



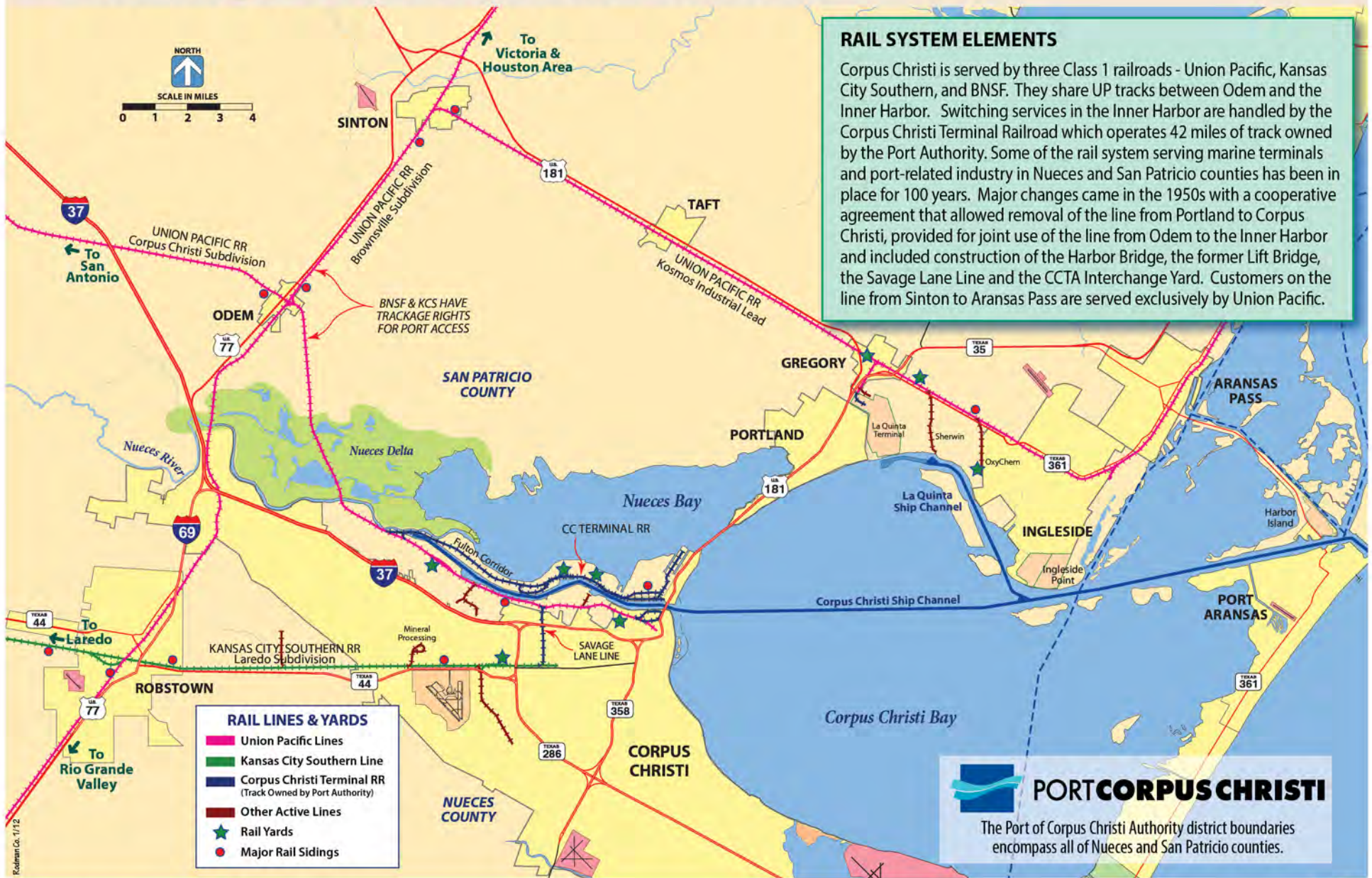
Rail Master Plan - 2012

A Conceptual Plan for Railroad Improvements Needed to Serve Growing Rail Traffic at Cargo Terminals and Port Industries



3.3.13 Version

Existing Port Area Rail Facilities



Growth of Port Rail Traffic Expected to Continue



Port-Related Rail Activity on the Rise

Railroads have been a vital part of the Coastal Bend economy since the first train arrived in 1876. They were the best way to get around South Texas before paved roads were common. The last of the three original railroads arrived in 1914. Almost all of the region's large industrial facilities grew up alongside these lines.

The Port Authority will be developing a land management master plan to help guide future infrastructure investments and property leasing decisions. This rail master plan will provide part of the framework for that planning effort.

For decades rail traffic in and out of Corpus Christi's port area industrial complex was steady but could be easily handled with existing rail infrastructure.

By the 1960s the biggest rail cargo was North Texas and Midwest grain going to export through the Public Elevator (now ADM) and the Interstate Grain port terminal. Most of the remaining rail cargo in the past 40 years has involved area manufacturers shipping alumina, VCM resin, petroleum coke, chlorine, refrigerant, sulfur, limestone, carbon black and a host of chemicals and petroleum products.

Today the Port Authority's business development staff anticipates substantially more sustained rail activity in the future. Shippers of metallurgical coal and bio coal have worked with the port on export terminal proposals.

Changes in the energy industry are producing railcar movements of crude oil and liquid fertilizer. ADM has expressed its intention to extend the grain shipping season. Wind turbine component shipments are expected to continue at a steady pace. Development at the port's La Quinta property and construction of the TPCO steel pipe plant at Gregory will produce more rail traffic in the coming decade.

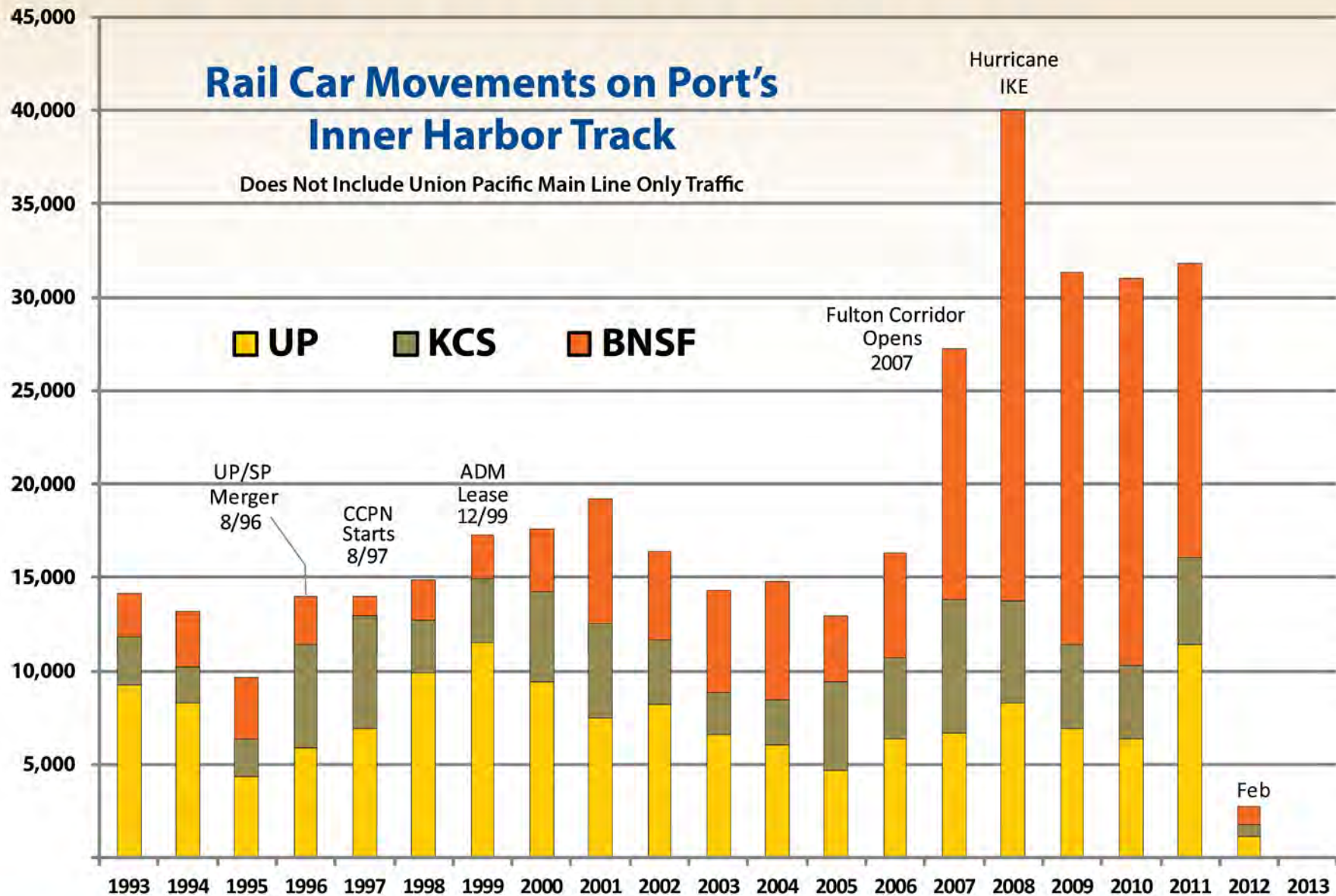
The need for new rail facilities in the port area first became clear in 2003 when the United States military began deploying large shipments of war fighting equipment across the port's docks. Rail and ground storage capacity was taxed to the limit. The Port Authority began the process of adding capacity in the vicinity of the general cargo docks but this involved little new track. By 2007 ship loads of wind generating equipment were coming across the docks, filling all available ground storage and moving out by rail to distant destinations. More recently shipments of frac sand destined for well drilling in the Eagle Ford Shale have been arriving at the port for transloading.

