

City Council Chamber, City Hall, Thursday, November 2, 2006

A Special Meeting of the Houston City Council was held at 2:00 p.m. Thursday, November 1, 2006, with Mayor Bill White presiding and with Council Members Toni Lawrence, Jarvis Johnson, Anne Clutterbuck, Ada Edwards, Addie Wiseman, M. J. Khan, P. E., Adrian Garcia, Carol Alvarado, Peter Brown, Sue Lovell, Shelley Sekula-Gibbs, M.D., Ronald C. Green and Michael Berry; Mr. Anthony Hall, Chief Administrative Officer, Mayor's Office; Mr. Arturo Michel, City Attorney; Ms. Marty Stein, Agenda Director present. Council Members Pam Holm and Sekula-Gibbs absent.

At 2:13 p.m. Mayor White called the meeting to order. Council Members Johnson, Garcia, Alvarado, Brown, Lovell and Green absent.

Mayor White stated that he wanted to thank the guests for being present at this important session, it was one of two committee as a whole hearings that they had in the last three years and it signified an importance and interest in this particular topic, that for Members of Council and for those speakers who were available and had come to join them he would note briefly the agenda, that he would make an opening statement which would also be passed out in writing to all Council Members within the next 15 minutes and available to anybody else who wanted it, that they would put some copies for the press and the public on the table, then they would have several speakers that they had asked to appear, Mr. Jim Edmonds, Chairman, Port of Houston Authority, Mr. Jim Royer, Former Chairman, Gulf Coast Regional Mobility Partners, Mr. George DeMontrond, Former Chairman, Freight Rail Subcommittee, Greater Houston Partnership and Mr. Art Storey, Executive Director, Harris County Infrastructure Department and public speakers who had signed up, that what he had taken an opportunity to do was go over some ground, much of which was covered, as some of the Council Members knew in the joint workshop by TxDOT and the HGAC on August 25, 2006, attended by a number of Members of Council, Commissioners Court of their County and other counties and the County judges, that he knew some of the Members of Council were present and it was also being covered in a prior Mayor's Report and was also covered when they dealt with some of the priorities during the Legislative Session and a number of other public meetings, so he apologized if there was some repetition but given the significance of it and some of the questions that arose when they began discussing the agreement which had been reached with Harris County and Fort Bend County subject to the ratification of their governing bodies and embodied in legislation, which they advocated for, it might well to review that again. Council Member Green absent.

Mayor White reviewed a memo on the goal and objectives of freight rail improvements, the objectives of a freight rail district and some historical background on freight rail in their region, and alternatives to the Freight Rail District authorized by State Law, a copy of which is on file in the City Secretary's office for review. Council Member Green absent.

Mayor White stated that the first speaker was Mr. Jim Edmonds, Chairman of the Port of Houston Authority. Council Member Green absent.

Mr. Edmonds stated that he was present to briefly talk about some of the economic impact of the Port region, which he reviewed, that the Port Authority worked with the City and worked well with TxDOT and with Harris County and they continued to find projects that both those agencies support them in and other parts of the County that helped to improve their ingress and egress to their facilities, but along that way they find that freight rail was a critical issue as the Mayor mentioned, in some of the studies they had conducted they knew there were 756 public crossings and in Harris County that caused more than 30,000 hours of vehicle delay per day and so that traffic congestion while people were waiting for trains aggravates air pollution and creates public safety issue and obviously mobility issues, so it was important that the Port, the City of Houston, Harris County and Fort Bend County and eventually the counties adjacent to

Harris all work together to develop the Gulf Coast Freight Rail District; after further discussion Mr. Edmonds stated that said he would encourage their support of the creation of this when it came before them. Council Member Green absent.

Upon questions by Council Members, Mr. Edmonds stated that if the district were to be created he thought that the biggest benefits would be the grade separations and getting trains out of neighborhoods in a more efficient fashion, that basic public safety, air quality and mobility. Council Member Green absent.

