

Cargo Container Facilities

Positioning Will County for the International Container Industry, a Byproduct of Being a Global Trans Center

OVERVIEW: With the development of Centerpoint Properties' Deer Run Industrial Park and its intermodal facility, Logistics Park Chicago (LPC) anchored by the Burlington Northern Santa Fe Railroad (BNSF) and Will County's unique location that provides exceptional rail, highway, and waterway infrastructure, Will County is recognized as a Global Trans Center. A byproduct of being a Global Trans Center is the demand for facilities to store and maintain cargo containers. The demand for this industry will continue to increase dramatically due to the projected growth of both LPC and Will County's inventory of industrial real estate. In order to establish uniform guidelines for Will County and associated municipalities concerning the growth in this industry sector, the attached model ordinance, best practices guidelines and checklist have been drafted. The intention is that each municipality and the County will consider utilization of these documents, with modifications as necessary, to help create a unified approach to addressing the needs of this industry sector while maintaining community environmental standards.

PROJECTED LPC & INDUSTRIAL GROWTH: LPC is one of the busiest inland intermodal rail facilities, ranked by number of shipping movements or lifts, in the United States. In 2005, the LPC operation completed approximately 400,000 lifts. Due to growth and changes in the BNSF network, LPC achieved approximately 850,000 lifts in 2006. The initial advertised capacity for the facility was 1,400,000 lifts per year. However due to additional interior tracks, the projected annual capacity achieved may reach as high as 2,000,000 lifts. The growth of LPC will also be impacted by the availability of industrial real estate developments in Will County. Over 2,600 acres of land with proximity to LPC have recently been acquired by industrial real estate developers for future development. Over 2,600 acres could translate into approximately 40,000,000 square feet of additional industrial real estate.



PROJECTED DEMAND FOR CARGO CONTAINER FACILITIES: Will County and its associated municipalities have received several inquiries about possible sites for cargo container facilities. These facilities are generally engaged in the storage and maintenance of cargo containers. Having proximity to both LPC and industrial real estate facilities is critical for the cargo container industry and explains the focus on Will County by this industry.

LPC's primary function is transportation, not container storage for any extended amount of time. Operators who specialize in storage focus on this segment of the market. These operators are currently exploring property acquisition throughout the County.

Although the County and some municipalities have zoning language to regulate the location and condition of the cargo container facilities, there does not appear to be uniform policies in place for addressing the anticipated demand for space from this industrial category. The drafting of the attached documents is a collaborative effort to

meet community concerns for clean, orderly and safe facilities while simultaneously accommodating Will County's growth and maintaining its competitive advantages as a Global Trans Center.

The projected acreage demand for cargo container facilities is shown on the attached Container Acreage Formula (CAF) – a conservative formula provided by the industry. Stacking of containers would cause the approximate amount of required acreage for storage to decrease. In summary, the projected acreage need, in conjunction with the anticipated LPC growth, is as follows:

	LPC Lifts	Acreage per the CAF Method
Current lifts:	850,000	176 Acres
Original advertised capacity:	1,400,000	290 Acres
Potential final capacity:	2,000,000	415 Acres

A representative from the BNSF Railroad has provided attached data illustrating the amount of acreage devoted to certain operations at the LPC facility. This table has been helpful to determine how much actual container storage space is available within LPC. At this time, the BNSF facility has 160 acres dedicated for container parking. A few smaller cargo container facilities occupy an additional 40 acres. Due to these calculations, it is anticipated that at least another 200+ acres will be needed for future cargo container storage. Again these numbers only reflect storage needs based on one carrier; the BNSF railroad and its associated LPC facility in Elwood. Therefore, the policies outlined in the attached documents can establish a set of standards that will allow cargo container facilities to coexist with other developments, while mitigating adverse impacts associated with this type of land use.

WHO IS INVOLVED: To formulate an appropriate response to this demand for cargo container facilities, an initiative was established by the Will County Center for Economic Development (CED) in cooperation with the Will County local government units that comprise the Will Economic Network (WEN) component of the CED.

Through this initiative, which focused on those communities which are geographically desirable to the intermodal industry (in closer proximity to LPC), a series of meetings were held to address the issues associated with cargo container facilities. A consensus was reached that this effort should try to balance the needs of the intermodal industry with those of the County and municipalities to establish localized standards that this industry would follow to reduce any potential negative impacts.

Ideally, both the public and private sectors would like to see any cargo container facilities located in as close proximity as possible to the intermodal facility. Locating cargo container facilities in close proximity to LPC, reduces the distance between the intermodal facility and the storage area, which equals less pollution, wear on local roads, cuts transportation costs, and centralizes perceived negative impacts from the cargo container facility. Keeping cargo container facilities near the intermodal facility, which is in an isolated heavy industrial area, will ease the impact on the surrounding communities.

END PRODUCT: The outcome of this initiative resulted in the attached model ordinance, a set of best practices guidelines, and an applicant's checklist. It is the intention that these items go before the County and each municipality for adoption with or without modifications. A forum for initial presentation, comments and questions was held at the February, 2007, meeting of the Will County Governmental League meeting. Adoption of these documents by the County and each municipality may follow in accordance each with each jurisdiction's individual preferences, policies, and procedures.