Inner Harbor railcar volume averaged approximately 12,000 per year before 2007. Since then volume has more than doubled. Almost all of that growth has come from movements by the BNSF which has no track in the region but has trackage rights. As a condition to approving the 1996 Union Pacific-Southern Pacific merger, both BNSF and Kansas City Southern (KCS) were granted operating rights over certain UP lines. BNSF was granted rights over the entire line between Houston and Brownsville. KCS was granted rights between Placedo and Robstown. Both can use the line between Odem and the port's Inner Harbor.

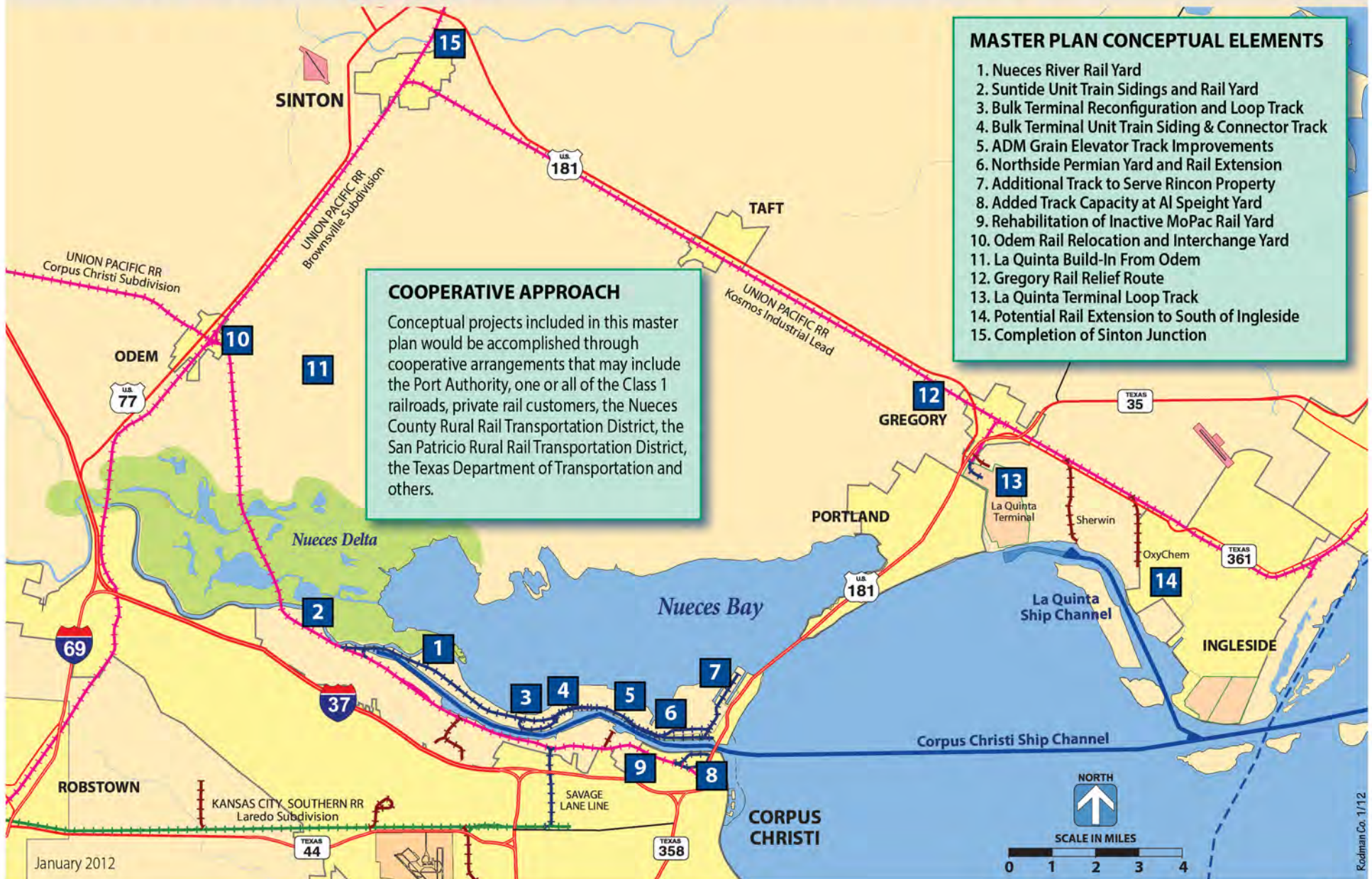
For more than a decade those dependent on rail transportation have recognized that the shared UP Brownsville Subdivision (Bloomington to Brownsville) has increasingly become a major source of delays as more and more trains are scheduled on the line. This will need to be addressed as rail traffic to the port area builds.

Current and projected growth means that all of the stakeholders in the port area rail system will need to consider ways they can modernize and expand the regions rail infrastructure capacity and forge new working arrangements that reduce delays, cost and lost productivity.

