supplemented by corporate, medical, and regional travel activity.

The most significant identified demand generator by far was weekly NSGL graduation activity, which installation representatives estimated generates approximately 11,000 hotel room nights per week during active graduation periods (48 weeks per year). Additional demand sources included

- Corporate and vendor travel associated primarily with AbbVie and Abbott
- Medical and university-related visitation
- Regional entertainment and pass-through travel

Hospitality demand estimates were calibrated using a two-step adjustment process:

1. **Relevance Adjustment**
   Estimated the share of total room night demand for which Sheridan Crossing would represent a realistic lodging option.
2. **Capture Adjustment**
   Estimated the share of relevant demand that could reasonably be captured by a new hotel development at the site.

This structure was intended to distinguish between total regional lodging demand and realistically attainable demand for a single site-specific development.

Hotel sizing assumptions also incorporated stabilized occupancy considerations to avoid overstating supportable room counts.

FIGURE 47: HOSPITALITY DEMAND FRAMEWORK

Variable	Description
Total Room Nights	Estimated annual lodging demand
Relevance Factor	Share likely to consider Sheridan Crossing
Capture Rate	Share expected to select Sheridan Crossing
Stabilized Occupancy	Assumed operating occupancy level

RESIDENTIAL DEMAND METHODOLOGY

Residential demand analysis focused primarily on the potential for family-oriented rental housing associated with NSGL personnel and their households.

The analysis identified that on-base housing is operating at or near full occupancy, with documented waitlists for housing units within North Chicago-area military housing villages. This condition suggests the existence of unmet or partially unmet off-base housing demand.

Given limited availability of detailed household composition and rank distribution data, the residential analysis employed a calibrated planning-level framework incorporating:

- Observed waitlist conditions
- Estimated "shadow demand" beyond official waitlists
- Product suitability assumptions
- Basic Allowance for Housing (BAH) alignment
- Site capture assumptions

The analysis concluded that the most supportable residential product type would likely consist of modestly scaled rental townhomes targeted primarily toward rank E5 or higher households with dependents. This recommendation reflects both household preferences and achievable rent levels based on local BAH schedules.

Residential demand estimates were intentionally conservative and structured to support phased development rather than large-scale multifamily expansion.

STADIUM SCENARIO METHODOLOGY

A limited stadium overlay analysis was conducted to evaluate the potential influence of a moderately-sized soccer stadium on broader development patterns at Sheridan Crossing.

This analysis was intentionally limited in scope and should not be interpreted as a detailed stadium feasibility or economic impact study. Rather, the analysis was intended to provide a high-level understanding of how event-driven activity could influence:

- Dining and entertainment demand
- Site activation patterns
- Parking and circulation needs
- Land allocation considerations

The analysis utilized generalized attendance assumptions and order-of-magnitude estimates of off-site spending behavior. Findings were evaluated qualitatively and directionally rather than as formal economic impact projections.

Variable	Description
Waitlist Households	Observed unmet housing demand floor
Shadow Demand Adjustment	Accounts for unobserved off-base demand
Product Fit	Households suited for rental townhomes
Site Capture	Share likely to select Sheridan Crossing

LIMITATIONS AND USE OF PROFESSIONAL JUDGMENT

As with any planning-level market analysis, portions of this study necessarily relied on professional judgment and calibration rather than purely formulaic modeling.

This was particularly important given

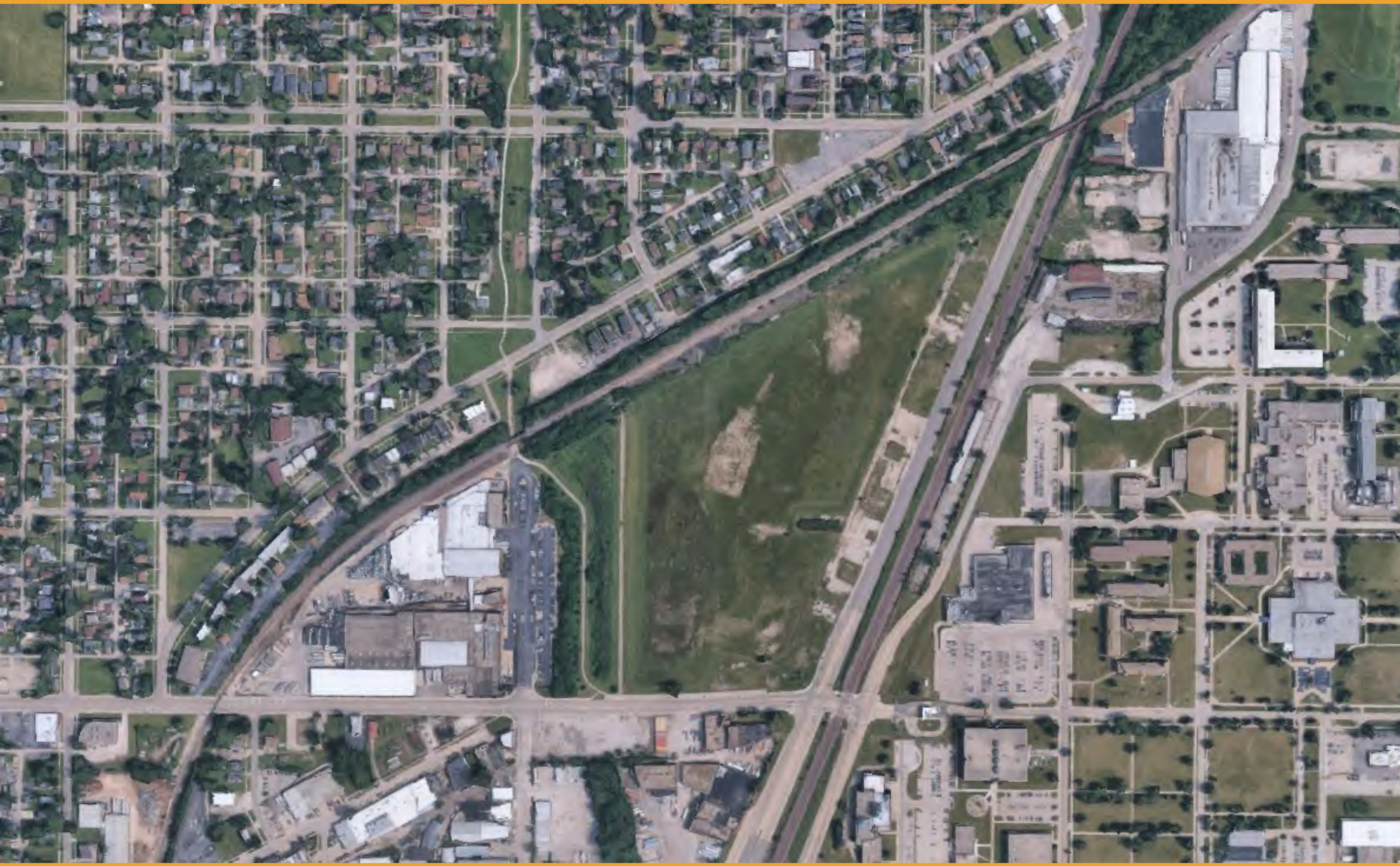
- The fragmented nature of the trade area
- Limited availability of certain detailed proprietary datasets
- The highly localized influence of NSGL
- The evolving nature of the Sheridan Crossing redevelopment concept

Accordingly, findings should be interpreted as strategic planning guidance intended to inform development direction, land allocation, and implementation strategy.

APPENDIX *Summary of Existing Conditions*

SUMMARY OF EXISTING CONDITIONS – SHERIDAN CROSSING

Interim Report



Prepared for the
City of North Chicago, Illinois
March 20, 2026

DEVELOPMENT PLANNING PARTNERS

ANTERO GROUP

Introduction and Purpose

At the request of the City of North Chicago, Development Planning Partners (DPP) and its project partner, Antero Group, are conducting a market study to evaluate mixed-use redevelopment opportunities for the City's **Sheridan Crossing** site. The purpose of this analysis is to assess existing market conditions, identify key economic and demographic trends, evaluate the potential for future commercial and residential development on the site, and to provide a preliminary land allocation framework to assist in future planning efforts.

This **Existing Conditions Summary Report** serves as an interim deliverable summarizing baseline findings related to the study area and surrounding market environment. The report provides an overview of the regional context, demographic and economic trends, site characteristics, and current market conditions across key sectors. These findings will form the foundation for the more detailed analysis and recommendations presented in the final **Sheridan Crossing Redevelopment Mixed-Use Market Study**.

The analysis draws upon multiple sources including U.S. Census Bureau data, Esri demographic and economic estimates, regional employment information, CoStar and local MLS market data, field observations, an evaluation of comparable commercial centers and competing developments throughout the surrounding trade area, and other data sources noted in the body of the report.

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Trade Area Definition

Understanding the geographic area from which Sheridan Crossing can reasonably draw customers, residents, and visitors is an essential first step in evaluating redevelopment potential. For the purposes of this analysis, two trade areas have been defined using drive-time travel patterns and geospatial modelling that reflect typical consumer behavior in suburban Lake County.

