



Norfolk Southern hub gets OK for McCalla hub

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By **Michael Tomberlin** -- The Birmingham News



Norfolk Southern may start work in late spring on its planned hub along this stretch of rails in McCalla.

Norfolk Southern Corp. has the green light to begin construction on its \$97.5 million railroad hub in McCalla, with work set to begin this spring.

Federal officials told the railroad company this week it is clear to build its Birmingham Regional Intermodal Facility, setting the wheels into motion for a promised major economic development engine for the metro area.

U.S. Transportation Secretary Ray LaHood released a statement to the company late

Wednesday telling them to proceed with construction plans.

Norfolk Southern spokesman Rudy Husband said the company will need three or four months to have a general contractor in place, and work on the new facility could start by the end of spring.

"With the economy recovering and the demand to move freight in the U.S. growing, it is vitally important to bring the Birmingham Regional Intermodal Facility on line, so Norfolk Southern is pleased to be moving into the construction phase of the project," he said.

The federal approval comes after the end of a public comment period over the environmental assessment of the 261-acre McCalla site and another site in Memphis where Norfolk Southern plans to build a similar facility.

The projects are part of grants to the Alabama and Tennessee Departments of Transportation for \$105 million in stimulus funds and go toward a greater Norfolk Southern project to increase rail capacity and relieve traffic congestion along the 2,500-mile Crescent Corridor from the Gulf Coast to the Mid-Atlantic.

Alabama gets \$52.5 million of the grant to use toward the McCalla hub with Norfolk Southern, investing another \$45 million in the facility. Tennessee gets the other half of the grant to help Norfolk Southern build

the 380-acre, \$105.1 million Memphis Regional Intermodal Facility west of Rossville, Tenn. Norfolk Southern will invest \$52.6 million to build that facility.

The Crescent Corridor passes through 13 states from Louisiana to New Jersey. With the improvements to the railway and the new intermodal facilities, Norfolk Southern will be better able to transfer shipping containers between trains and trucks. As many as 1.3 million long-haul commercial trucks could be diverted from interstates along the Crescent Corridor's route, improving air quality, reducing traffic congestion and generating fuel savings, the U.S. Department of Transportation claims.

"President Obama's efforts to create jobs and improve our nation's transportation infrastructure depend on investments like these," LaHood said in a release. "The new facilities in Birmingham and Memphis will create jobs, help increase rail capacity, reduce highway traffic congestion and improve air quality for area residents."

Job creation

The job creation that will follow the opening of the hub is what has Birmingham economic development officials most excited about the hub project. An economic impact analysis by the University of Alabama commissioned by Norfolk Southern predicted the project will help create and retain 8,000 jobs for the metro area and have a \$4 billion economic impact in its first decade of operation.

"This is very favorable news. It will allow the project to move forward and greatly benefit the entire region," said Dave Rickey, spokesman for the Birmingham Business Alliance.

Rickey said distribution and logistics operations are a key industry for growth in the metro area as identified in the BBA's new five-year strategic economic plan.

"This project clearly is a major element of the trade and distribution target cluster that is a significant item in Blueprint Birmingham," he said. "The Birmingham Regional Intermodal Facility along with the Dollar General distribution center, increased cargo capacity at the Birmingham-Shuttlesworth International Airport and other initiatives will help establish our metro area as a leading distribution hub for the Southeast."

Dollar General plans to build a \$60 million, 1 million-square-foot distribution center in Bessemer, in 2011, creating 650 jobs.

Economic experts point to the growth that has followed intermodal facilities in other cities as evidence of what the McCalla operation could mean for Birmingham as more distribution centers choose to be near the facility.

"This sends a strong signal to the shipping and logistics community that the anticipated economic development and job creation opportunities will soon be realized," Husband said.

Despite the expected economic impact, many residents around McCalla were outspoken against the project, calling it inconsistent with the county's land-use plan and a threat to the community's quality of life. Parents of students at the McAdory Elementary School were also critical of the project, since the hub property is adjacent to the school.

Norfolk Southern has pledged to build berms and use extensive fencing and landscaping to separate the facility from surrounding properties. The company has also pledged to use the latest technologies to limit the impact on air quality and keep the activity from being too noisy or the lights from being too bright.

Traffic is another concern, with 400 trucks expected to go in and out of the site each day.

Husband said that although the public comment period has ended for the needed approvals, Norfolk Southern intends to be a part of the community and will always have a willingness to listen to issues raised by its neighbors.

"As the Birmingham Regional Intermodal Facility is built and becomes operational, Norfolk Southern will continue to be open and available to discuss any and all community concerns," Husband said.

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