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SEGAJDA Presents BBRED Impact Analysis of Colonel’s Island Rail Connector

January 30, 2015

The Southeast Georgia Joint Development Authority (SEGAJDA) spent two days promoting their six-county region in Atlanta in November which included sponsoring the Georgia Economic Developer’s Association’s (GEDA) annual awards luncheon and a presentation to Project Managers from the Georgia Department of Economic Development. Those attending included Governor Nathan Deal and Commissioner of Economic Development, Chris Carr.

During the GEDA luncheon, the authority shared a video with the 250-plus guests, touting the region’s assets and the economic impact of a railroad extension at the Brunswick Port’s Colonel’s Island Terminal, made possible by the SEGAJDA in 2006 and sharing the results of the the Bureau of Business Research and Economic Development’s (BBRED), part of the Business Innovation Group at Georgia Southern University, recently completed economic impact analysis of SEGJDA’s new railway connector that shortened the transit time from the Port of Brunswick’s Colonel’s Island Terminal to Macon and several automobile assembly plants in Alabama. The Colonel’s Island Terminal is the number one port in the United States for new car imports and second overall for the processing of auto imports and exports. Mercedes Benz ships 60,000 automobiles a year from its manufacturing plant in Alabama to Europe using the intermodal freight system of the Southeast including trucks, railroads, and the Port.

This new connector has reduced typical transit time from about one week to around three days or less. The decrease in transit time increased traffic on the Macon to Brunswick rail line operated by Norfolk Southern. In turn, the increase in traffic had a positive impact on the regional economy.

The research team examined the connector in two ways. First, the team examined the amount of efficiencies (i.e., savings) due to the reduction in transit time. BBRED determined that utilization of the connector equated to $1.8 million in increased efficiencies to the logistics pipeline in 2013 alone. For example, the time to transport vehicles from the Mercedes Benz facility in Vance, Alabama, was reduced from approximately 3 to 5 days to just 24 hours. This reduction, combined with all other efficiencies, resulted in over $9 million in cost savings from years 2007 to 2013.

“The development of the connector track not only enhanced the competitiveness of the rail system from the Port of Brunswick,” said Dominique Halaby, BBRED director. “The resulting efficiencies resulted in new economic activities and jobs for the State.”

The increase in usage of the connector added $35.2 million to Georgia’s with roughly $21.5 million captured in the SEGJDA region equating to an employment impact of 89 new jobs. The result is a rail system that serves as a critical link between the Port of Brunswick and the entire Southeast United States. In turn, this rail link is now a vital part of the local and state economy.

Wally Orrel, SEGAJDA vice chair and McIntosh County Industrial Development Authority executive director stated, “The impact of this joint venture between the six counties (Brantley, Camden, Charlton, Glynn, McIntosh, and Wayne), DCA, and the Norfolk Southern Railroad has been extraordinary. The thousands of jobs and investment dollars it created by expediting the shipments of automobiles and commodities to and from the Port of Brunswick continues to explode yearly.”

For more information about SEGADJA or BBRED, visit their websites at segajda.com or www.bbred.org, respectively.