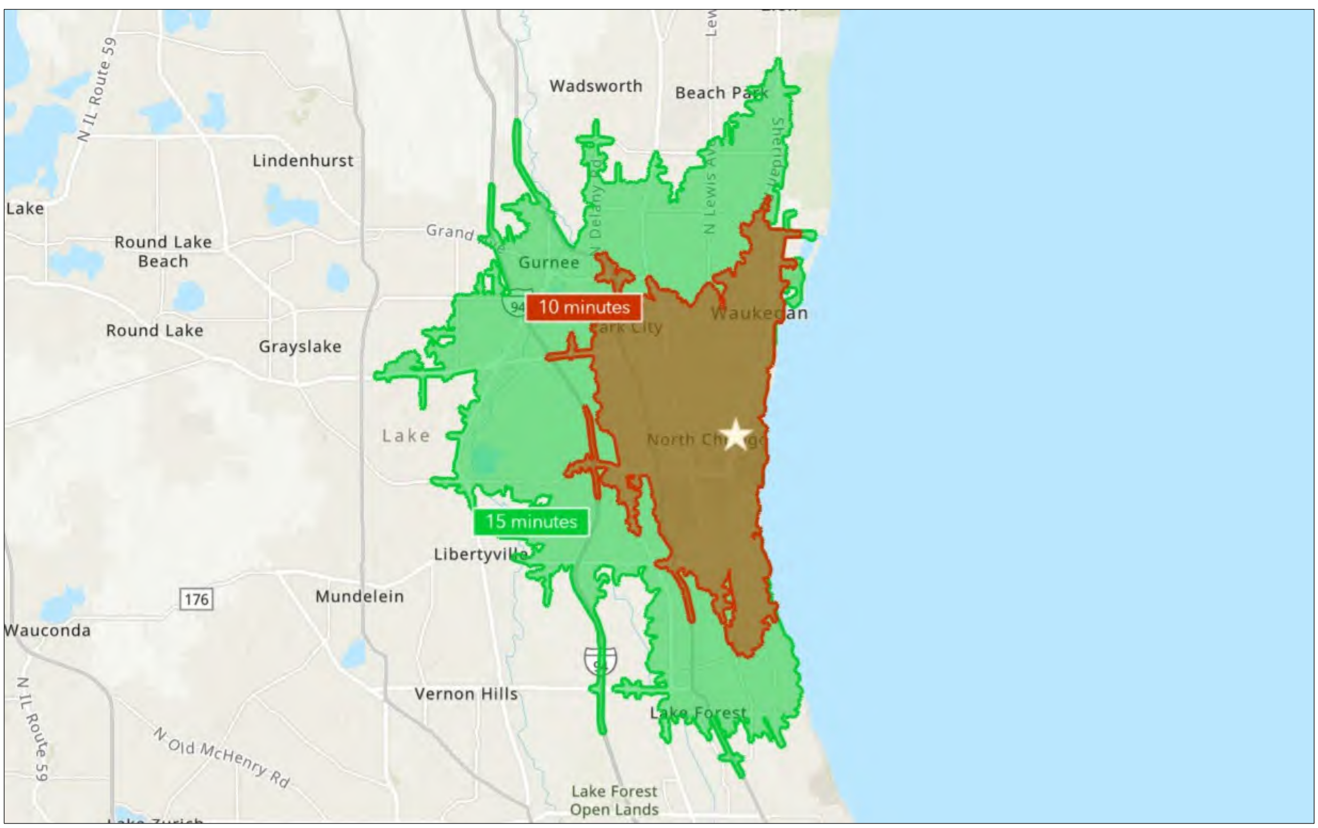
Primary and Secondary Trade Areas

The **Primary Trade Area (PTA)** consists of the geographic area reachable within an approximately 10-minute drive of the Sheridan Crossing site. This area captures the population *most likely* to regularly patronize neighborhood retail and service establishments located at the site and represents the core residential base supporting potential redevelopment.

The Primary Trade Area includes the entirety of North Chicago and large portions of Waukegan, Park City, and Lake Bluff Village.

This area contains the neighborhoods most closely connected to the Sheridan Crossing site and includes several important demand generators, including residential concentrations, institutional uses, and nearby employment centers.

Figure 1. Primary and Secondary Trade Areas



Source: Development Planning Partners

The **Secondary Trade Area (STA)** expands the analysis to include areas within an approximately 15-minute drive of the site. This broader geography captures additional consumers who may visit the area for specific retail destinations, restaurants, or entertainment uses.

The Secondary Trade Area encompasses a larger portion of east central Lake County, including portions of Gurnee, Green Oaks, Lake Forest, and a small amount of unincorporated Lake County.

The inclusion of the Secondary Trade Area recognizes that certain uses—particularly in retail, dining, and entertainment—may draw from a broader regional market and acknowledges the presence of major regional destinations such as Gurnee Mills and Fountain Square in nearby communities. (Note that these trade areas do not apply to hospitality uses, which draw from a wide a varied geographic area.)

Site Assessment

The Sheridan Crossing redevelopment site is located on the east side of the City of North Chicago along the Sheridan Road corridor in eastern Lake County. The site occupies a strategic position within the community, with proximity to regional transportation corridors, employment centers, and Lake Michigan shoreline communities.

North Chicago is located within the broader Chicago metropolitan area approximately 40 miles north of downtown Chicago,12 miles south of the Wisconsin state line, and immediately west of the Lake Michigan shoreline.

One of the most significant institutional anchors in the area is **Naval Station Great Lakes**, located immediately south and east of the city. As the United States Navy's only boot camp training facility, the installation serves as a major regional employer and generates significant visitor activity associated with recruit graduations and other training and military operations.

Access and Visibility

The Sheridan Crossing site benefits from direct access to Sheridan Road (Illinois Route 137), a major north–south arterial corridor serving the Lake Michigan shoreline communities of Lake County and Martin Luther King Jr. Drive, a primary east-west route connecting Sheridan Road to Waukegan Road to the west. These corridors provide connectivity to nearby commercial centers in Waukegan, Gurnee, and elsewhere and serve as key transportation routes for both local and regional traffic. According to the Illinois Department of Transportation, average daily traffic counts along Sheridan Road near the site exceeded 8,000 vehicles in 2024 (the most recent available), rising to nearly 14,000 a short distance north of the site, near the AbbVie corporate campus. Traffic counts along Martin Luther King Jr. Drive were 8,300.

The site is also located within reasonable proximity to a number of additional north-south corridors, including

- US Route 41 (Skokie Highway)
- Interstate 94 (Tri-State Tollway)
- Green Bay Road and Milwaukee Avenue

Finally, the site is located adjacent to Metra's Union Pacific North Line railway, with the North Chicago Metra station just .40 miles north of the northern end of the site, providing good access to regional commuter rail service.

These transportation connections provide convenient access to employment centers and residential areas throughout Lake County and the broader metropolitan region.

Surrounding Land Uses

Land uses surrounding the Sheridan Crossing site include a mix of residential neighborhoods, commercial properties, institutional uses, and underutilized or vacant parcels. Portions of the surrounding area reflect historic commercial corridors that have experienced disinvestment in recent decades.

Nearby uses include

- Neighborhood retail and service businesses
- Multifamily and single-family residential neighborhoods
- Institutional uses associated with Naval Station Great Lakes
- Public facilities and community services

The broader area contains several parcels that may present additional opportunities for reinvestment or redevelopment over time.

Market Opportunities and Constraints

Several characteristics of the Sheridan Crossing site present market-related opportunities for redevelopment, including

- Visibility along a regional arterial corridor
- Proximity to a large institutional and private sector employment base
- Availability of redevelopment land within an established community
- Potential to serve nearby residential neighborhoods

At the same time, the site must compete with larger and more established commercial centers in nearby communities, which influence regional consumer patterns.

Additional constraints may include

- Market competition from regional retail centers
- Lower household incomes in the immediate area (relative to the broader Secondary Trade Area and Lake County generally)
- Perceptions of the surrounding neighborhoods and commercial corridors

- Legacy of disinvestment in the area

Physical, Environmental, and Regulatory Assessment

In addition to assessing market-related conditions and characteristics in and around the site, our team conducted an investigation of environmental features, infrastructure constraints, transportation access, and regulatory factors that may influence future redevelopment of the property. The resulting analysis, including an assessment of strengths, weaknesses, opportunities, and threats, drew on a number of publicly available data sources, including the National Wetlands Inventory (NWI), FEMA Flood Insurance Rate Maps (FIRM), U.S. Geological Survey elevation data, transportation data from the Illinois Department of Transportation (IDOT), and local land-use and zoning information.

In addition to evaluating environmental features, infrastructure conditions, and transportation connectivity, the analysis also considered policy guidance from local planning documents such as the City of North Chicago Comprehensive Plan and Future Land Use Map.

The analysis highlighted several site characteristics that may support redevelopment, including the large, contiguous parcel, frontage along Sheridan Road, and regional transportation connectivity. The Site is accessible via multiple travel modes, including major arterial roadways, Pace bus service, nearby commuter rail, and regional bicycle infrastructure such as the Robert McClory Bike Path. Moreover, the property's largely vacant, previously disturbed condition, and ongoing remediation work may also influence future redevelopment planning compared to sites requiring significant demolition, relocation, or remediation.

At the same time, several constraints and considerations were identified that may influence site planning and development outcomes. While the site broadly supports multi-modal access, pedestrian connections to the site—particularly from Sheridan Road and points east (including Naval Station Great Lakes)—could prove challenging. National Wetlands Inventory mapping indicates approximately 5.4 acres of potential wetlands, which would require field verification and may involve environmental permitting or mitigation if impacts are proposed. Infrastructure availability, particularly sanitary sewer service, may require further coordination with local utility providers to determine existing capacity and potential extension needs. In addition, surrounding land uses, including nearby industrial properties and residential areas to the north, may influence land-use compatibility and site design.

The analysis also identified broader opportunities and external factors that may affect future development patterns in the area. Local planning documents identify the Sheridan Crossing area as a potential location for regional commercial development, suggesting a policy framework that supports larger-scale commercial or mixed-use investment. At the same time, regulatory processes, infrastructure needs, environmental conditions, and broader market trends may influence the timing, scale, and type of development that ultimately occurs.

The full site assessment, including illustrative maps, will be included in this project’s final report.

Demographic and Economic Conditions

The Sheridan Crossing trade areas encompass a substantial existing market base. As of 2025, the Primary Trade Area contained approximately 90,800 residents and 27,800 households, while the broader Secondary Trade Area encompassed 174,300 residents and 59,000 households. Although Esri projects modest population decline through 2030 in both geographies, household growth is still expected to continue at a limited pace. This pattern suggests that average household size is continuing to fall, reflecting broader demographic shifts already evident across many mature suburban and urban communities in northeastern Illinois.

While the site is not located in a rapidly expanding greenfield market, it is within a large, established trade area with stable underlying indicators of demand. Even where top-line population growth is limited, the continued increase in households indicates ongoing need for neighborhood-serving goods, services, and potentially additional housing options tailored to evolving household composition.

The age profile of the trade areas also warrants attention. The Primary Trade Area is comparatively young, with a median age of 29.7, versus 33.7 in the Secondary Trade Area. Notably, nearly one-quarter of Primary Trade Area residents are between ages 15 and 24, and more than one-quarter are between ages 25 and 44. This creates a relatively youthful consumer base near the site, with potential implications for retail, food and beverage, entertainment, service uses, and future housing demand. At the same time, the broader Secondary Trade Area includes a larger share of households in older age cohorts, including residents age 45 and older and a meaningful senior population, indicating that the surrounding market is diverse and not dependent on a single age segment.

Income patterns indicate a mixed but meaningful level of purchasing power across the trade area. Median household income is estimated at approximately $69,700 in the Primary Trade Area but rises to $81,300 in the Secondary Trade Area, with both geographies projected to see nominal growth by 2030. The Secondary Trade Area is clearly more affluent overall, with 41.4% of households earning $100,000 or more, compared with 33.7% in the Primary Trade Area. Conversely, the Primary Trade Area contains a larger concentration of lower-income households, with 35.3% earning less than $50,000 annually. This income structure suggests that redevelopment at Sheridan Crossing will need to be calibrated to the spending patterns of nearby households while also recognizing the broader purchasing power available within the larger 15-minute market.

