



In new rail facility, McKees Rocks and CSX both see chance for more business

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By Daniel Moore / Pittsburgh Post-Gazette

Three cranes — \$2.5 million each — towered overhead, ready to lift shipping containers from rail cars and onto truck fleets and vice versa. Freight will likely roll in from as far away as Asia and through routes like the Panama Canal.

The new 70-acre railroad facility built and operated by CSX Transportation Corp. looked like something suited for a sweeping coastal port.

But there it was along the Ohio River, spanning both McKees Rocks and Stowe, five minutes from Downtown, surrounded during many hours of the day by gridlocked traffic.

For CSX, a Pittsburgh-area terminal is at the heart of a national strategy to move more freight more efficiently and better compete with trucking.

The Jacksonville, Fla.-based freight rail company — with 21,000 miles of track in the Eastern U.S. and access to 70 ports — is relying on a network of intermodal services that transfer goods from one form of transportation to another to stem [losses related to coal](#) and other energy products.

Those goods will be riding CSX trains in cargo containers stacked on top of each other, roughly doubling the capacity of a train and reducing costs for shippers sending a range of consumer products that you might see on shelves in Walmart and other stores. According to the Intermodal Association of North America, about 95 percent of the world's manufactured goods travel through intermodal facilities before arriving in the hands of the customer.

The new terminal, which opened in September, also offers a chance for McKees Rocks, long plagued with traffic congestion, to get a better handle on how to improve traffic flow — just one of the improvements officials hope to make to attract more business to the community.

CSX's new terminal site covers the former Pittsburgh & Lake Erie rail yard, northwest of the McKees Rocks Bridge along Island Avenue.

Terminal manager Tracy Brasfield last week showed off the highly automated process: Truck drivers enter the yard through a gate that snaps photos of their freight. Drivers then generate a bar code using an app on their mobile phone and scan it to receive a ticket that directs them to one of the 26 numbered parking spaces along two rail tracks.

Overhead, an operator sits atop the 80-foot-high container crane, which spans the rail tracks and trucks, moving the crane along the row of trucks.

The automation speeds things along and reduces the need for workers -- CSX employs just eight people there. Trucks dwell on average less than 24 minutes as the cranes lift or drop containers on their beds. The facility's three cranes can lift a combined 120 loads an hour. Trucks receiving containers then leave, fanning out over usually a 300-mile radius.

The terminal was quiet during an hour-long tour last week, as no trucks arrived and the crane operator stacked a few filled containers onto a train. As demand grows over the coming months, the company expects it to get much busier, Ms. Brasfield said.

A southeastern section of the former P&LE site, being marketed by Emsworth-based Trinity Commercial Development LLC, spans roughly 52 acres and abuts Chartiers Avenue, the business district of McKees Rocks.

Local officials described CSX's development as the first piece to fall into place as they work through a decades-long plan to redevelop the borough and bring bigger benefits to residents.

"It's up to us now" to market the remaining land and figure out ways to work the new facility industry into the borough, said Taris Vreck, executive director of the McKees Rocks Community Development Corp. He spoke last week after CSX gave a tour of the terminal to real estate professionals.

"For us, it's about creating jobs, density of jobs, high-quality investment, and really how does that synergize with Main Street businesses?" Mr. Vreck said.

When CSX began to build the site, the company took officials to Chambersburg, Pa., to see how development had sprung up around its intermodal facility there.

"That grew much faster than CSX ever thought it would," said Patty Horvatich, vice president of

business investment for the Pittsburgh Regional Alliance, who was on that trip. Discussions for a CSX terminal in the Pittsburgh region began around 2008, she said, and the company picked McKees Rocks over a site in Aliquippa.

Ms. Horvatic, though under a confidentiality agreement with Royal Dutch Shell, said the energy company's petrochemical plant in Beaver County could bring more trains and spur more investments around the terminal in McKees Rocks.

But it's hard to guarantee that, cautioned Matthew Cangioli, director of real estate management for CSX.

"I think it's a little more unusual for us to be so close to a downtown major city center like this, so possibly that means there's even more opportunities," Mr. Cangioli said. Yet, he added, "It's so market driven ... I don't want to say I have a real estate crystal ball."

Borough officials suggested the remaining development would have to provide a meaningful boost to McKees Rocks, which has long struggled to attract business since the industry around steel collapsed. When the Pennsylvania & Lake Erie, which was built in 1882, closed in the 1990s, the borough lost an "economic engine," said McKees Rock council president George Riel.

Mr. Riel, who recently shot [aerial video with a drone](#) of the site, is seeking smaller, tech-driven manufacturers and "makers." Mr. Vrcek said the borough would be "selective" and described the development as a "hard road" with tough choices.

The [borough is promoting](#) multiple pad-ready sites totaling 461,370 square feet — 75,896 square feet of existing building space and 385,474 square feet of new construction.

The borough will also contend with the prospect of thousands of trucks a year coming into the site and in an area already clogged with vehicles and with, in some places, deteriorating roads. The borough is partnering with Carnegie Mellon University's Traffic21 research institute to study traffic flow across a 10-county region.

"Trucks have been an issue for a while here already," said Jeb Feldman, manager of economic development for the MRCDC. "To hear we're going to have thousands of more trucks coming here because of this facility, it was an obvious concern."

Sean Qian, assistant professor of civil and environmental engineering at CMU, who will perform the analysis with a grant from the U.S. Department of Transportation, said he hopes to have a report within a year. Such research "has been overlooked," he added, and it could be applied to other

developments that bring heavy traffic, like Marcellus Shale drilling pads.

For CSX, the more traffic into intermodal facilities the better as it loses revenue from other sources. In 2016, less than 17 percent of CSX's total revenue came from coal shipments, down from 32 percent of revenue in 2011, according to earnings reports.

Revenue from CSX's intermodal facilities is expected to surpass coal revenue in the next five years, wrote Brian Ossenbeck, a freight transportation analyst for J.P. Morgan, in a September research report.

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