

This rail yard is bustling, and that's very good for greater Chicago

By Micah Maidenberg August 15, 2015

The intermodal yard that railroad CSX operates in southwest suburban Bedford Park is a vast concrete plain carved up by train tracks and packed with thousands of trailer-sized cargo containers from and bound for almost everywhere.

Inside its 300 acres, thousands of trucks and nearly two dozen locomotives, some of them towing 9,000 feet of train cars, arrive and depart daily, according to CSX of Jacksonville, Fla. Seventeen cranes hover over the tracks, hoisting the giant steel boxes on and off flat cars and truck trailers. Hundreds of mechanics, inspectors and managers work on-site each day.

The yard, the biggest in CSX's network, is open 24/7. And like most of the other transshipment **facilities in metro Chicago**, it's getting busier and busier.

The economic recovery, choppy though it may be, is boosting intermodal freight trade as demand increases for everything from retail goods to industrial parts and machinery. Helped along by a nationwide shortage of truck drivers, volume at the area's intermodal facilities has swelled over the past five years, and **railroads are racing to boost their services** here.

Intermodal yards typically aren't at the forefront of discussions about the regional economy, but they are why Chicago remains one of the **key transportation hubs** in North America. They're critical in efficiently connecting manufacturers and farmers across the Midwest to domestic and foreign markets. They're not as sexy as corporate headquarters relocations, but they spin out droves of jobs in logistics, packaging, trucking and warehousing, though many of those warehouse jobs pay paltry wages.

"We have over \$3 trillion moving through the region each year. That's trillion with a T, not billion," says Simone Weil, senior policy analyst at the Chicago Metropolitan Agency for Planning. "The intermodal yards play an important role in that."

The major railroads operate 18 yards in Chicago. In 2014, the number of "lifts"—when a container is moved on or off a train—at those intermodal operations neared 7.5 million, according to railroad data the agency analyzed. That's up 27 percent from 2009 and 20 percent from 2006, the last pre-recession year for which this data are available.

BNSF Railway's Logistics Park, a stone's throw from interstates 80 and 55 in Will County, handled the biggest volume, recording 930,297 lifts last year, up 32 percent from 2009, according to the data. CSX's Bedford Park operation came in second, with nearly 900,000 lifts, an increase of 14 percent over that five-year span. BNSF's Corwith yard, in the Brighton Park neighborhood on Chicago's Southwest Side, came in third, jumping 26 percent to roughly 825,000.

"Chicago is just the one place where **all the railroads meet**, and it's a big end market," says Anthony Hatch, a longtime railroad consultant based in New York.

(One class of goods that doesn't transit metro Chicago's train-to-truck facilities is fuel. Oil trains move directly to refineries, while coal trains continue on to power plants.)

BOOSTING STAFF, FLEETS

Rising intermodal volumes mean jobs on the ground. A spokeswoman for Fort Worth, Texas-based BNSF says 1,300 of the company's 4,000 Chicago-area employees and contractors support its intermodal yards

here. Around 350 people work each day at CSX's Bedford Park facility, the company says, excluding truck drivers.

Tracy Davis, president of Acme Transportation in Bedford Park, says the higher lift counts create more business for his firm; he's doubled his workforce to 20 people and boosted his fleet of trucks to 15 from eight over the past five years to serve clients that need to move cargo from the yards to sites within a 200-mile radius.

The rail complexes also attract warehouses for big retailers such as Wal-Mart and Home Depot and logistics firms that help shippers manage their inventories and supply chains. This month, Oak Brook-based developer CenterPoint Properties broke ground on a 1.1 million-square-foot warehouse and distribution center near the BNSF and Union Pacific Railroad operations in Will County for **Saddle Creek Logistics**, a Lakeland, Fla.-based company that plans to hire 200 people in assembly and warehousing jobs at the site.

"We do know the customers utilize the intermodal yards," says Robert Pericht, senior vice president of warehouse operations at Saddle Creek.

To handle more demand, Norfolk Southern wants to expand its 140-acre 47th Street yard in Chicago's Englewood neighborhood by 84 acres. "The market's going to grow in Chicago. It's a giant consumer economy, a giant manufacturing economy," says Jeff Heller, vice president of intermodal at the Norfolk, Va.-based railroad. Volume at the 47th Street yard rose 23 percent, to more than 528,000 lifts from 2009 to 2014.

Not everyone likes the upturn in business. Village officials in Elwood, near the sprawling facilities of BNSF and Omaha, Neb.-based Union Pacific, say truck traffic in the area endangers residents and damages quality of life. In Englewood, a coalition of homeowners claims Norfolk Southern has low-balled them on offers for homes the railroad needs to purchase to complete its 47th Street development. Commuter rail operator Metra has tangled with the freight lines over sharing tracks. And neighbors of the yards **complain about pollution** and noise.

Given the increase in shipping, the disputes aren't likely to abate. The containers just keep coming.