Housing tenure patterns also reinforce the importance of neighborhood-oriented positioning. The Primary Trade Area is slightly renter-majority, with 52.1% renter households in 2025, while the Secondary Trade Area is more owner-oriented, with 56.5% owner occupancy. This distinction suggests that the immediate market around the site may be somewhat more mobile and price-sensitive than the surrounding region, while the broader trade area offers access to a more established homeowner base. For commercial redevelopment, this supports the idea that the site may be best positioned for practical, convenience-oriented, and moderately priced uses rather than highly discretionary destination retail.

The area also benefits from a notable daytime population base. In 2025, daytime population was estimated at 89,528 within the Primary Trade Area and 181,171 within the Secondary Trade Area, including more than

45,000 workers in the 10-minute area and more than 94,000 workers in the 15-minute area. This is important because it indicates that market support is derived not only from resident households, but also from employment activity and institutional presence throughout the surrounding area. As a result, the Sheridan Crossing site may have the potential to capture spending tied to both neighborhood residents and daytime users, particularly for food service, convenience retail, and selected service commercial uses.

Table 1. Primary and Secondary Trade Area Demographic Snapshot

Indicator	Primary Trade Area	Secondary Trade Area
Population (2025)	90,747	174,336
Population (2030)	90,017	172,766
Population Change (2025-2030)	-0.8%	-0.9%
Households (2025)	27,785	59,028
Households (2030)	28,064	59,584
Household Growth (2025-2030)	1.0%	0.9%
Median Household Income (2025)	$69,749	$81,292
Median Household Income (2030)	$78,322	$92,134
Median Age (2025)	29.7	33.7
Daytime Population (2025)	89,528	181,171
Workers (2025)	45,129	94,103
Residents (Daytime, 2025)	44,399	87,068
Owner-Occupied Households (2025)	13,316	33,373
Renter-Occupied Households (2025)	14,469	25,655

Source: ArcGIS Business Analyst (2025 estimates and 2030 projections)

Employment and Institutional Demand Drivers

Employment data further underscore the scale of the broader market. Data from the Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) program indicate that 79,000 primary jobs were located within the analyzed primary and secondary trade areas in 2023 (the most recent vintage available), compared with roughly 70,000 employed residents living in the area, producing a net inflow of about 9,000 jobs. This dynamic suggests that the area functions as a meaningful employment center rather than solely a residential market. At the same time, only about 26% of employed residents both live and work within the area, while roughly 74% commute elsewhere for work, indicating a high degree of regional labor market integration.

The employment base itself is diverse. By place of work, major sectors include manufacturing, retail trade, health care and social assistance, accommodation and food services, educational services, wholesale trade, and public administration. By place of residence, manufacturing and health care are again prominent, along with retail, administrative and support services, accommodation and food services, educational services, and professional services. This mix suggests that the Sheridan Crossing market is supported by a combination of industrial employment, institutional uses, service-sector activity, and regional commercial functions, rather than by any single dominant employment cluster.

Labor force indicators point to some economic stress but not unusual weakness for an older, mixed-income urban-suburban market. Esri estimates place the 2025 civilian labor force at approximately 38,600 in the Primary Trade Area and 82,000 in the Secondary Trade Area, with unemployment rates of 7.1% and 6.2%, respectively. Unemployment among younger workers ages 16 to 24 is notably higher, at 12.4% in the Primary Trade Area and 12.2% in the Secondary Trade Area. These figures suggest that affordability and workforce accessibility remain important considerations in evaluating future redevelopment programming.

Table 2. Labor Market Characteristics

Employment Indicator	Value
Primary Jobs in Surrounding Employment Area (2023)	78,847
Employed Residents in Surrounding Employment Area (2023)	69,799
Net Job Inflow	9,048
Residents Living and Working in Area	18,211
Share of Employed Residents Living and Working in Area	26.1%
2025 Labor Force, PTA	38,630
2025 Labor Force, STA	82,019
2025 Unemployment Rate, PTA	7.1%
2025 Unemployment Rate, STA	6.2%
2025 Unemployment Rate, Ages 16-24, PTA	12.4%
2025 Unemployment Rate, Ages 16-24, STA	12.2%

Source: U.S. Census LEHD Program, ArcGIS Business Analyst (2025 estimates)

Finally, the area benefits from several large institutional and corporate anchors. Based on available data, major employers in the broader market include the Abbott and AbbVie campuses in North Chicago, the Captain James A. Lovell Federal Health Care Center, North Chicago School District 187, Six Flags Great America, and other education, health care, manufacturing, and public-sector employers. In addition, Naval Station Great Lakes remains one of the most important drivers of the regional economy, with approximately 9,500 to 10,000 active-duty and civilian personnel at any given time, exclusive of recruits and students. Together, these employers and institutions help support local spending, visitor activity, and demand for retail, food service, hospitality, and other commercial uses in the corridor.

Market Conditions by Sector

Retail and Service

Retail conditions within the broader Sheridan Crossing market area appear generally stable and well balanced. Data from CoStar indicate that the retail inventory within the defined market polygon totals approximately 9.3 million square feet across more than 640 retail buildings. This inventory includes a wide range of commercial formats, including neighborhood retail centers, stand-alone retail buildings, restaurants, service establishments, and larger community retail centers.

Occupancy levels are strong. As of 2025, retail occupancy within the market area averaged approximately 93%, with vacancy remaining relatively stable in recent years. This level of occupancy is generally consistent with what is typically considered a healthy retail market and suggests that supply and demand are broadly balanced. While national retail vacancy levels have generally ranged between roughly 4% and 5% in recent years, the slightly higher vacancy observed in the Sheridan Crossing market area does not appear to reflect significant oversupply or structural weakness.

Recent leasing activity further supports this interpretation. The retail market has experienced positive net absorption over several recent periods, including approximately 79,000 square feet of net absorption during 2025 and additional positive absorption during 2026 year-to-date. Taken together, the most recent five quarters have produced more than 100,000 square feet of net absorption, indicating that tenants have continued to occupy available space across the broader market area.

Importantly, the retail inventory has remained relatively stable in recent years, with only modest additions to supply. Total inventory increased only slightly between 2022 and 2025, suggesting that new development has been limited and that most market activity has occurred through leasing and re-tenanting of existing space rather than large-scale new construction.

Rent trends also reinforce the conclusion that the retail market is functioning within a generally healthy equilibrium. CoStar data indicate that average asking rents for retail space within the market area have increased gradually in recent years, reaching approximately the mid- to upper-$17 per square foot range on a triple-net (NNN) basis. While these rent levels remain moderate relative to those observed in some higher-income suburban retail corridors in Lake County, the upward trajectory in asking rents indicates that landlords have been able to achieve incremental rent growth without triggering elevated vacancy levels. In combination with stable occupancy and positive net absorption, this pattern is typically indicative of a balanced market in which tenant demand continues to keep pace with available supply.

Field observations conducted as part of this study reinforce the patterns reflected in the CoStar data. Retail centers and stand-alone commercial properties throughout the broader trade area generally appear well maintained, well occupied, and actively utilized. Many commercial corridors show consistent tenant occupancy, stable property conditions, and regular customer traffic, indicating that the market continues to support a substantial base of neighborhood-serving retail and service businesses.

Taken together, these indicators suggest that the retail sector within the Sheridan Crossing market area is functioning within a generally healthy equilibrium, with a sizable existing inventory, stable occupancy levels, and modest positive leasing momentum. While the market does not appear to be experiencing rapid growth or major expansion, it also does not exhibit the elevated vacancy levels or widespread disinvestment that might signal structural retail decline.

From a redevelopment perspective, these conditions imply that Sheridan Crossing will likely need to position itself strategically within the existing retail landscape. Given the scale of existing retail inventory and the presence of established commercial centers throughout the broader trade area, redevelopment at the site is unlikely to succeed as a major regional retail destination. Instead, the most viable opportunities will likely involve neighborhood-serving retail, restaurants, entertainment, and service-oriented uses that complement rather than directly compete with larger retail concentrations in nearby communities.

Table 3. Retail Market Snapshot – Sheridan Crossing Trade Area

Indicator	Estimate
Total Retail Inventory (1,000s SF)	9,300
Number of Retail Buildings	640
Average Occupancy Rate (2025)	93%
Average Vacancy Rate (2025)	7%
Net Absorption – 2025 (SF)	79,000
Net Absorption – Last 5 Quarters (SF)	101,000
NNN Asking Rent – 2025 (per SF)	$17.70
Inventory Growth (Recent Years): Minimal/limited new supply	
Observed Market Conditions: Centers generally well-occupied and maintained	

Source: CoStar, Development Planning partners

Restaurants and Dining

Restaurant conditions within the broader Sheridan Crossing trade area appear notably tight and generally healthy. CoStar data for restaurant properties, including fast food, quick-service, and full-service formats, indicate a total inventory of approximately 354,000 square feet across 85 buildings in 2025. Although this represents a much smaller inventory base than the broader retail sector, available restaurant space appears to be in particularly strong demand.

Occupancy is very high. In 2025, restaurant occupancy within the market area averaged approximately 98.5%, with vacancy of only about 1.5%. Conditions have remained similarly tight in 2026 year-to-date, with occupancy of approximately 98.6%. This level of occupancy suggests a highly utilized restaurant market in which most existing space is in service and only a very limited amount of vacant inventory is currently available.

Recent absorption trends reinforce this interpretation. The restaurant market recorded approximately 15,168 square feet of positive net absorption in 2025, followed by an additional 5,222 square feet in 2026 year-to-date. Taken together, these figures indicate continued tenant demand and ongoing space absorption across the broader market area. Importantly, these gains have occurred within a relatively stable inventory base, with only modest recent deliveries. This suggests that demand has generally kept pace with, or exceeded, new supply.

Asking rent trends further support the conclusion that the market is functioning from a position of relative strength. CoStar data indicate that average NNN asking rents stood at roughly $22 per square foot in 2025, compared with materially lower levels observed in earlier years. While rent data for restaurant space can be somewhat variable due to differences in tenant type, building quality, and location, the overall upward movement in asking rents—combined with very tight occupancy and positive net absorption—strongly suggest that restaurant space in the broader market area is both limited and generally well supported by demand.