Upon further questions by Council Members, Mayor White stated that no one wanted to create new bureaucracies that were not needed, but grade separation could run \$15 million to \$20 million; that one benefit of dealing with it in a district which was a public body was application of public law such as the Open Meetings Act and public hearings and transparency, that one of the ideas was to have an entity that had responsibility and authority and they ought to examine those features of a district, that they absolutely could not and would not after they pass it, be able to have a schedule of any projects because the district had no funding, that he was not for a district that had taxing authority but if they did not have taxing authority they did not have funding and the reason they did not have funding was so that Harris County and Fort Bend County and other cities could keep it on a short leash and not have to commit in advance to what they were going to fund. Council Member Green absent.

Mr. Jim Royer appeared and stated that back in the year 2000 the Greater Houston Partnership put together a task force that included the Mayor of the City of Houston, Harris County, the Chairman of Metro and the Congressional delegation to study the transportation issues that were facing the community and it resulted in a report called Trip 2000 and one of the recommendations was that the railroad grade crossings in their community were a significant contributor to the congestion in their community, the Gulf Coast Regional Mobility Partners was formed as the result of the Trip 2000 Report, they recognized that many of the problems were regional and again it evolved that one of the critical issues to be addressed was how to clean up their freight line network and some preliminary studies were undertaken sponsored by Harris County and the Port of Houston, that they could envision building corridors that helped clean up all the neighborhoods, add safety and develop a freight rail capacity to take advantage of the Port of Houston and the Gulf Coast Regional Mobility Partners, they concluded that the best way to do that was to have an entity that focused on that, that it included the surrounding counties and they needed a regional approach and a way to approach the federal government to secure funding, so he strongly encouraged them to support the creation of a district so that they could get on with developing a master plan, the funding schemes and the priorities to help their community. Council Member Green absent.

Upon questions by Council Members, Mr. Royer stated that they asked Mr. Art Storey to take a leadership position in developing the concept and they found that if they developed three primary corridors, Hardy, the 90A corridor and in the distant future a corridor that might go under the Ship Channel out into Chambers and Liberty County, they could have the opportunity to relocate the freight yards and move them out of the downtown area, that if they could get the Federal Transit Administration to support the freight rail district to acquire track rates to remove the freight trains to build the corridors to allow Metro to operate commuters on them they could tie it all together but they needed an entity that could affect it regionally. Council Member Green absent.

Mr. George DeMontrand stated that there was no sales tax or use authority by this entity, that it could go out and seek user fees or produce some sort of fees that were associated with the movement of goods and services, that they did not have condemnation authority within the municipal city limits of the different municipalities within the district unless that municipality

concurrent, that the big reason why this was an important thing to put together was the money, it was a "show me the money" sort of event, that both Chicago and Los Angeles had in common a regional entity that they had put together that represented all of the local jurisdictions and that regional entity was what was formed to go and lobby the Federal Transit Authority Administration to get funding from a pot of money which was called Projects of National Significance, it was a different federal allocation of money than many of the things that Metro was going after and many of the things that the State of Texas gets allocated to it, to get this money they first had to impact the national economy, it had to improve the fluidity of the movement of goods and had to benefit the Nation in general and that was clearly the case in Houston, that there were a bunch of different cities competing for the funds and they needed broad based public support and a significant federal constituency and needed to get a lot of the Congressional delegation united behind their project and the best way to do that was to have an entity that included representation from the whole region. Council Member Green absent.

After discussion by Council Members, Council Member Khan stated that he would like to see spelled out as to what was the way for the public to give their input for any of their projects.

Mr. Art Storey stated that the Commissioners Court asked him if they needed this entity, that if they wanted one he would run it for them, that he did not like what they were doing so far because they were losing momentum, that the community was growing and they were not building overpasses, that he thought that the district, if they did it right, could provide three things, it could provide focus, it could provide inclusiveness because not just Harris County, the City or TxDOT would be driving the train sort of speak because they would be doing it together, and if they did it well and right there could be accountability to the local governments involves, those were the three reasons that he recommended that Commissioners Court approve the agreement, that he did not know if the particular entity as it is drafted would work for them but as a government employee he was concerned that they had identified the significant problem that really was a problem not only to their community as it was now, that he thought the entanglement of their railroads and roadways was a situation that needed to be addressed and this was just one way to bring focus, inclusiveness, energy and accountability to it.

