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SMP to add Third Facility to Tuscaloosa County Investment

Tuscaloosa, AL – The Tuscaloosa County Industrial Development Authority approved a tax abatement package as part of an investment by SMP Automotive Systems Alabama that will establish the company’s third facility in Tuscaloosa County, according to Danielle Winningham, TCIDA executive director.

The international automotive supplier, a subsidiary of Samvardhana Motherson Group (SMG), announced plans in 2015 to locate a 700,000-sf facility in Tuscaloosa County to supply various exterior and interior components for future models to be produced at the Mercedes-Benz U.S. International plant. In 2019, SMP invested in a second Tuscaloosa County plant located on Brookwood Parkway. The third facility will be located in the Cedar Cove Technology Park, adjacent to Plant 1.

SMP manufactures multiple automotive components and supplies logistics and other services to MBUSI. More than 1,900 people currently work at the company’s two plants in Tuscaloosa County.

“We are excited about the additional opportunities that this new plant will bring us. Our focus on North America will also continue as we explore new areas in which we can bring value to our customers,” shared V.C. Sehgal, Chairman, Motherson Group.

The TCIDA board of directors approved the package Tuesday afternoon during its March 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 company will invest \$4.195 million in equipment and building materials. The new facility is estimated to utilize approximately 112 employees, including at least four new hires. Other positions are expected to be filled with existing personnel transferred from Plant 1. The company’s investment in the third facility will support new and on-going activities at SMP’s initial plant.

“Tuscaloosa County is proud to be the home to now three SMP facilities,” stated TCIDA Chairman Mark Crews. “This project enhances the company’s footprint in our community while enhancing job opportunities and advancements for our citizens.”

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Tuscaloosa County Industrial Development Authority

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TCIDA officials say the company will be eligible for tax abatements in an estimated amount of \$263,958. During the first 10 years of operations, the project is estimated to contribute almost \$200,000 in tax revenue in non-abated taxes, including education taxes, from initial purchases alone. In addition, TCIDA estimates the project will contribute more than \$800,000 over the next 20 years in certain taxes generated from the company and direct employee spending, identified through TCIDA's standard evaluation process.

"SMP and the Motherson Group's continued investment in our community echoes the partnership that was established in 2015 with the company's first investment," said Winningham. "As our region's automotive sector grows and advances, TCIDA and our many partners continue to work together to support the success of MBUSI and our automotive suppliers, while creating new, good paying jobs for our community."

About Motherson Group

The Motherson Group is a globally operating supplier providing full system solutions to the automotive industry, from design, simulation and prototyping to tooling, moulding, painting and final assembly of highly integrated modules. The group was founded in 1975 and is today one of the world's fastest-growing automotive component makers. Its business portfolio comprises a broad range of superior quality and aesthetic products for all large car manufacturers worldwide such as cockpits, bumpers covers, rearview mirrors, camera systems, lighting systems, decorative interior and exterior trims, wiring systems, air management systems and off-highway vehicle cabins. Furthermore, Motherson produces refrigeration systems, machined and sintered metal parts, elastomer parts, cutting tools, thin-film coating metals and injection moulding tools and provides comprehensive IT and design engineering services to various industry segments. The Motherson Group is one of the 22 largest automotive suppliers worldwide, employing over 135,000 people in more than 270 locations in 41 countries across five continents. For more information, please visit www.motherson.com.

About TCIDA

The Tuscaloosa County Industrial Development Authority is the primary industrial recruitment agency for Tuscaloosa County, Alabama's seventh largest populated county. The agency focuses on the creation of jobs through the location of new and expanding projects, with a focus on industrial, technology and knowledge-based investments. TCIDA was created in 1973 and is governed by a board of directors representing local governments and members of the business and education communities.

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