Rail Traffic Has Been on Rise Since 2006



Modernizing Port Area Rail Infrastructure



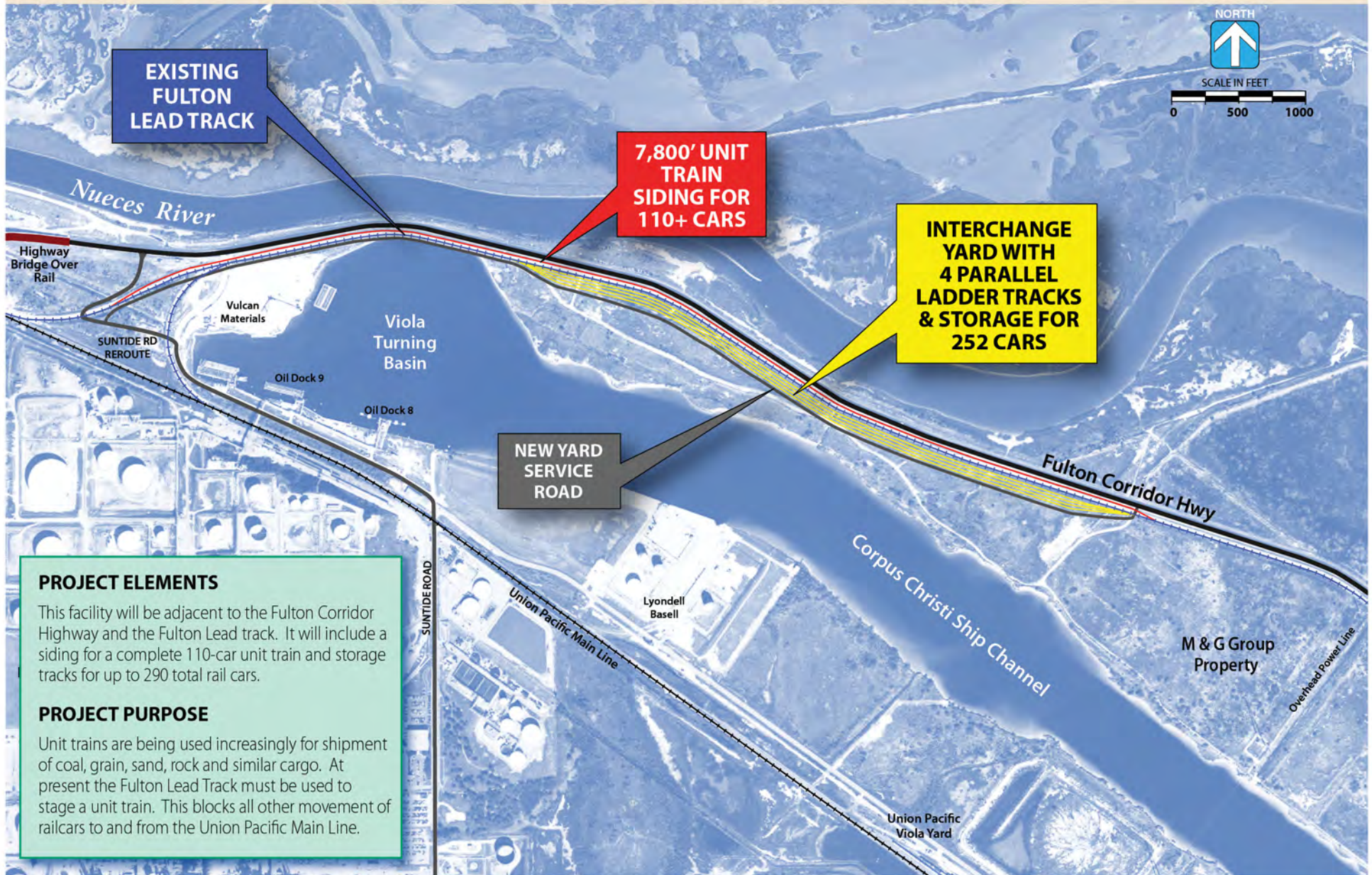
January 2012

Projects to Increase Inner Harbor Rail Capacity

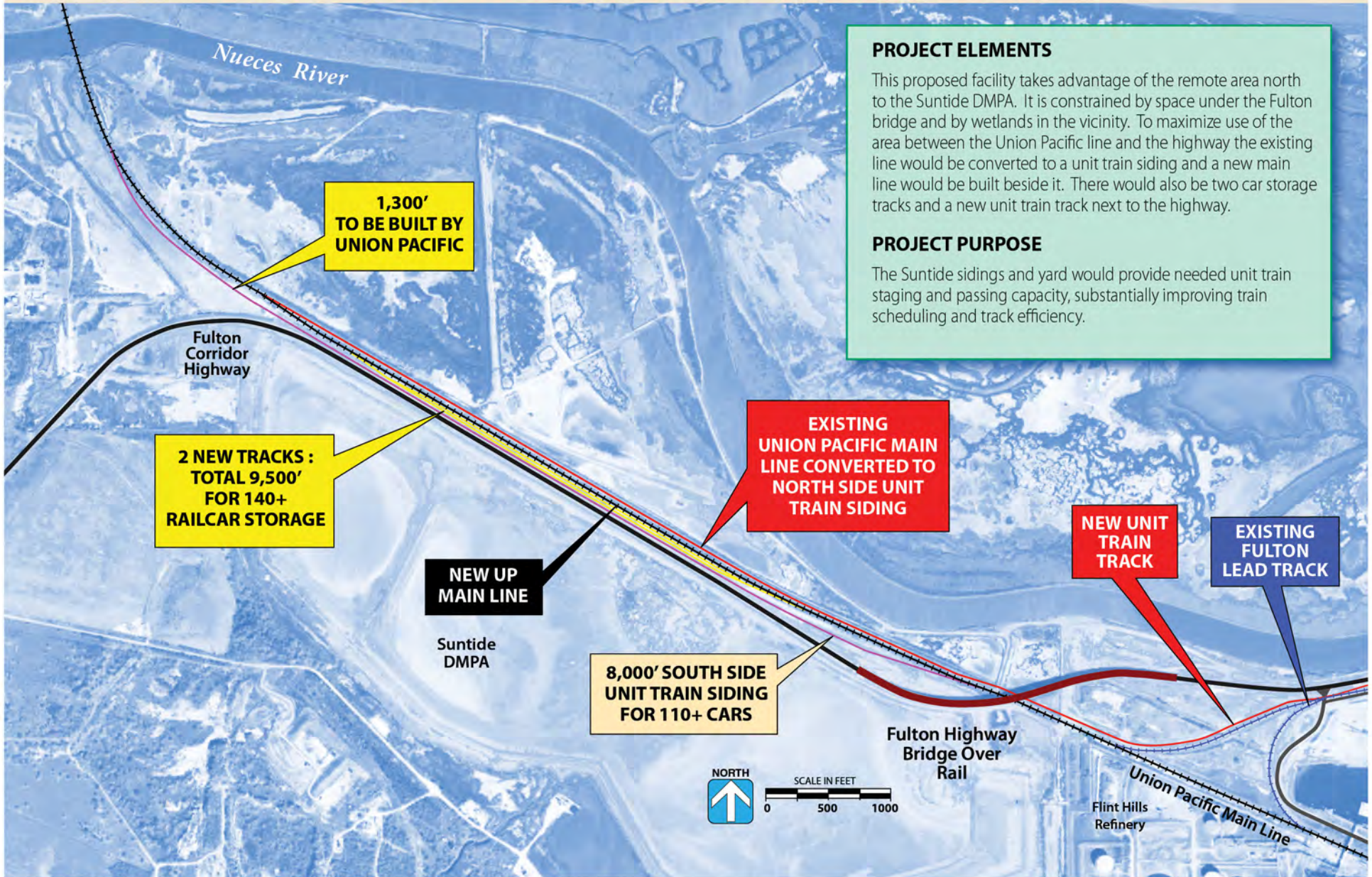


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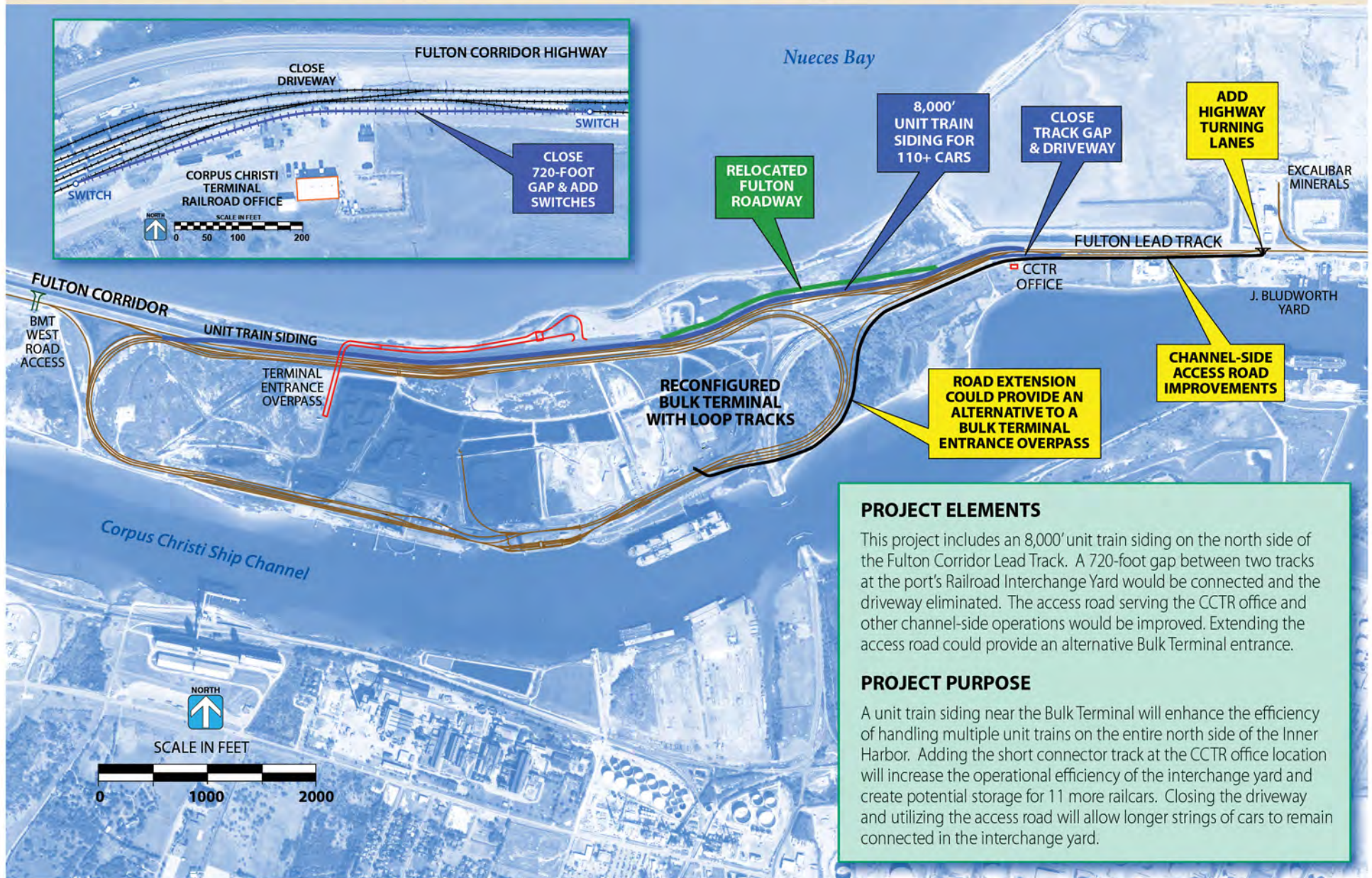
Nueces River Rail Yard



