

TEXAS TRANSPORTATION COMMISSION

HARRIS County

MINUTE ORDER

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District No. HOUSTON (12)

WHEREAS, in HARRIS COUNTY, Texas, north of and adjacent to INTERSTATE HIGHWAY 10 from near Katy to Interstate Highway Loop 610 and from the intersection of INTERSTATE HIGHWAYS 10 and LOOP 610 east of Houston to near Union Station in downtown Houston, the Missouri Pacific Railroad Company (the "Company") has agreed to seek approval from the Interstate Commerce Commission to abandon operation of its railroad and has agreed to sell the railroad right of way to the Texas Department of Transportation (the "Department"); and

WHEREAS, the right of way is needed for construction, maintenance and operation of the State Highway System and/or for transportation corridor purposes due to current and expected future traffic congestion on Interstate Highway 10 and due to the fact the completion and design of numerous other projects in the Interstate Highway 10 area are contingent on a final determination of the right of way; and

WHEREAS, it is most advantageous to the Department to purchase the proposed right of way from the Company due to the fact that the cost of purchasing right of way south of Interstate Highway 10 and the cost of relocating businesses in that area would greatly exceed the cost of the right of way being purchased from the Company; and

WHEREAS, subject to express approval by the Commission, the Department and the Company have agreed on the price, terms and conditions for the Department's purchase of the right of way, which include as an additional consideration the retention by the Company of the right to continue railroad operations on the conveyed premises, rent free, for a period not to exceed five years;

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NOW, THEREFORE, BE IT ORDERED that a State Highway is designated along the Company right of way from its intersection with Interstate Highway Loop 610 east of Houston to downtown Houston near Union Station;

BE IT FURTHER ORDERED that the right of way is needed for construction, maintenance and operation of the State Highway System for the above stated reasons;

BE IT FURTHER ORDERED that the Executive Director is authorized and directed, upon abandonment authorization by the Interstate Commerce Commission to purchase, at a cost of \$78,000,000 the Company right of way from near Katy to downtown Houston; and to reimburse the Company for costs incurred in relocation assistance to existing rail shippers and for costs incurred in environmental remediation of the right of way with total reimbursement not to exceed \$25,000,000.

BE IT FURTHER ORDERED that the Executive Director or his designee is hereby authorized to execute a Purchase and Sale Agreement which incorporates these terms and conditions.

Submitted by:

Examined and recommended by:

