

Railroad to Add Second Facility to Enhance Operations and Logistics in Tuscaloosa

FOR IMMEDIATE RELEASE

May 18, 2023

Tuscaloosa, Ala. – Alabama Southern Railroad has announced plans to construct a second rail yard in Tuscaloosa to support current and future operations, with the project expected to create new jobs and new capital investment, the Tuscaloosa County Economic Development Authority announced Thursday.

The company plans to invest around \$9.8 million in a new rail yard facility in the Tuscaloosa County Airport Industrial Park to support operations currently conducted at the company's facility located near downtown Tuscaloosa. The second facility will provide additional capacity to support existing and future customers and will reduce traffic concerns at the downtown facility following the relocation of some activities. The project will locate to a site off Highway 82 West. Construction on the new rail yard is slated to begin this summer.

"We are thrilled to announce the expansion of our rail footprint in Tuscaloosa, which will provide critical capacity to meet the growing demands of our existing customer base and facilitate future growth opportunities," said company sales director Cody Gilliland. "This additional infrastructure investment underscores our commitment to delivering exceptional rail service quality and customer satisfaction. By enhancing rail service fluidity, our customers will benefit from greater efficiency and reliability while decreasing congestion in West Tuscaloosa."

"Tuscaloosa County is fortunate to have access to all forms of transportation to support our business community and citizens-road, rail, water and air," shared Steven Rumsey, vice chairman for Tuscaloosa County Economic Development Authority. "This investment will enhance our local rail infrastructure and overall transportation network, but also serves to aid future economic development in our community, helping create additional jobs and other quality of life initiatives for our citizens."

"The Alabama Southern Railroad's additional rail yard means more jobs and the reduction of train traffic in West Tuscaloosa," said Tuscaloosa Mayor Walt Maddox. "This project has required a great deal of planning and coordination, but the end result is well worth it for Tuscaloosa."

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The Tuscaloosa County Industrial Development Authority, which does business as the Tuscaloosa County Economic Development Authority, approved a tax abatement package as part of an investment by Alabama Southern Railroad. The Authority's board of directors approved the package Thursday afternoon during its May meeting.

The company will receive an abatement of the non-educational sales and use taxes for purchases of equipment and building materials during the construction phase of the project. The project is expected to be fully operational during the third quarter of 2024. Hiring of the eight jobs will be completed during the first year of operations.

"Alabama Southern Railroad's facility expansion will help reduce freight congestion in our more populous areas, while improving their service capacity to key local industries," said Probate Judge Rob Robertson. "Their additional investment in Tuscaloosa County will open the door for future growth opportunities."

Authority officials say the company will be eligible for a tax abatement in an estimated amount of \$535,125. In addition to new property tax revenue generated from the project, TCEDA estimates the project will contribute over \$600,000 during its first 20 years in certain taxes generated from direct employee spending by the new hires, identified through the Authority's standard evaluation process.

"Transportation is a critical factor when evaluating locations for new and expanding investment, so this addition to our rail resources will create new opportunities when promoting Tuscaloosa County," stated TCEDA Executive Director Justice Smyth. "This project also creates potential benefits for our existing industries while contributing positively to our on-going community development."

For more information about Alabama Southern Railroad, please visit <https://www.watco.com/service/rail/alabama-southern-railroad-abs>.

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About Alabama Southern Railroad

The Alabama Southern Railroad is a class III railroad that operates in the southern United States. It is one of several short line railroads owned by Watco. The railroad began operation in 2005 and operates an 85-mile (137 km) line leased from the Kansas City Southern Railway. Watco is a single-source transportation and supply chain services company with locations throughout North America and Australia. Founded in 1983, the company grew from one locomotive into a leading transportation services company. Today, Watco owns and operates a diverse and unmatched network of short line railroads, terminals, ports, and repair terminals.

About TCIDA/TCEDA

The Tuscaloosa County Industrial Development Authority, dba the Tuscaloosa County Economic Development Authority, is the economic development agency for all jurisdictions within Tuscaloosa County, Alabama, for manufacturing, technology and knowledge-based investments. TCEDA is a one stop source for accessing site location data including available sites and buildings, financing, employee training, and incentives. Through its efforts and partnerships, the Authority strives to contribute to a positive quality of life for Tuscaloosa County and its citizens, through new opportunities, investment, jobs, and tax revenue.

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