Suntide Unit Train Sidings and Rail Yard



Bulk Terminal Unit Train Siding & Rail Connector



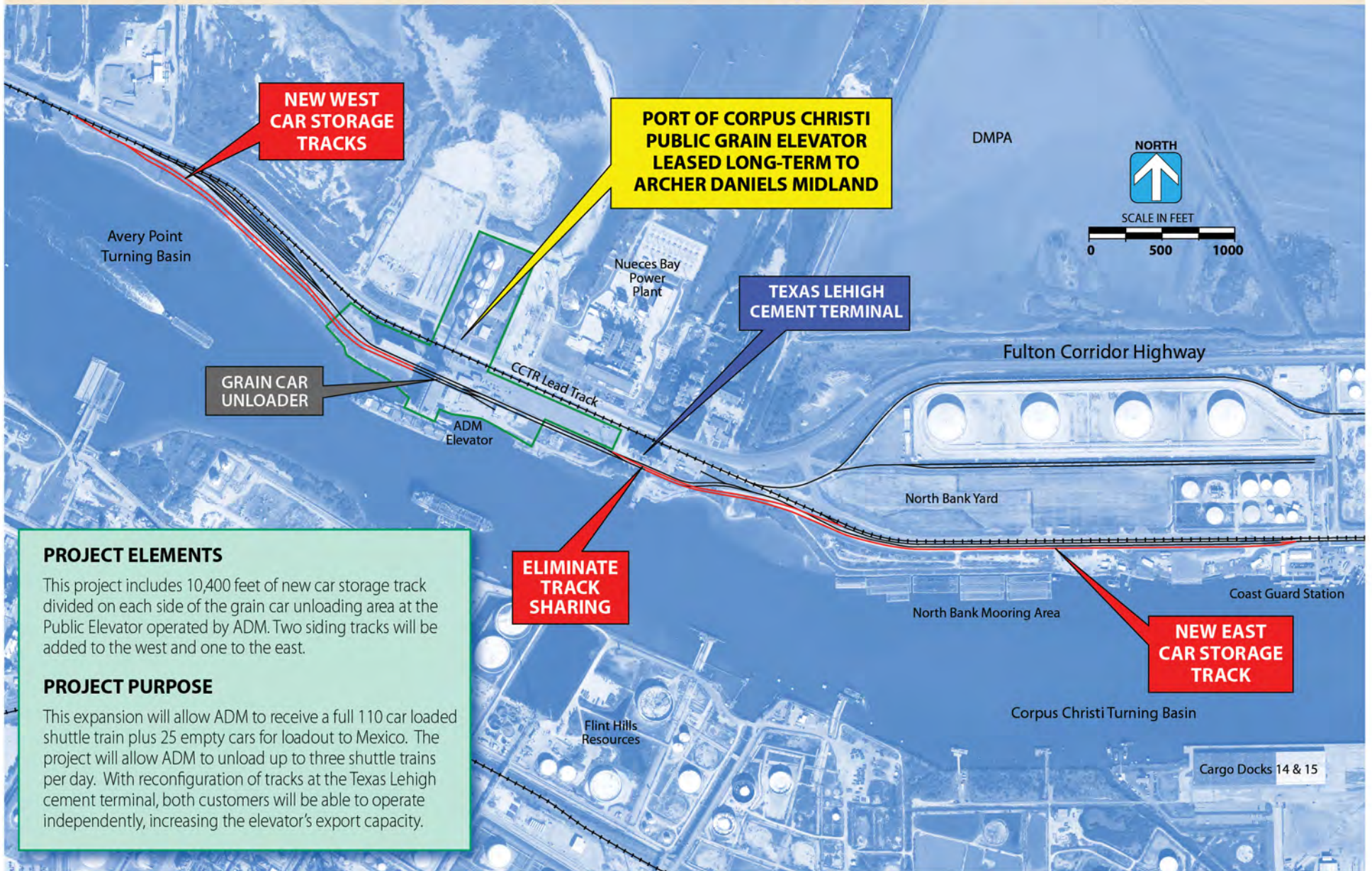
PROJECT ELEMENTS

This project includes an 8,000' unit train siding on the north side of the Fulton Corridor Lead Track. A 720-foot gap between two tracks at the port's Railroad Interchange Yard would be connected and the driveway eliminated. The access road serving the CCTR office and other channel-side operations would be improved. Extending the access road could provide an alternative Bulk Terminal entrance.

PROJECT PURPOSE

A unit train siding near the Bulk Terminal will enhance the efficiency of handling multiple unit trains on the entire north side of the Inner Harbor. Adding the short connector track at the CCTR office location will increase the operational efficiency of the interchange yard and create potential storage for 11 more railcars. Closing the driveway and utilizing the access road will allow longer strings of cars to remain connected in the interchange yard.

ADM Grain Elevator Track Improvements



PROJECT ELEMENTS

This project includes 10,400 feet of new car storage track divided on each side of the grain car unloading area at the Public Elevator operated by ADM. Two siding tracks will be added to the west and one to the east.

PROJECT PURPOSE

This expansion will allow ADM to receive a full 110 car loaded shuttle train plus 25 empty cars for loadout to Mexico. The project will allow ADM to unload up to three shuttle trains per day. With reconfiguration of tracks at the Texas Lehigh cement terminal, both customers will be able to operate independently, increasing the elevator's export capacity.