Gay Bennett
Director of Right of Way Approved

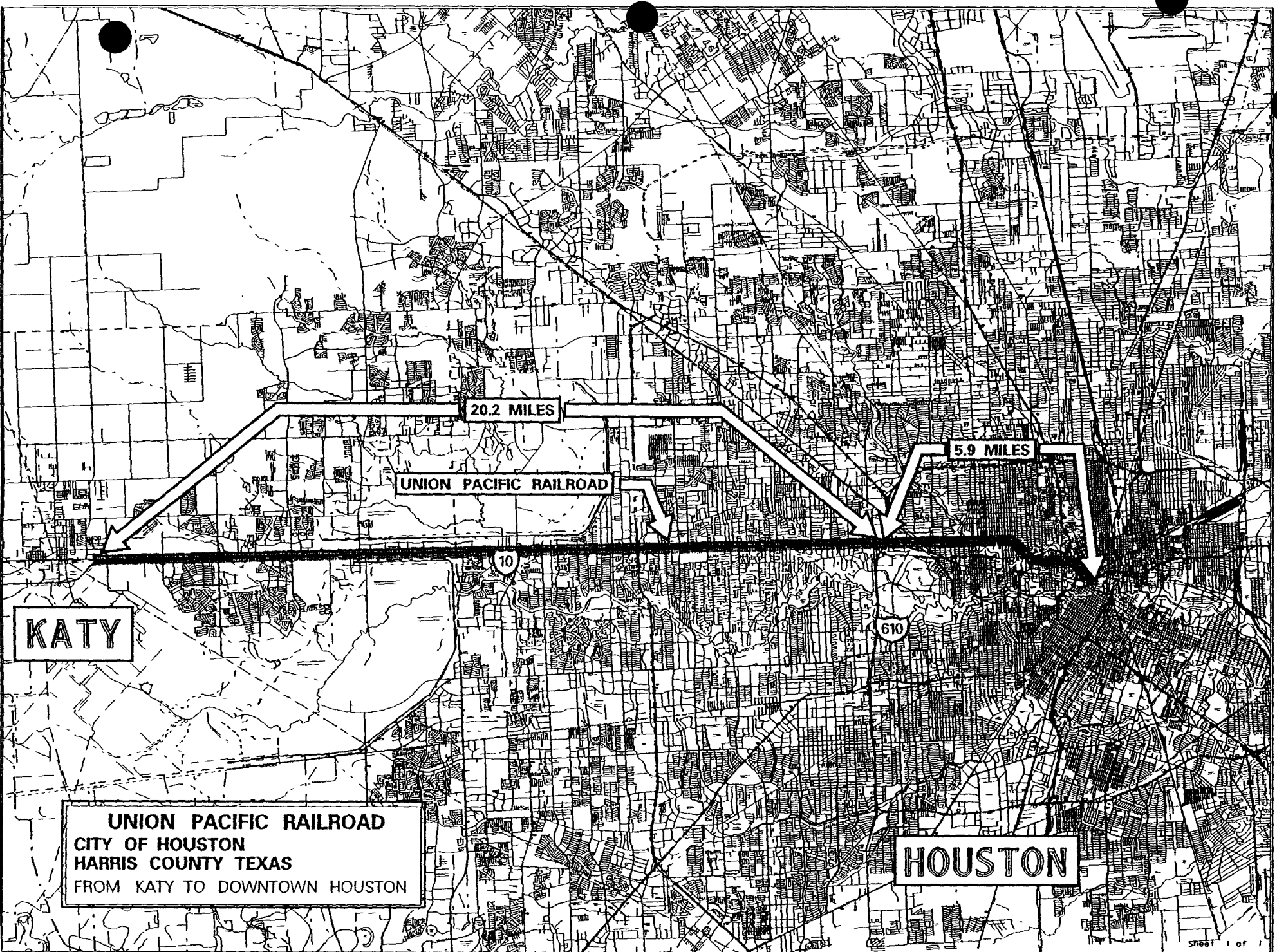
Frank S. Holzmann
Associate Executive Director

[Signature]
Executive Director

Minute Number 101513

Date Passed SEP 29 92

[Handwritten mark]



KATY

20.2 MILES

UNION PACIFIC RAILROAD

5.9 MILES

610

10

UNION PACIFIC RAILROAD
CITY OF HOUSTON
HARRIS COUNTY TEXAS
FROM KATY TO DOWNTOWN HOUSTON

HOUSTON

MEMORANDUM

TO: Mr. Arnold W. Oliver, P.E. through
Messrs. Byron C. Blaschke, P.E. and
Frank D. Holzmann, P.E.

DATE: September 11, 1992

FROM: Gary Bernethy, P.E. - D-15 

**Responsible
Desk:** D-15

SUBJECT: Authorization to Purchase the Missouri Pacific Railroad Company
Right of Way in Harris County

Negotiations with the Union Pacific Railroad Company (Union Pacific), the owners of the Missouri Pacific Railroad Company, for purchase of the right of way from the Missouri Pacific Railroad Company have been completed. The total cost will be \$103 Million, of which \$73 Million is for the real estate, \$5 Million is for increased operating costs to Union Pacific, and \$25 Million is payment to various shippers for loss of rail service and the cost of remediation of any hazardous materials on the right of way. The total costs and other terms of purchase will be incorporated into a written agreement prepared for execution by Mr. Blaschke.

Under the agreement Union Pacific would be permitted to retain the rights to operate the railroad for five (5) years after closing. Payment of the consideration for the real estate and increased operating costs is to be made at closing. The \$25 Million for payments to shippers and remediation costs will be retained by the Department with reimbursement to Union Pacific upon request by documented billings. Any costs over the \$25 Million will be the sole responsibility of Union Pacific.

Union Pacific has requested the purchase be closed before the end of this year. Mr. Dietert has been to Washington, D.C. with Union Pacific representatives to request expeditious abandonment approval by the Interstate Commerce Commission. Abandonment approval is a prerequisite to closing.

The attached proposed Minute Order designates a highway along the railroad right of way from I.H. 610 to downtown Houston, authorizes the right of way to be purchased at an estimated cost of \$103 Million and authorizes the execution of an agreement by Mr. Blaschke.

Approval of the Minute Order is recommended.