That said, restaurant supply is not evenly distributed throughout the market. The nearest restaurant concentrations to the Sheridan Crossing site are located primarily along Green Bay Road at Martin Luther King Jr. Drive southwest of the site, where the mix is heavily weighted toward fast food; in downtown Waukegan, where the dining environment is more oriented toward taverns, pubs, and local establishments; along the Belvidere Road corridor at Green Bay Road, which also features a concentration of fast food and convenience-oriented dining; and at Fountain Square, which includes primarily fast food alongside some local establishments and national full-service chains.

A notable condition from a redevelopment standpoint is the relative lack of publicly accessible restaurant supply in the immediate vicinity of the Sheridan Crossing site. With the exception of several fast food outlets located within Naval Station Great Lakes, which are not accessible to the general public, the site itself is not currently embedded within an established dining cluster. This creates a somewhat different dynamic than is seen in the broader market. That is, while regional restaurant conditions are strong, the immediate area appears comparatively underserved.

Taken together, these conditions suggest that the restaurant sector within the broader Sheridan Crossing market area is healthy, highly occupied, and characterized by limited available space. For redevelopment purposes, this may indicate an opportunity to introduce selected dining uses that respond to local demand and corridor traffic, particularly if positioned to serve nearby residents, employees, visitors, and Naval Station Great Lakes–related activity. At the same time, any future restaurant development at Sheridan Crossing would need to be calibrated carefully in light of the established dining clusters already present in nearby corridors and commercial centers.

Table 4. Restaurant Market Snapshot

Indicator	Estimate
Total Restaurant Inventory (2025 1,000s SF)	354
Number of Restaurant Buildings (2025)	85
Occupancy Rate – 2025	98.5%
Vacancy Rate – 2025	1.5%
Net Absorption – 2025 (SF)	15,200
Recent Deliveries – 2025 (SF)	10,276
Under Construction (SF)	5,222
NNN Asking Rent – 2025 (per SF)	$21.91
Overall Market Character: Tight, highly utilized, limited available space	

Source: CoStar, Development Planning partners

Hospitality

The hospitality market serving the Sheridan Crossing area is moderately sized and primarily oriented toward limited-service lodging that caters to institutional, business, and regional travel demand. According to CoStar data, the competitive market area includes 32 hotel properties totaling approximately 2,732 rooms. Over the most recent 12-month period, these properties reported average occupancy of approximately 61%, an average daily rate (ADR) of about $118, and revenue per available room (RevPAR) of roughly $72. These performance metrics are broadly consistent with the expectations for economy, midscale, and upper-midscale lodging markets and suggest a stable operating environment, though not one characterized by premium pricing. (Note that the market also includes two upper upscale/luxury properties for which occupancy, ADR, and RevPAR cannot be determined.)

The structure of the existing hotel inventory reflects the nature of local demand generators. Most properties fall within the limited-service and select-service categories, with national brands commonly associated with business travel and some extended-stay lodging. This positioning reflects the influence of nearby employment centers and institutional users, including Naval Station Great Lakes, Abbott/AbbVie, and Rosalind Franklin University, as well as regional tourism activity associated with attractions such as Six Flags Great America and other Lake County destinations.

Naval Station Great Lakes represents one of the most significant hospitality demand drivers in the region. The installation hosts weekly Recruit Training Command graduation ceremonies 48 weeks per year, graduating roughly 10,000 recruits each week. Approximately 5,000 family members and friends travel to the area each week to attend the ceremonies. According to installation representatives, these events generate an estimated 11,000 hotel room nights per week, typically associated with a Wednesday–Sunday stay pattern. This recurring visitation creates a consistent and substantial source of lodging demand that supports the regional hotel market.

Table 5. Hospitality Market Snapshot by Hotel Class – Sheridan Crossing Market Area

Indicator	All*	Economy	Midscale	Upper Midscale	Upscale	Upper Upscale/ Luxury
Properties	32	14	5	8	4	2
Rooms	2,732	893	401	812	569	471
Avg. Rooms/Property	85	64	80	102	142	236
12-mo Occ	61.0%	54.0%	62.9%	62.5%	69.5%	NA
12-mo ADR	$118	$74	$90	$123	$153	NA
12-mo REVPAR	$72	$40	$56	$77	$106	NA

* Excludes Upper Upscale/Luxury properties, for which occupancy, ADR, and REVPAR cannot be determined.
Source: CoStar, Development Planning partners

Taken together, these conditions suggest that the local hospitality sector benefits from a combination of institutional visitation, corporate travel, and regional tourism, which collectively support a stable lodging market. However, much of the existing inventory is located along major commercial corridors and interstate interchanges throughout the broader North Chicago–Gurnee–Waukegan area. As redevelopment of the Sheridan Crossing site is considered, the project's proximity to Naval Station Great Lakes and other major employment centers may create opportunities for lodging uses that provide convenient access to these demand generators while complementing other commercial and place-making elements envisioned for the site.

Residential

The residential market within the Sheridan Crossing trade area is characterized primarily by older housing stock and a significant share of income-restricted or subsidized rental housing. According to CoStar data, the average effective rent across surveyed multifamily properties in the North Chicago area is approximately $1,328 per month (about $1.33 per square foot), with occupancy levels of roughly 93.6%, indicating generally balanced operating conditions. However, this figure includes a substantial amount of designated affordable housing inventory. When isolating the market-rate segment, average rents are significantly *lower*—just over $810 per month—reflecting the limited pricing power of conventional rental housing in the immediate area.

As a result, the development of new rental housing is limited, and the market currently lacks newer market-rate rental housing that could appeal to households seeking higher-quality units or modern amenities. One potential source of demand for such housing is military personnel and their families assigned to Naval Station Great Lakes, who may remain in the area for tours of duty lasting up to three years. Installation representatives indicated that some personnel who live off-base in nearby neighborhoods have concerns about housing quality and safety, suggesting that well-designed rental housing in a secure and well-managed environment could address an unmet need. However, rents for newly constructed housing would need to remain aligned with military housing allowances, which may limit the financial feasibility of higher-cost new construction.

Table 6. Rental Market Snapshot – North Chicago

Indicator	Estimate
Average Effective Rent/Mo. (All Multifamily)	$1,328
Average Rent per Square Foot	$1.33
Average Occupancy	93.6%
Average Market-Rate Rent/Mo.	$810
Dominant Housing Type: Older garden-style apartments and subsidized housing	
Potential Demand Driver: Naval Station Great Lakes; larger private employers	

Source: CoStar, Development Planning partners

Recent MLS data indicate that the for-sale housing market in and around North Chicago is characterized by relatively low pricing levels, particularly when compared to broader Lake County and regional benchmarks. Over the most recent 12-month period, median sales prices were approximately $133,500 for attached housing (including townhomes and condominiums) and $254,000 for detached single-family homes. While these figures reflect an active resale market, they remain well below pricing levels typically required to support new construction, particularly given current construction costs and financing conditions.

The distribution of sales further reinforces this conclusion. Only a limited number of higher-priced transactions have occurred, with just ten detached home sales exceeding $300,000 over the past year and only one attached unit sale above $200,000. Although available inventory appears to be constrained, suggesting some degree of supply limitation, prevailing price points indicate that demand is not translating into pricing sufficient to support new for-sale development at scale. As a result, while there may be opportunities for targeted or niche ownership products over time, the current market environment is more likely to support rental or income-restricted housing formats than conventional market-rate for-sale development in the near term.

Table 7. For-Sale Market Snapshot, Last 12 Months – North Chicago

Metric	Attached Housing (Condo/Townhome)	Detached Housing (Single-Family)
Median Sale Price	$133,500	$254,000
Highest Observed Price Tier	$200,000	$300,000
Sales Above $200,000	1	—
Sales Above $300,000	—	10
General Price Positioning	Low	Moderate-Low
Market Depth at Higher Price Points	Very limited	Limited
Inventory Conditions	Limited supply	Limited supply
Support for New Construction	Limited at current sale prices	Limited at current sale prices

Source: Midwest Real Estate Data (MLS), Development Planning partners

Taken together, these conditions suggest that while large-scale residential development is not expected to be the primary driver of redevelopment at Sheridan Crossing, limited amounts of new rental housing—particularly townhome-style rentals or apartments incorporated into mixed-use development—may represent more realistic opportunities. Such housing could complement commercial uses on the site while potentially addressing unmet demand from military personnel, regional employees, and other renters seeking higher-quality housing options in the area.

Competing Developments and Commercial Nodes

Several established commercial centers within the broader trade area influence consumer behavior and retail patterns that affect redevelopment potential for Sheridan Crossing. These centers range from large regional retail destinations to smaller corridor-oriented clusters that serve neighborhood and convenience retail needs. Understanding the role and positioning of these nodes provides important context for evaluating the types of uses most likely to succeed at Sheridan Crossing.

Fountain Square – Waukegan

Fountain Square in nearby Waukegan functions as one of the primary retail and hospitality nodes in the northern Lake County area, featuring a concentration of national retailers and dining establishments. Located along the Belvidere Road corridor west of the Sheridan Crossing site, the center and its surrounding commercial area provide a broad mix of community- and regional-serving retail uses. The area includes large-format retail, grocery, quick-service restaurants, and other national chains that draw customers from across the Waukegan and North Chicago markets. The center is also home to five of the trade area's 32 hotels.

As a mature retail node with established anchors and strong visibility along a major east–west arterial, Fountain Square captures a substantial share of routine retail spending within the trade area. At the same time, the center's retail environment is largely auto-oriented and characterized by conventional strip and power-center formats. While it functions as an important retail destination, its physical form and tenant mix suggest limited overlap with the type of mixed-use, place-oriented development envisioned for Sheridan Crossing. As a result, the Fountain Square area primarily represents competition for traditional retail formats, while leaving opportunities for more integrated dining, service, and experiential uses that could be incorporated into a redevelopment setting.

Finally, the character and use mix at Fountain Square could change considerably as plans to develop a $375 million permanent home for the American Place Casino (currently housing in a temporary structure on the site) come to fruition. These plans include an upscale boutique hotel and 1,500-seat event venue, plus additional restaurants and expanded gaming.

Gurnee Mills Area

The Gurnee Mills retail corridor represents the most significant regional retail destination in the broader trade area. Anchored by the Gurnee Mills outlet and off-price mall and surrounded by extensive big-box retail and restaurant development, the corridor attracts shoppers from across northern Illinois and southern Wisconsin. The area also benefits from proximity to Interstate 94 and the regional draw of nearby attractions, including Six Flags Great America, which further reinforce its role as a regional shopping destination.