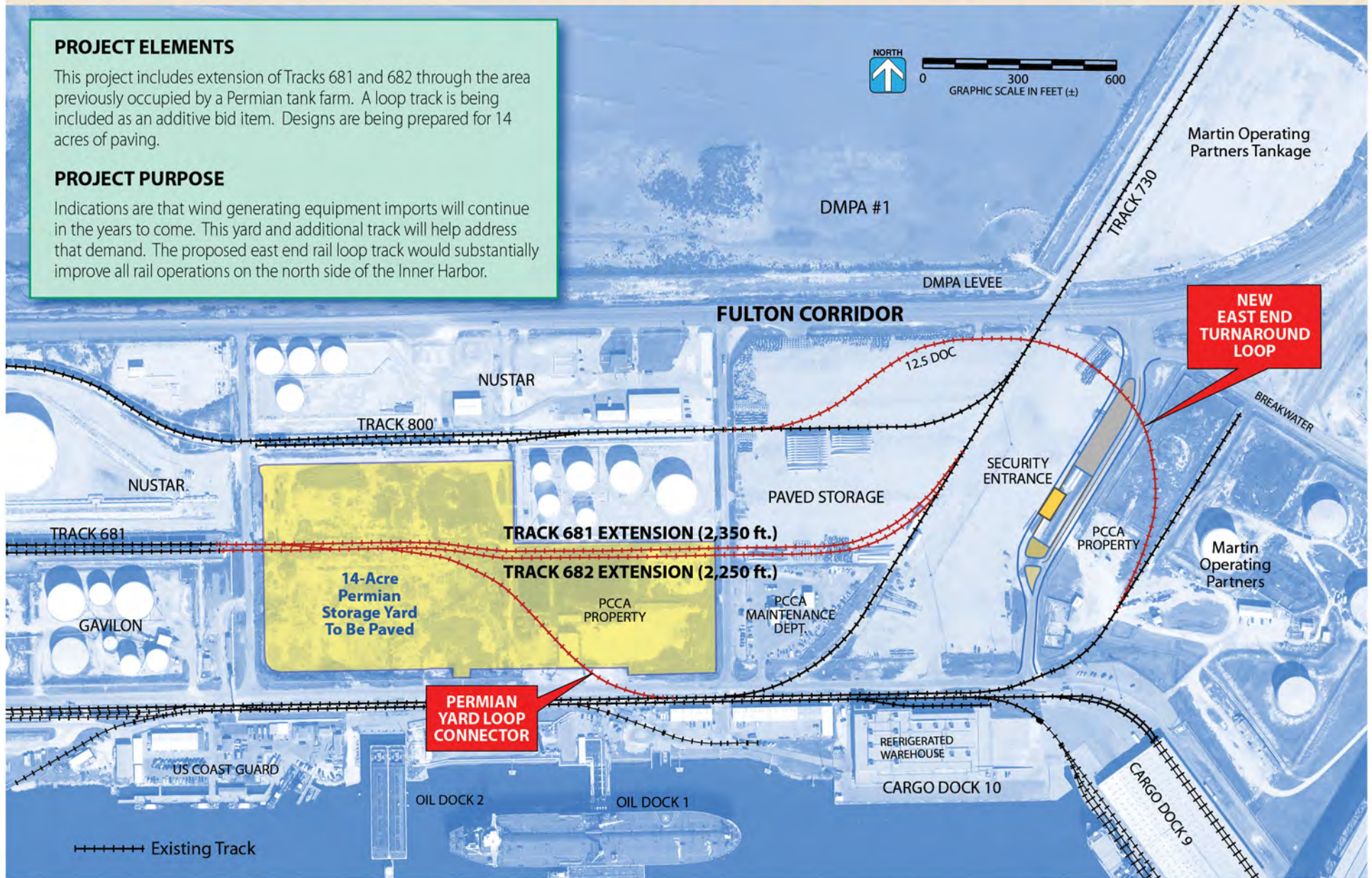
Northside Permian Rail Extension and Yard

PROJECT ELEMENTS

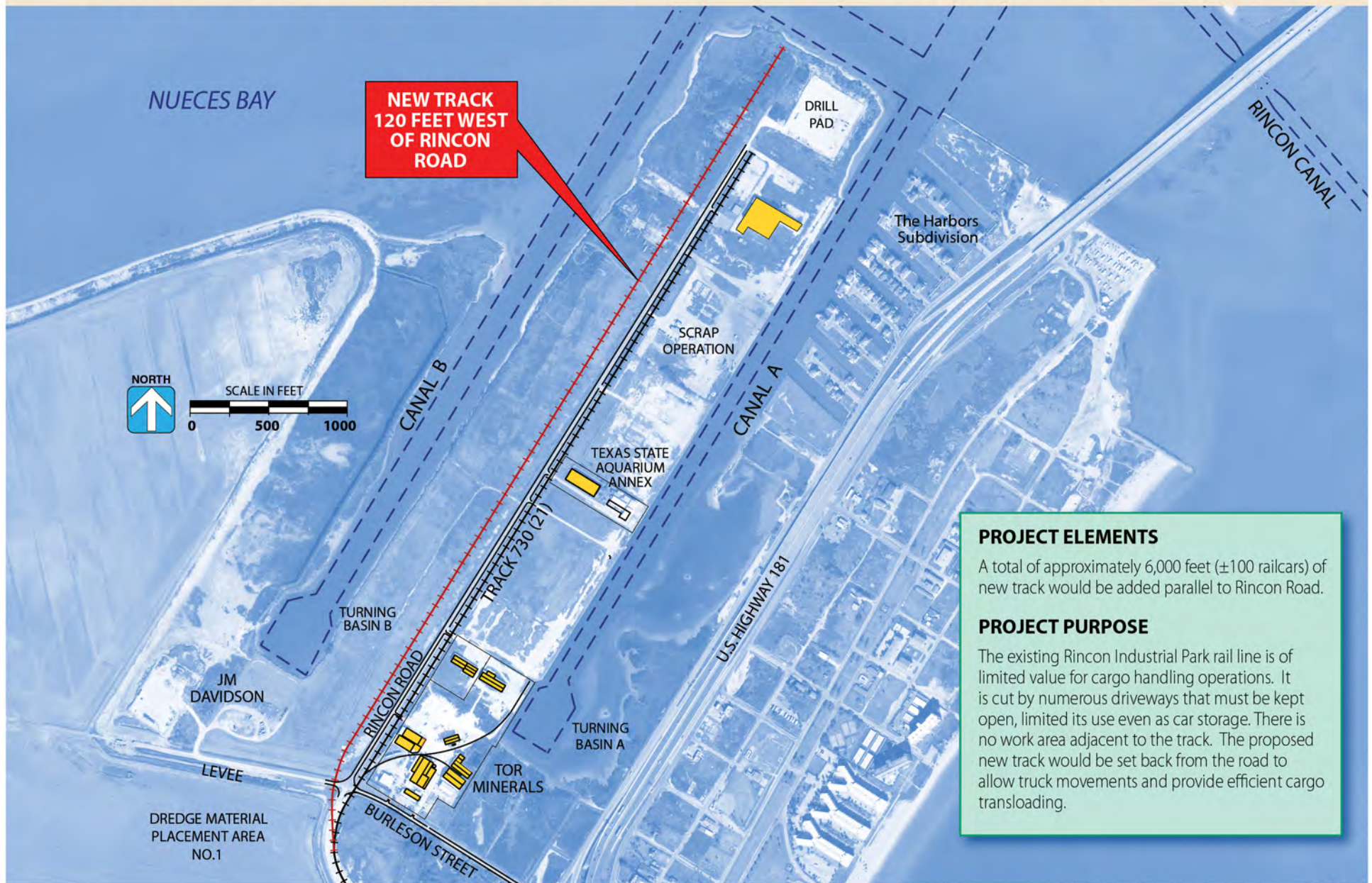
This project includes extension of Tracks 681 and 682 through the area previously occupied by a Permian tank farm. A loop track is being included as an additive bid item. Designs are being prepared for 14 acres of paving.

PROJECT PURPOSE

Indications are that wind generating equipment imports will continue in the years to come. This yard and additional track will help address that demand. The proposed east end rail loop track would substantially improve all rail operations on the north side of the Inner Harbor.



Additional Track to Serve Rincon Property



PROJECT ELEMENTS

A total of approximately 6,000 feet (± 100 railcars) of new track would be added parallel to Rincon Road.

PROJECT PURPOSE

The existing Rincon Industrial Park rail line is of limited value for cargo handling operations. It is cut by numerous driveways that must be kept open, limited its use even as car storage. There is no work area adjacent to the track. The proposed new track would be set back from the road to allow truck movements and provide efficient cargo transloading.