After discussion by Council Members, Mayor White stated that for the board to be a taxing entity he believed the answer would be that it would take a change in the State law or authorization, it would certainly take a change in the agreement that they had passed and there was one issue that he believed there may be some flexibility but he did not want to speak out of school before they researched to reach some kind of agreement with the rail lines, like a user fee for the railroads, which he thought would be the most appropriate type of thing, that he wanted to make sure that the Council Members had a copy of that analysis. Council Members Wiseman and Berry absent.

Mayor White stated that they had two public speakers and requested the City Secretary to call the public speakers. Council Members Wiseman and Berry absent.

Mr. David Johnson, 3101 Nasa Pkwy, Ste. C, Clear Lake, Texas 77586 (713-252-1615) appeared and stated that he was part of the Economic Alliance of the Houston Port Region an economic development group that worked with the smaller cities along the Houston Ship Channel, that he was the co-chair of an industry task force that worked with industry and the community to address issues facing the Houston Ship Channel, that he wanted to applaud the City of Houston for taking up the issue of a rail district, that as already had been said there had been rail investment in Los Angeles and Chicago and they were not getting that same investment in this region and that was creating rail congestion, they support the creation of a freight rail district to address the long term capacity issues of rail lines in their region and to reduce the time it took to move product in and out of the region; that it took as long as seven to

ten days to move a car from the Ship Channel around through the system to Beaumont, that same product coming out of the New Orleans area could take four days to Chicago, that was one of the reasons while they were here, that he would say there was a potential economic crisis looming if they did not have an effective plan for freight rail movements in their region. Council Members Wiseman, Garcia and Berry absent.

Mr. Dennis Winkler, 3101 Nasa Pkwy, Ste. C, Clear Lake, Texas 77586 (713-259-0195) appeared and stated that he was a board member of the Economic Alliance of the Houston Port Region, that he was present to say that he supported the creation of a Gulf Coast Freight Rail District as long as it was done right, that the district should address long-term capacity issues of rail lines in and around the Houston region, it should help reduce the number of days to move product in, out and around Houston, and the district should bring all of the parties together for a shared approach to these resolution, that they might recall that three summers ago when concrete, asphalt and lumber were in short supply prices soared in this region and building projects were delayed for months because they could not transport adequate supplies via rail in this region, that addressing rail issues and mobility in our communities are important quality of life issues, however there is also an economic crisis looming if they do not develop a strategic plan for moving freight rail, that the Economic Alliance of the Houston Port Region was willing to roll up their sleeves and would be more than pleased to nominate industry rail experts who could serve on the freight rail district or could be ad hoc members of the freight rail district to give them the expertise they were looking for to come with a competitive plan. Council Members Wiseman, Garcia and Berry absent.

After discussion by Council Members, Council Member Edwards stated that in addition to the district she would like for them to develop an aggressive education program on transportation and mobility and how to get it down on several levels, maybe including HCC or the ISDs; and Council Member Clutterbuck stated that Mayor White mentioned that if they were to look at a comparison of Metro and this proposed district there would be no comparison and asked if it would be possible to receive that comparison and also the comparison to the Harris County Flood Control District. Council Members Wiseman, Garcia, Alvarado, Green and Berry absent.

There being no further business before Council, the City Council adjourned at 4:12 p.m. Council Members Holm and Sekula-Gibbs absent. Council Members Johnson, Edwards, Wiseman, Garcia, Alvarado, Green and Berry absent. (NO QUORUM PRESENT)

DETAILED INFORMATION ON FILE IN THE OFFICE OF THE CITY SECRETARY.

MINUTES READ AND APPROVED

/S/Anna Russell

Anna Russell, City Secretary