Retail development in the Gurnee Mills area is characterized by large-format national retailers, outlet stores, entertainment uses, and a concentration of chain restaurants and hotels. Because of its scale and regional draw, the corridor captures a significant share of discretionary retail spending that might otherwise flow to smaller centers within the trade area. However, like Fountain Square, the environment functions primarily as a destination shopping district rather than a neighborhood or mixed-use environment. Consequently, while the Gurnee Mills corridor represents strong competition for large-format retail and destination shopping uses, it does not directly replicate the type of smaller-scale, integrated development that could emerge at Sheridan Crossing.

Other Commercial Corridors

Beyond these major retail nodes, several additional commercial corridors throughout the region provide neighborhood and community-scale retail services and further shape local consumer spending patterns. These corridors generally consist of linear retail development along major roadways and include a mix of convenience retail, fast-food restaurants, service businesses, and smaller shopping centers.

Within the immediate vicinity of the Sheridan Crossing site, notable concentrations of commercial activity include the Green Bay Road corridor near Martin Luther King Jr. Drive, which contains a number of fast-food establishments and convenience-oriented retail uses. Additional commercial activity occurs along Belvidere Road (Route 120) and within portions of downtown Waukegan, where restaurants, taverns, and locally oriented businesses serve surrounding neighborhoods and workers.

Field observations also indicate that restaurant and retail options within the immediate area surrounding the Sheridan Crossing site are relatively limited. This lack of nearby commercial amenities highlights a potential opportunity for redevelopment at Sheridan Crossing to introduce additional retail, service, and dining uses that serve both local residents and nearby employment centers.

Preliminary Observations

Based on the analysis conducted to date, several key observations emerge regarding the current market environment surrounding the Sheridan Crossing site.

- First, the broader Lake County region contains a substantial population and employment base capable of supporting neighborhood-serving retail and service uses. However, much of the region's higher-intensity retail activity is concentrated in larger commercial centers located outside North Chicago.

- Second, the presence of Naval Station Great Lakes represents a significant institutional demand driver that contributes both employment and visitor activity to the surrounding area.

- Third, the Sheridan Road corridor provides visibility and accessibility that could support reinvestment, particularly if redevelopment efforts are able to introduce uses that complement rather than directly compete with larger regional retail centers.

- Finally, redevelopment opportunities at Sheridan Crossing will likely depend on identifying uses that respond to local neighborhood demand, institutional demand drivers, and niche market opportunities that are not fully served by existing commercial centers in the surrounding area.

These observations will inform the more detailed sector-specific analyses and redevelopment scenarios that will be developed in the next phase of the study.

APPENDIX *Site Assessment*

Introduction
An assessment of existing site conditions was conducted to identify environmental features, infrastructure constraints, transportation access, and regulatory factors that may influence future redevelopment of the property. This section provides an overview of existing environmental conditions, infrastructure availability, transportation access, land use patterns, and regulatory considerations affecting the subject site in North Chicago. The analysis draws on publicly available data sources including the National Wetlands Inventory (NWI), FEMA Flood Insurance Rate Maps (FIRM), U.S. Geological Survey elevation data, transportation data from the Illinois Department of Transportation (IDOT), and local land use and zoning information.

The purpose of this review is to identify key physical characteristics, opportunities, and constraints that may influence future redevelopment of the approximately 33.6-acre property. In addition to evaluating environmental features, infrastructure conditions, and transportation connectivity, the analysis also considers policy guidance from local planning documents such as the City of North Chicago Comprehensive Plan and Future Land Use Map.

To further evaluate redevelopment potential, a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis was prepared based on the findings of the existing conditions review. This framework highlights the site's strategic advantages, identifies potential development constraints, and outlines opportunities and external factors that may influence future investment and planning decisions for the Sheridan Crossing area.

<u>Physical and Environmental Data Analysis</u>
National Wetlands Inventory (NWI) Data
Potential wetlands have been identified on the site based on National Wetlands Inventory (NWI) data (see **Figure 1**). Two wetland classifications are mapped within the project area: PEM1F (approximately 1.82 acres) and PEM1C (approximately 3.58 acres); these wetlands account for approximately 5.4 acres of the site's roughly 33.6 acres of developable land.

Both wetland types fall within the Palustrine Emergent (PEM) system, which includes non-tidal wetlands dominated by herbaceous vegetation such as grasses, sedges, and other hydrophytic plants. The Persistent Emergent (1) subclass indicates vegetation that typically remains standing through the winter and into the following growing season.

The two classifications differ in their hydrologic regime:

- PEM1F – Semi-permanently Flooded: Surface water is generally present throughout most of the growing season, and when standing water is not present, the water table typically remains at or near the ground surface.
- PEM1C – Seasonally Flooded: Surface water is typically present for extended periods during the early portion of the growing season but usually dries by the end of the season. After flooding recedes, the water table may range from near the surface to deeper below ground.

These mapped wetlands represent potential jurisdictional wetlands and would require field verification through a wetland delineation to confirm their presence, boundaries, and regulatory status.

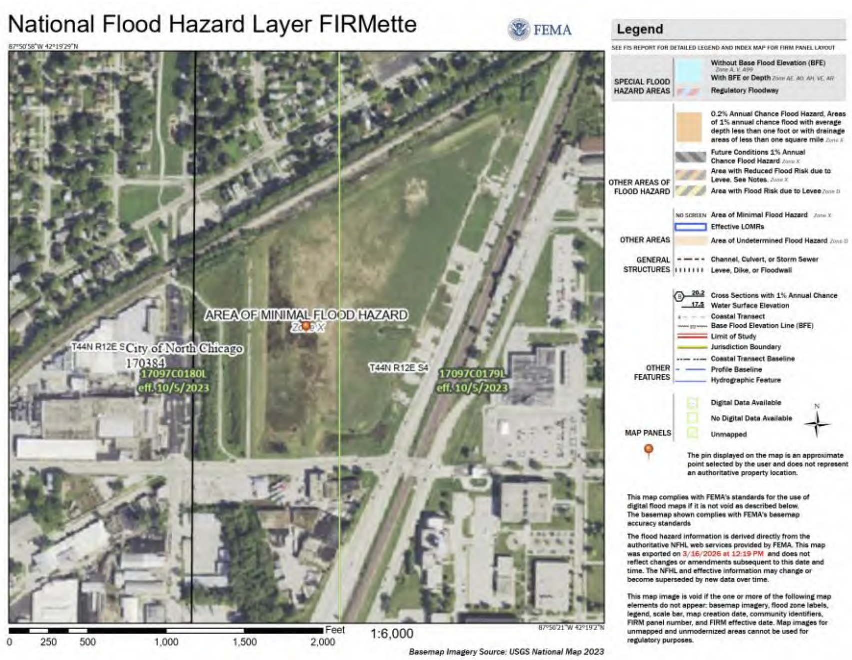
Figure 1: Wetlands

Source: National Wetlands Inventory[i]

FEMA Floodplain Mapping (FIRM Panels)

According to FEMA Flood Insurance Rate Maps (FIRM), the site is located within Flood Zone X, which represents an area of minimal flood risk, see **Figure 2**.

Figure 2: National Flood Hazard



Source: FEMA NFHL Viewer[ii]

Topography and Elevation Data

The site elevation ranges from approximately 650 to 663 feet above mean sea level (see **Figure 3**), representing roughly 13 feet of elevation change across the site. Overall, the terrain appears relatively flat with gentle slopes.

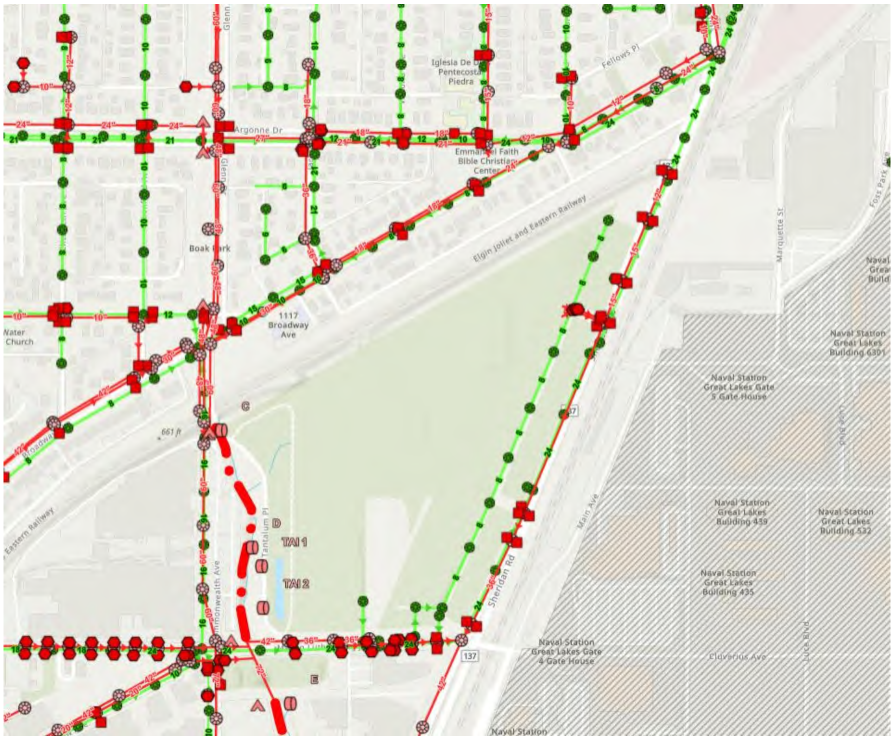
Figure 3: Elevation

Source: USGS[iii]

Utility and Infrastructure

According to the National Pipeline Mapping System, no electric transmission lines or pipelines are mapped within the site. A review of publicly available Public Works infrastructure data indicates that drainage and sanitary sewer infrastructure are located in the vicinity of the site. Water and stormwater systems are maintained by the City of North Chicago and are documented through the City's storm sewer atlas and municipal utility mapping systems. Existing stormwater infrastructure, including storm manholes, storm mains, and other drainage facilities, is located around the site. Sanitary sewer manholes and mains are also present in the surrounding area, see **Figure 4**.[iv] Detailed utility locations should be verified through municipal utility maps and coordination with the City's Public Works and Engineering Department. Depending on final site layout, extensions of water, sewer, stormwater infrastructure, or other utilities may be required to serve future development.