Added Track Capacity at Al Speight Yard

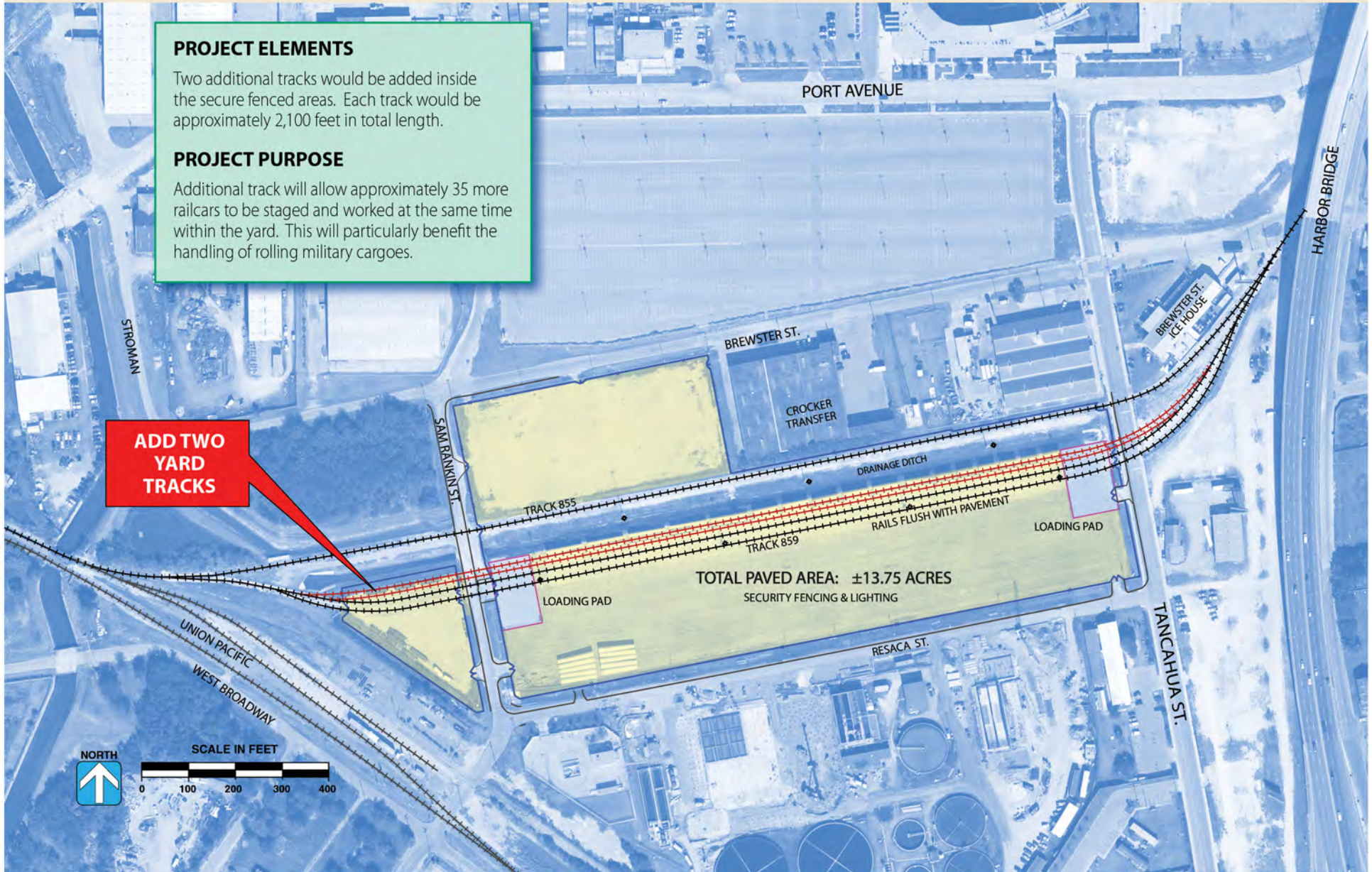
PROJECT ELEMENTS

Two additional tracks would be added inside the secure fenced areas. Each track would be approximately 2,100 feet in total length.

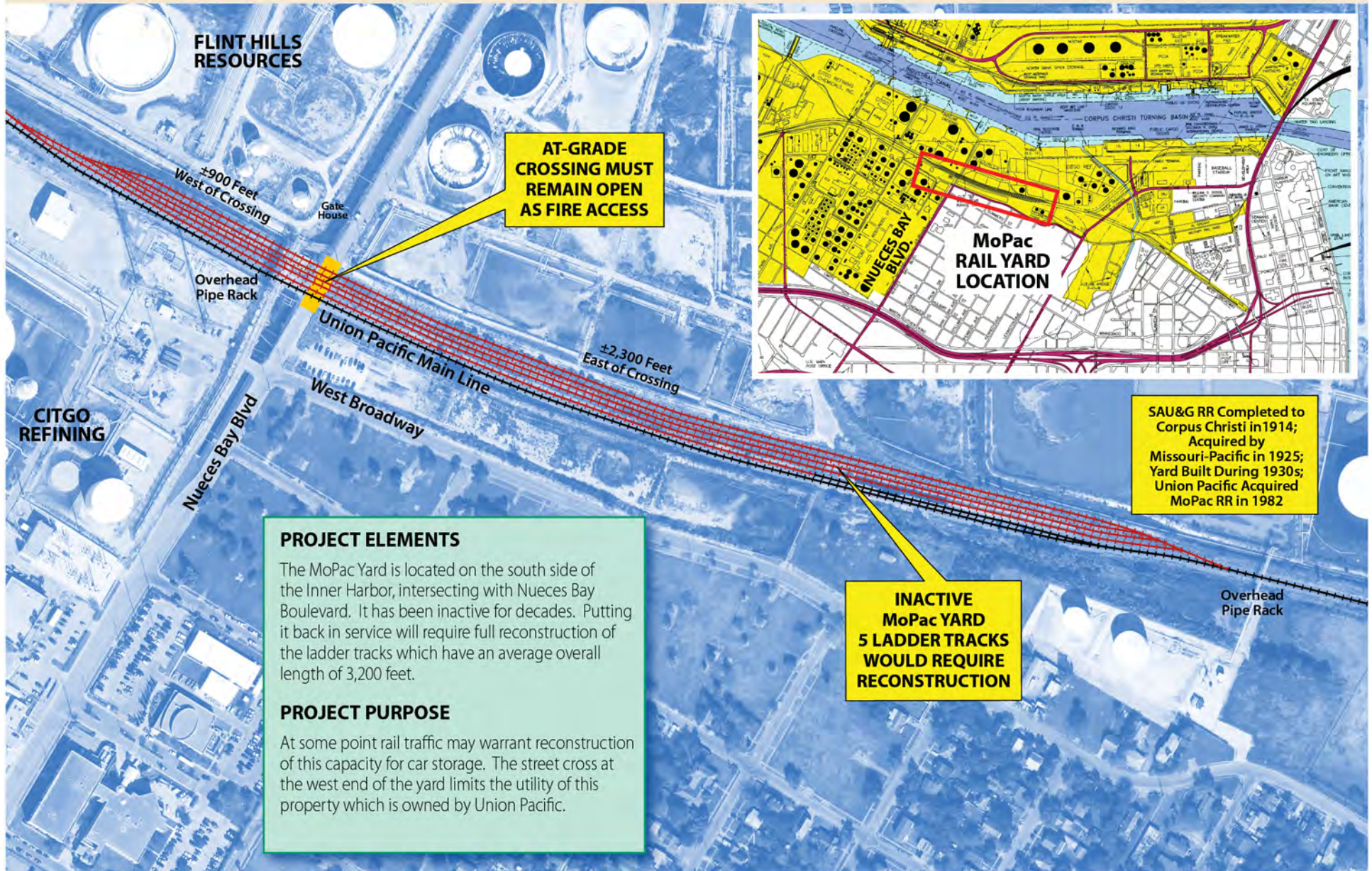
PROJECT PURPOSE

Additional track will allow approximately 35 more railcars to be staged and worked at the same time within the yard. This will particularly benefit the handling of rolling military cargoes.

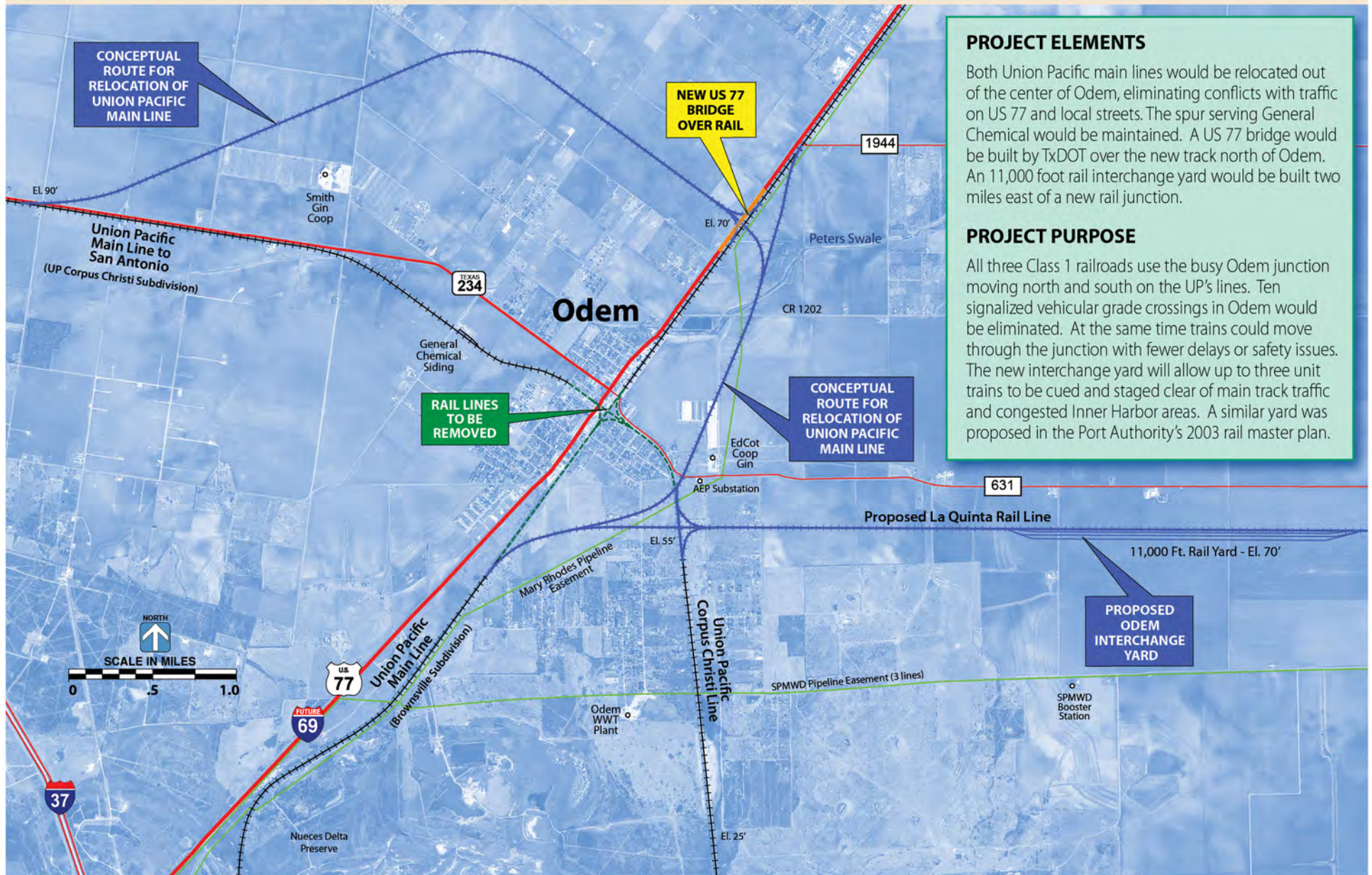
**ADD TWO
YARD
TRACKS**



Rehabilitation of Inactive MoPac Rail Yard



Odem Rail Relocation and Interchange Yard



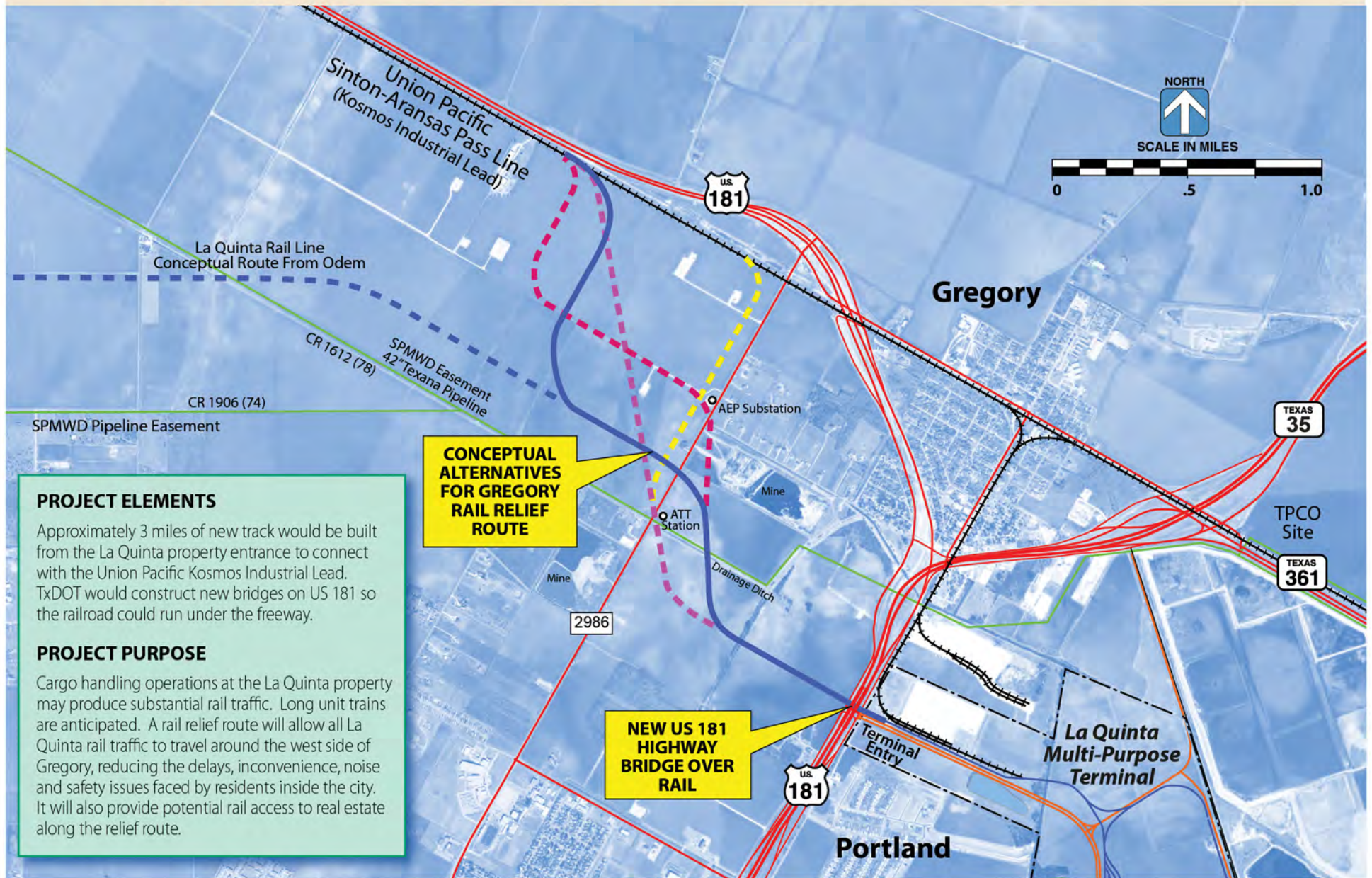
PROJECT ELEMENTS

Both Union Pacific main lines would be relocated out of the center of Odem, eliminating conflicts with traffic on US 77 and local streets. The spur serving General Chemical would be maintained. A US 77 bridge would be built by TxDOT over the new track north of Odem. An 11,000 foot rail interchange yard would be built two miles east of a new rail junction.

PROJECT PURPOSE

All three Class 1 railroads use the busy Odem junction moving north and south on the UP's lines. Ten signalized vehicular grade crossings in Odem would be eliminated. At the same time trains could move through the junction with fewer delays or safety issues. The new interchange yard will allow up to three unit trains to be cued and staged clear of main track traffic and congested Inner Harbor areas. A similar yard was proposed in the Port Authority's 2003 rail master plan.

Gregory Rail Relief Route



PROJECT ELEMENTS

Approximately 3 miles of new track would be built from the La Quinta property entrance to connect with the Union Pacific Kosmos Industrial Lead. TxDOT would construct new bridges on US 181 so the railroad could run under the freeway.