Figure 4: Sewer and Drainage



Source: City of North Chicago[v]

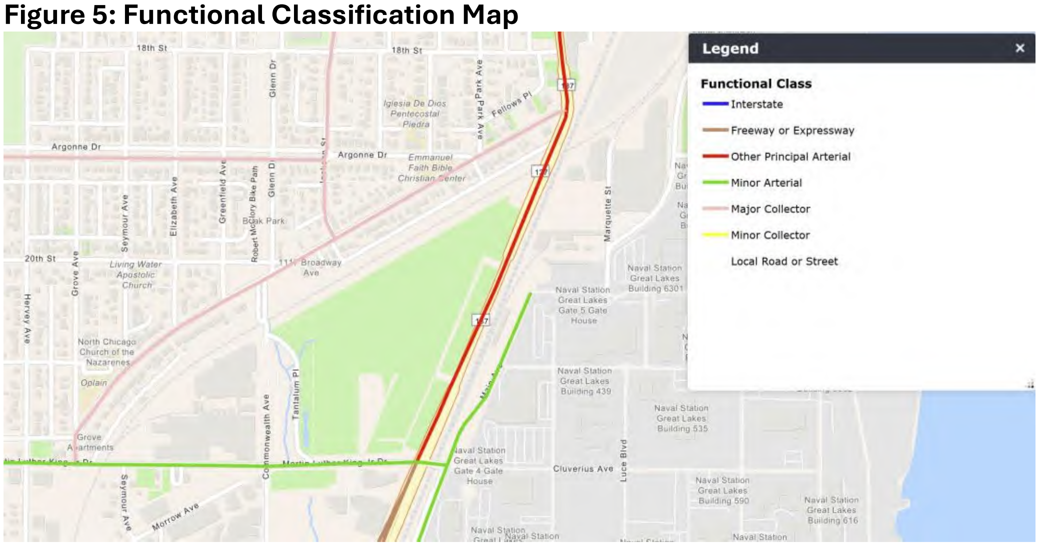
<u>Transportation and Access Analysis</u>

Roadway Network Analysis

According to the Illinois Department of Transportation, the functional classification of the surrounding roadways is as follows, see **Figure 5**:

- Martin Luther King Dr.: Minor Arterial
- Broadway Avenue: Major Collector
- Sheridan Road/137: Other Principal Arterial

Figure 5: Functional Classification Map

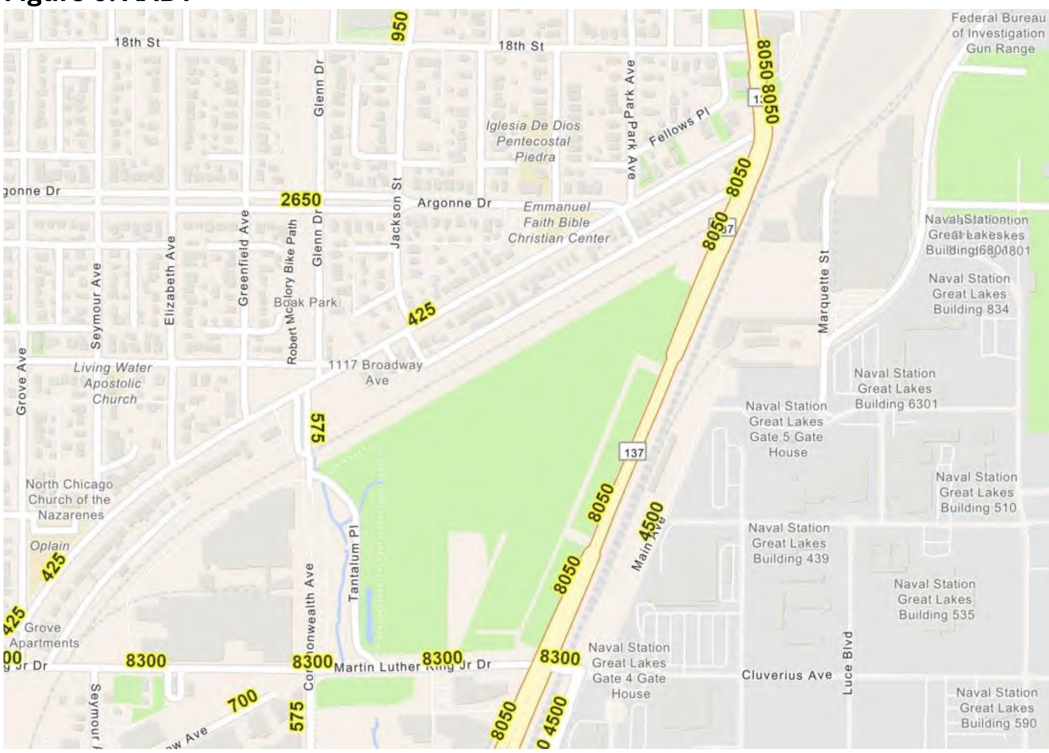


Source: IDOT[vi]

Traffic and Mobility Data
The Annual Average Daily Traffic (AADT) counts along the surrounding roadways is as follows, see **Figure 6**:

- Martin Luther King Drive: 8,300
- Broadway Avenue: 425
- Sheridan Road/137: 8,050

Figure 6: AADT



Source: IDOT[vii]

Sheridan Road functions as a north–south arterial corridor serving North Chicago and surrounding Lake County communities. Traffic data from IDOT indicates consistent daily traffic volumes along the corridor around 8,300, supporting both local access and regional travel. The roadway provides connectivity to nearby residential neighborhoods, employment centers, and regional destinations, resulting in typical commuter travel patterns during morning and afternoon peak periods. Nearby destinations include the Great Lakes Naval Station, Waukegan, Lake Bluff, Lake Forest, and North Chicago residential areas.

Crash Data
Crash data from 2020 through 2024 indicates that 52 total crashes occurred in the area, with the highest concentration along Sheridan Road, especially at the Sheridan Road and Martin Luther King Jr. Drive intersection (see **Figure 7**).

Total intersection crashes:
Martin Luther King Jr. Drive & Broadway Avenue– 2

Sheridan Road and Martin Luther King Jr. Drive– 19
Martin Luther King Jr. Drive and Commonwealth Avenue – 4
Martin Luther King Jr. Drive and Seymour Avenue - 4

Total roadway crashes
Broadway Avenue – 12
Sheridan Road – 11

Figure 7: Crash Data 2020-2024

Source: IDOT

Multimodal Connectivity

Pedestrian Facilities

Pedestrian facilities in the study area are primarily located along Sheridan Road. Sidewalks are present along portions of Sheridan Road and along several intersecting local streets, providing pedestrian access to nearby residential neighborhoods west of the corridor. These facilities support walkability between surrounding neighborhoods, transit stops, and nearby employment areas. However, pedestrian connectivity may vary in quality depending on roadway conditions and the presence of continuous sidewalks along adjacent streets.

Bicycle Facilities

Regional bicycle connectivity is supported by the Robert McClory Bike Path, a major north–south shared-use trail located east of Sheridan Road along the Lake Michigan corridor. The trail runs through much of Lake County and provides connections to communities including Waukegan, North Chicago, Lake Bluff, and Lake Forest. This trail is present directly east of the Site. Cyclists can also access the Site through local roadway connections. Sheridan Road itself primarily functions as a shared roadway for cyclists rather than a dedicated bike corridor.

Transit Access
Transit service in the area is primarily provided by Pace Suburban Bus, which operates several routes along Sheridan Road and nearby arterial corridors. Bus stops along Sheridan Road provide connections to surrounding communities and employment centers within North Chicago and Waukegan.

The site is situated between two rail corridors. To the east is the Union Pacific North Line, which carries Metra commuter rail service between Chicago and Kenosha. Although Metra operates the passenger service, the rail infrastructure is owned by Union Pacific Railroad. To the west, a second corridor is part of the former Elgin, Joliet & Eastern Railway, now owned and operated by Canadian National Railway and used primarily for freight service.

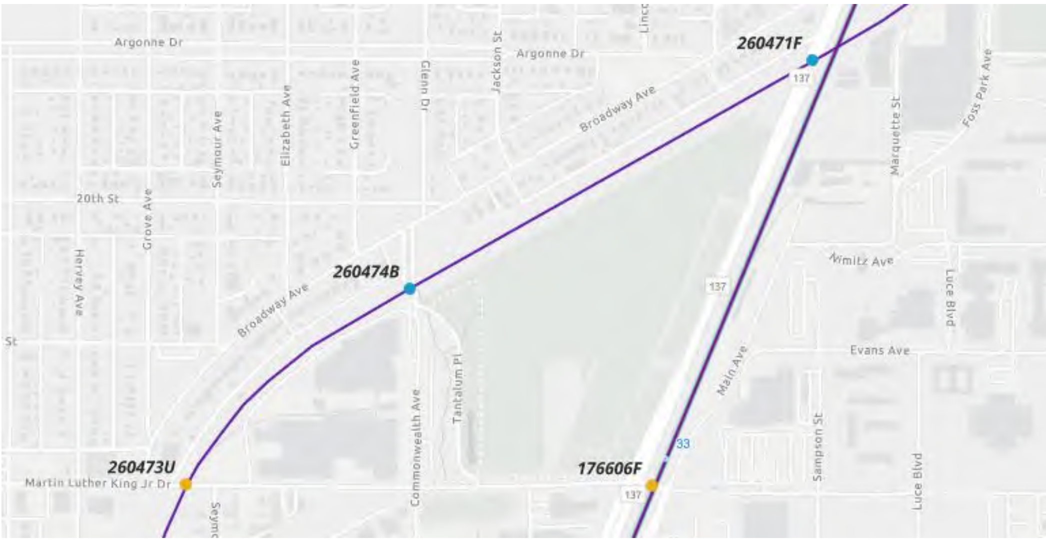
Regional commuter rail access is available at the North Chicago Metra Station, located west of the site along the Union Pacific North Line. This line connects Ogilvie Transportation Center in downtown Chicago with communities along the northern Lake County shoreline and continues north to Kenosha, Wisconsin, including a stop in North Chicago. On weekdays, approximately 25 trains stop at North Chicago heading toward Ogilvie Transportation Center and 26 trains stop heading toward Kenosha. On weekends, the station is served about 15 times per day in each direction.

There are four rail crossings near the site: two along Martin Luther King Jr. Drive, one at Sheridan Road, and one at Commonwealth Avenue (see **Figure 8**).

Rail activity at these crossings includes the following:

- **Martin Luther King Jr. Drive crossing 1:** primarily commuter rail, with 32 daytime through trains (6:00 a.m. to 6:00 p.m.), 26 nighttime through trains (6:00 p.m. to 6:00 a.m.), and 10 switching trains
- **Sheridan Road crossing:** freight, 2 daytime through trains
- **Martin Luther King Jr. Drive crossing 2:** freight, 2 daytime through trains
- **Commonwealth Avenue crossing:** freight, 2 daytime through trains

Figure 8: Rail Network



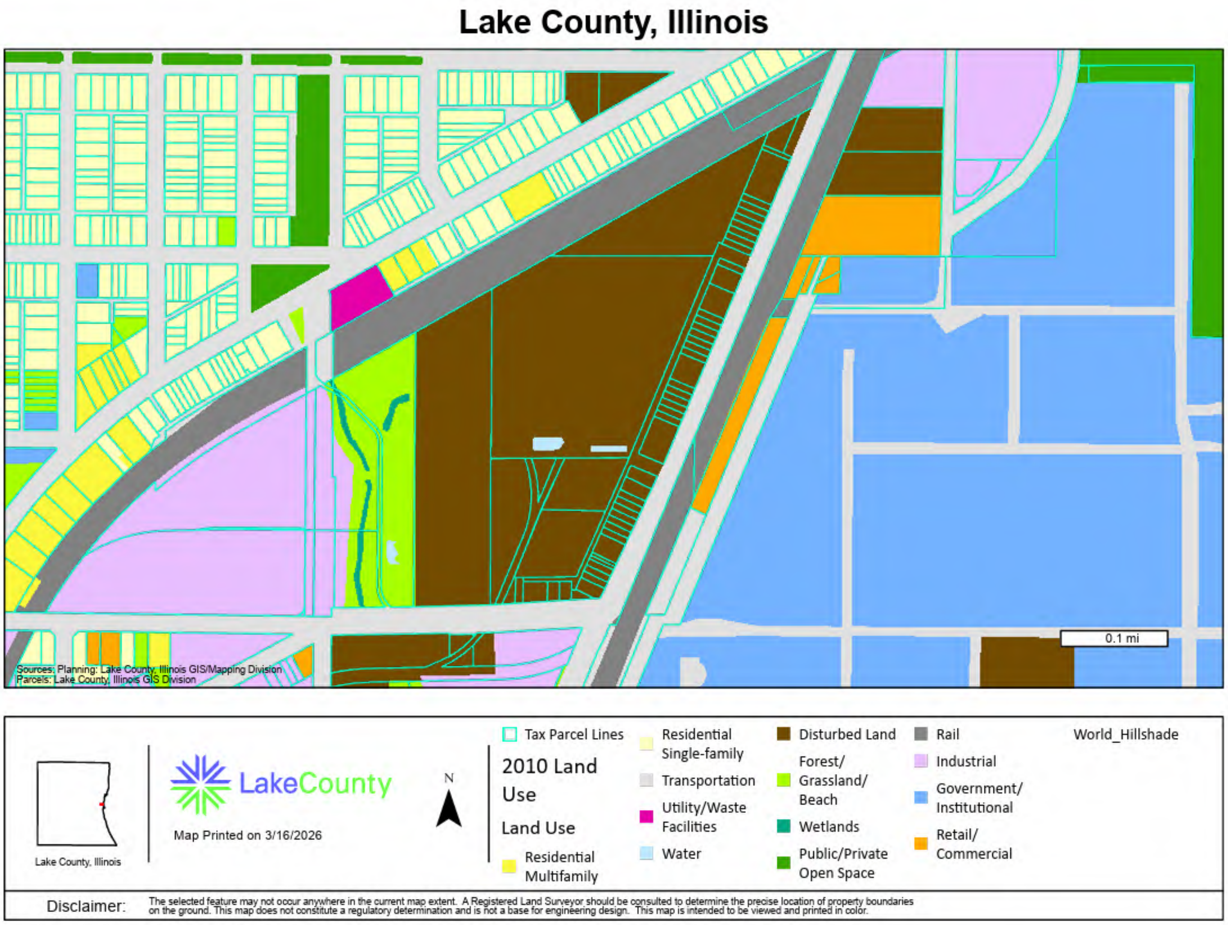
Source: U.S. Department of Transportation: Federal Railroad Administration[viii]

Connectivity to Surrounding Neighborhoods and Activity Centers
The site benefits from its location along Sheridan Road, which provides direct connectivity to surrounding residential neighborhoods and major regional destinations. Local streets west of the corridor connect nearby residential areas to Sheridan Road, supporting access for pedestrians, cyclists, and vehicles.

The corridor also provides access to major employment and institutional centers, including Naval Station Great Lakes, one of the largest employers in the region. In addition, the corridor connects to commercial areas and activity centers near Waukegan and Lake Bluff. This network of roadways, transit services, and pedestrian infrastructure supports multimodal travel and allows the site to be accessed by automobile, transit, bicycle, and foot.

<u>Land Use and Market Context Data</u>
According to 2010 land use data, the site is classified as Other Vacant Land Available for Redevelopment/Disturbed land. Surrounding land uses include Grasslands and Manufacturing and Processing to the west; Utilities and Waste Facilities, Other Open Space, and Residential uses to the north; Commercial Mix and Government Administration and Services to the east; and Manufacturing and Processing, as well as additional vacant land available for redevelopment, to the south (see **Figure 9**).

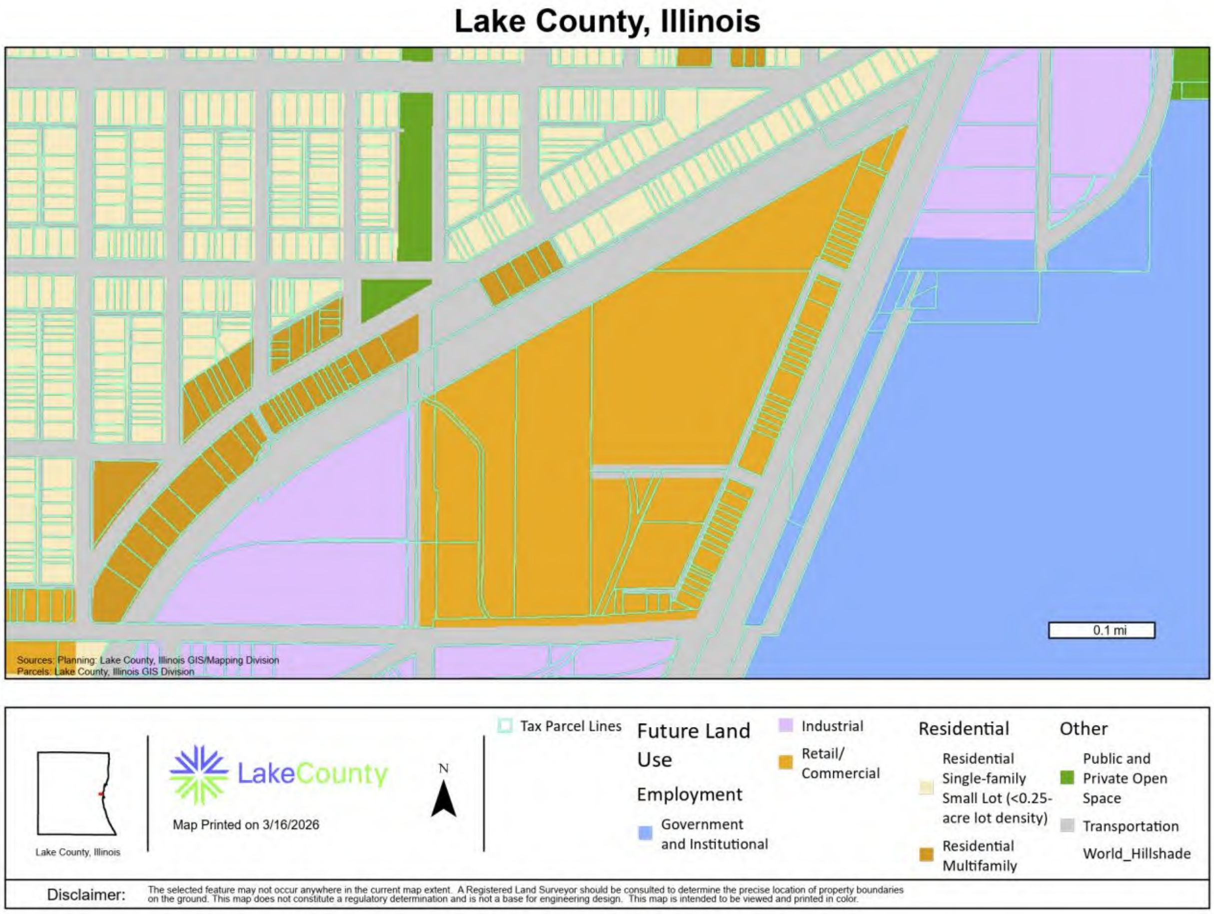
Figure 9: Land Use from 2010



Source: Lake County[ix]

The Future Land Use Map designates the site for Retail/Commercial development. Surrounding planned land uses include industrial areas to the west, south, and northeast; government/institutional uses to the east; and a mix of public and private open space along with predominantly residential areas to the north (see **Figure 10**).

Figure 10: Future Land Use Map

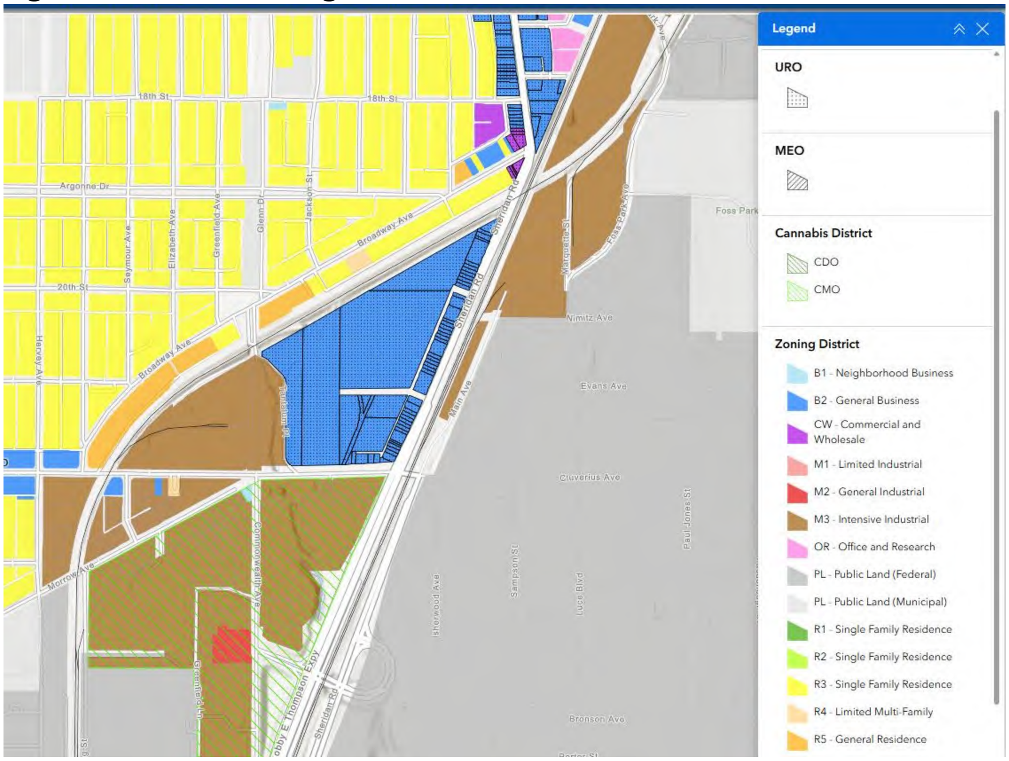


Source: Lake County[x]

Zoning and Regulatory Analysis

The site is currently zoned General Business with an Urban Residential Overlay (URO). Adjacent properties to the east, west, and south are primarily zoned Intensive Industrial, with several parcels to the south also designated with a Cannabis Manufacturing Overlay (CMO). Properties north of the site are zoned General Residence, Single-Family Residence, and Limited Multi-Family (see **Figure 11**).

Figure 11: Current Zoning



Source: City of North Chicago[xi]

Development Standards Review (based on current zoning)

A review of the applicable development standards for the site was conducted to understand the regulatory requirements that may influence future site planning and redevelopment. These standards, established through the City of North Chicago zoning ordinance, regulate elements such as building height, setbacks, lot coverage, parking, loading, and buffering requirements. Together, these regulations guide the scale, layout, and overall design of development within the General Business (B2) zoning district and help ensure compatibility with surrounding land uses. The following summary outlines the key development standards that may apply to future development on the site based on the current zoning designation.

Standard	Requirement	Notes
Maximum Building Height	Typically up to 35 feet or 2.5 stories	Taller buildings may require special approval
Floor Area Ratio (FAR)	Generally controlled through bulk regulations rather than a fixed FAR	Building size must comply with lot coverage and setback requirements
Front Yard Setback	Approximately 30 feet	Measured from street right-of-way
Side Yard Setback	15 feet when adjacent to residential districts	May be reduced when adjacent to non-residential uses
Rear Yard Setback	Approximately 20 feet	Greater setbacks may apply near residential zones
Parking Requirements	Varies by use	Retail: ~1 space per 200–300 sq ft

Loading Requirements	Required for larger commercial or industrial uses	Loading berth size and access requirements specified in ordinance
Buffering Requirements	Required where commercial uses abut residential districts	Typically landscaping, fencing, or increased setbacks

The site is also subject to the Urban Redevelopment Overlay (URO). Within this overlay district, most developments are not required to meet the standard minimum lot size, setback, or yard requirements typically established by the underlying zoning district. An exception applies to properties located off Sheridan Road or Tenth Street; these developments must follow the front yard setback standards associated with the underlying zoning designation. Additionally, projects proposing buildings taller than 55 feet or developments with a floor area ratio (FAR) greater than 5.0 must comply with the regulations outlined in Article 6 – Planned Unit Development (PUD).[xii]

Policy and Planning Document Review

The Comprehensive Plan identifies the site as a Natural Area, while existing land use data classifies the property as Industrial/Manufacturing. The Future Land Use Map designates the site for Regional Commercial development.

The Regional Commercial land use category is intended to accommodate large-scale developments that function as regional destinations. The Sheridan Crossing Road area is identified as a potential location for this type of development. These areas are designed to attract visitors from both the local community and the broader region and typically include a high concentration of commercial and entertainment uses. Regional commercial districts often feature a campus-style environment where retail, dining, hospitality, and entertainment uses are integrated to create a diverse activity center.

In addition to traditional retail and restaurant uses, regional commercial areas may include larger attractions such as entertainment venues, sports facilities, conference centers, or hotels. Development within these areas is typically designed to promote a cohesive and pedestrian-oriented environment, with buildings connected by walkways, plazas, and landscaped open spaces. Design elements often emphasize attractive architecture, public gathering areas, and pedestrian circulation to support an active and engaging destination.

Implementation strategies mentioned in the Comprehensive Plan for regional commercial areas typically include preparing a master plan to guide land use, site design, and infrastructure improvements. Additional considerations include investing in transportation infrastructure to support increased traffic, encouraging partnerships with private developers to attract investment, and maintaining flexible zoning regulations that allow a mix of commercial, entertainment, and hospitality uses. Examples of development within this category may include entertainment complexes, sports venues, large retail centers, conference facilities, and hotels.

The site is currently zoned General Business District (B2), which is intended to accommodate a wide variety of retail and service uses that are typically larger in scale than those permitted in the Neighborhood Business (B1) district. The B2 district represents the primary commercial zoning category within North Chicago and is largely concentrated along major commercial corridors such as Sheridan Road, Martin Luther King Jr. Drive, and Green Bay Road.

The Sheridan Crossing site is one of the larger undeveloped parcels within this zoning designation. The City has identified the property as an opportunity for redevelopment into a vibrant commercial or mixed-use destination through thoughtful site design and coordinated planning efforts.[xiii]

SWOT Analysis

To further evaluate the redevelopment potential of the site, a SWOT analysis was conducted to summarize key findings from the existing conditions review. The analysis identifies the site's strengths, including physical characteristics and locational advantages; weaknesses, which represent site-specific constraints or limitations; opportunities, which highlight potential development prospects and planning initiatives; and threats, which reflect external factors such as regulatory requirements, infrastructure needs, or market conditions that may influence future development. This framework provides a concise summary of the site's primary opportunities and constraints and helps inform future planning and redevelopment considerations for the Sheridan Crossing area.

Category	Key Factors
Strengths	• Large redevelopment parcel (~33.6 acres) allowing flexibility for phased or large-scale development • Prominent frontage along Sheridan Road (US-137), a principal arterial corridor • Strong regional roadway connectivity to Waukegan, Lake Bluff, Lake Forest, and surrounding Lake County communities • Traffic volumes of approximately 8,000 vehicles per day along nearby arterial corridors • Access to multiple transportation modes including Pace bus routes and the nearby North Chicago Metra Station • Direct proximity to the Robert McClory Bike Path regional trail corridor • Site is largely vacant and previously disturbed, reducing redevelopment barriers • Relatively flat topography which may simplify site planning and building construction • Location near Naval Station Great Lakes, a major regional employment center • Future Land Use designation supports Regional Commercial development
Weaknesses / Constraints	• Approximately 5.4 acres of potential wetlands identified through NWI mapping • Wetland areas include both seasonally flooded and semi-permanently flooded regimes • Environmental features may reduce the overall developable footprint • Utility infrastructure capacity and exact locations require verification

Category	Key Factors
	• Potential need for water, sanitary sewer, or stormwater infrastructure extensions • Adjacent industrial and manufacturing land uses may create compatibility considerations • Pedestrian connectivity may be limited along portions of surrounding roadway corridors • Stormwater management may be required due to relatively flat site conditions • Surrounding roadways like Sheridan Road may need to be reconfigured to manage larger traffic and pedestrian volumes
Opportunities	• Comprehensive Plan identifies Sheridan Crossing as a potential Regional Commercial destination • Potential for development of a regional retail, entertainment, or mixed-use center • Opportunity to create a campus-style commercial environment with integrated uses • Potential to leverage proximity to Naval Station Great Lakes and surrounding residential areas • Opportunity for phased development due to the size of the site • Potential to incorporate placemaking elements such as plazas, pedestrian spaces, and landscaping • Opportunity to improve pedestrian and bicycle connectivity to surrounding neighborhoods and regional trails • Potential to stimulate additional investment and redevelopment along the Sheridan Road corridor
Threats / Regulatory Considerations	• Wetland delineation, permitting, and mitigation requirements could increase project costs and timelines • Infrastructure upgrades or utility extensions may be required to support development • Development may require zoning approvals, site plan review, or PUD processes depending on scale • Traffic increases may require roadway improvements or access management along Sheridan Road • Competition from existing commercial areas in nearby communities such as Waukegan and Lake Bluff • Changing retail and commercial market trends may influence long-term development feasibility

Conclusion

The existing conditions analysis identified several key factors that may influence future planning and redevelopment of the site. These factors include environmental features, infrastructure considerations, transportation access, surrounding land uses, and the regulatory framework established through local zoning and planning policies.

The SWOT analysis highlights several site characteristics that may support redevelopment, including the large contiguous parcel size, frontage along Sheridan Road, and regional transportation connectivity. The site is accessible by multiple travel modes, including major arterial roadways, Pace bus service, nearby commuter rail access, and regional bicycle infrastructure such as the Robert McClory Bike Path. The property's largely vacant and previously disturbed condition may also influence future redevelopment planning compared to sites requiring significant demolition or relocation.

At the same time, several constraints and considerations were identified that may influence site planning and development outcomes. National Wetlands Inventory mapping indicates the presence of approximately 5.4 acres of potential wetlands, which would require field verification and may involve environmental permitting or mitigation if impacts are proposed. Infrastructure availability, particularly sanitary sewer service, may require further coordination with local utility providers to determine existing capacity and potential extension needs. In addition, surrounding land uses, including nearby industrial properties and residential areas to the north, may influence land use compatibility and site design considerations.

The analysis also identified broader opportunities and external factors that may affect future development patterns in the area. Local planning documents identify the Sheridan Crossing area as a potential location for regional commercial development, suggesting a policy framework that supports larger-scale commercial or mixed-use investment. At the same time, regulatory processes, infrastructure needs, environmental conditions, and broader market trends may influence the timing, scale, and type of development that ultimately occurs.

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[i] U.S. Fish and Wildlife Service. (n.d.). *National Wetlands Inventory wetlands mapper*. Retrieved March 17, 2026, from https://fwsprimary.wim.usgs.gov/wetlands/apps/wetlands-mapper/

[ii] FEMA National Flood Hazard Layer. Esri. (n.d.). *ArcGIS Web Application*. Retrieved March 17, 2026, from https://www.arcgis.com/apps/webappviewer/index.html?id=8b0adb51996444d4879338b5529aa9cd

[iii] U.S. Geological Survey. (n.d.). *The National Map 3D viewer*. Retrieved March 17, 2026, from https://apps.nationalmap.gov/viewer/

[iv]City of North Chicago: Public Viewer-Sewer Review. Esri. (n.d.). *ArcGIS Experience web application*. Retrieved March 17, 2026, from https://experience.arcgis.com/experience/9f93c05a248e4b4b8d66895f07ea1d35

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