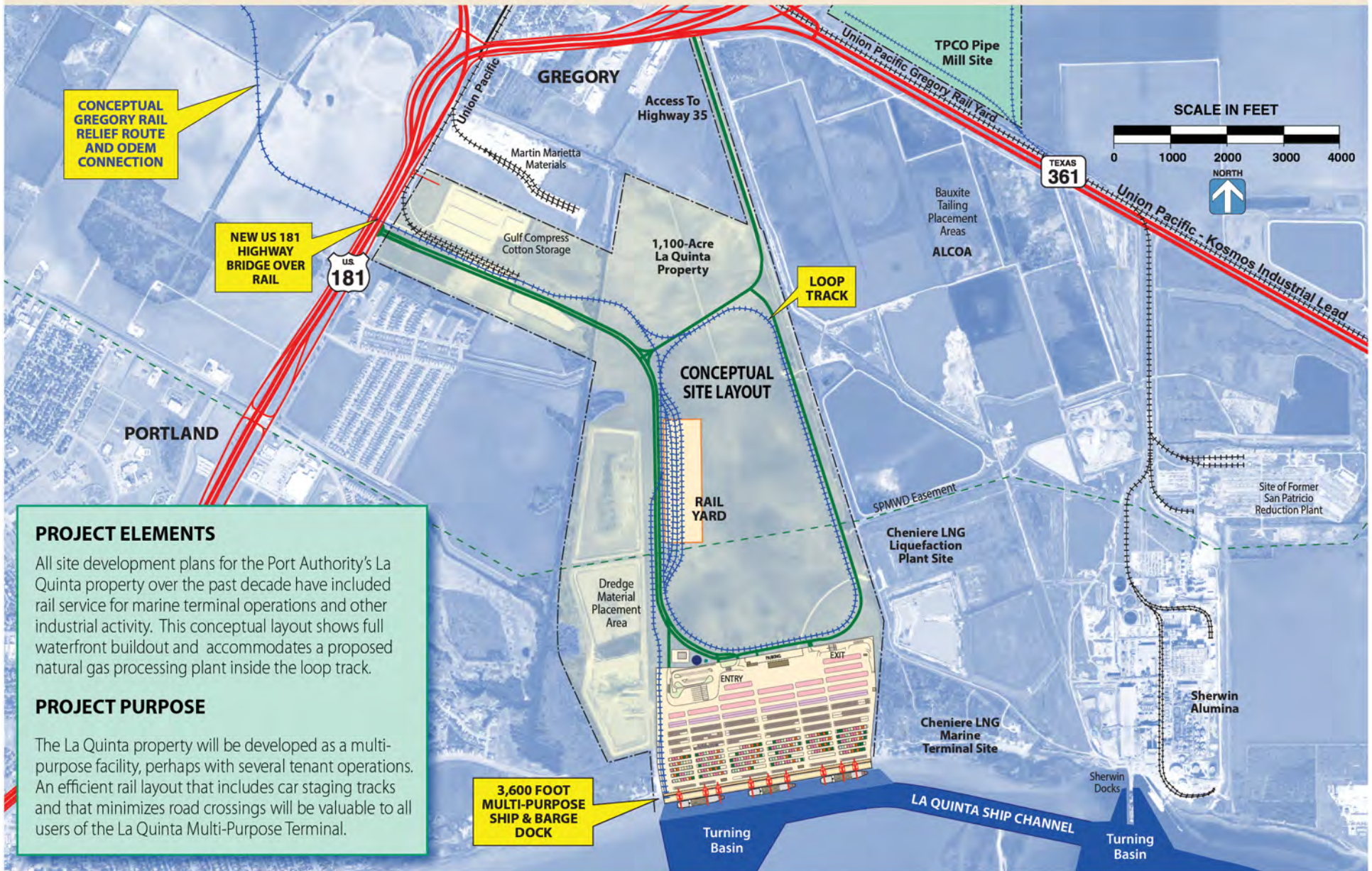
PROJECT PURPOSE

Cargo handling operations at the La Quinta property may produce substantial rail traffic. Long unit trains are anticipated. A rail relief route will allow all La Quinta rail traffic to travel around the west side of Gregory, reducing the delays, inconvenience, noise and safety issues faced by residents inside the city. It will also provide potential rail access to real estate along the relief route.

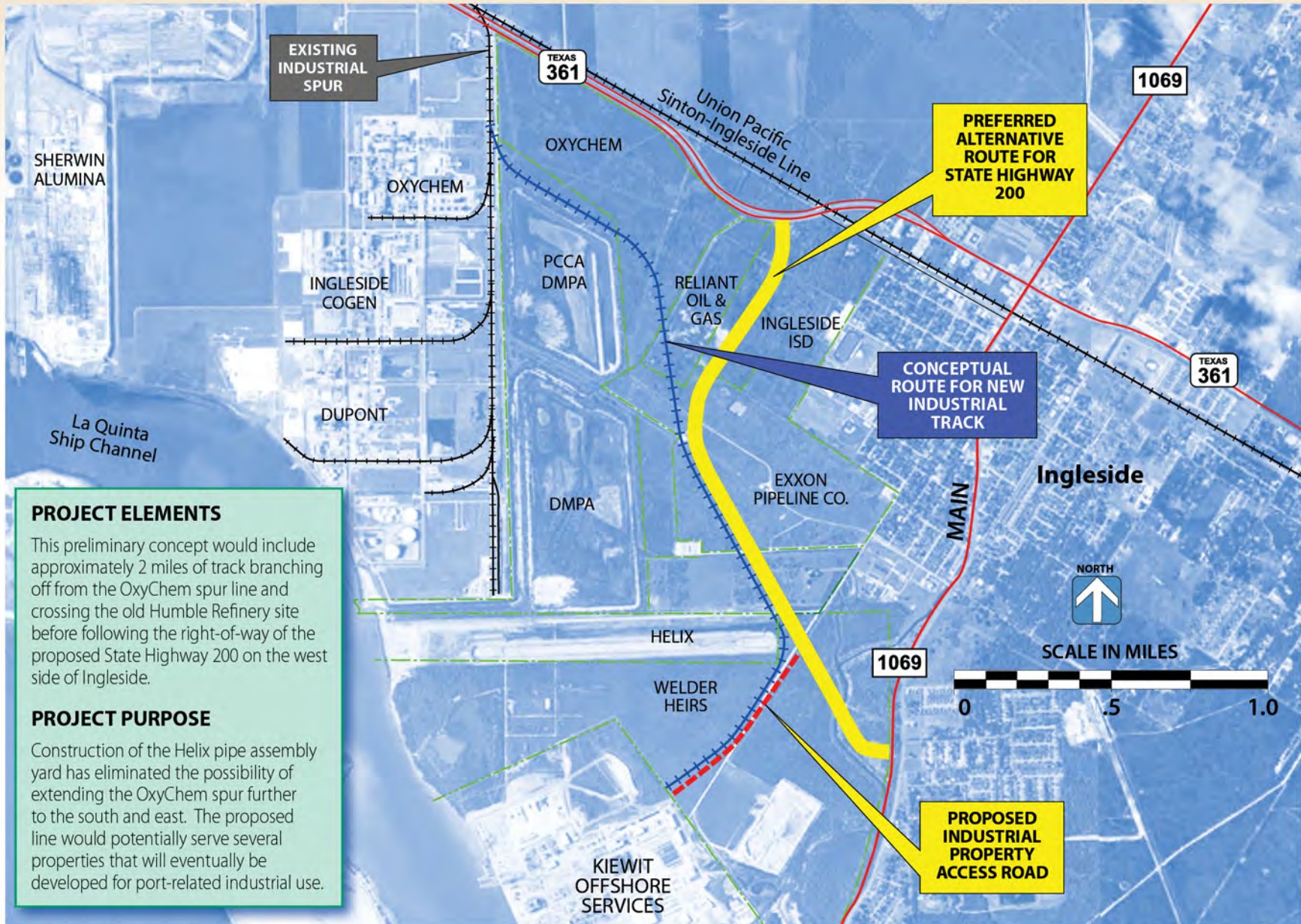
CONCEPTUAL ALTERNATIVES FOR GREGORY RAIL RELIEF ROUTE

NEW US 181 HIGHWAY BRIDGE OVER RAIL

La Quinta Terminal Loop Track



Potential Rail Extension to South of Ingleside



PROJECT ELEMENTS

This preliminary concept would include approximately 2 miles of track branching off from the OxyChem spur line and crossing the old Humble Refinery site before following the right-of-way of the proposed State Highway 200 on the west side of Ingleside.

PROJECT PURPOSE

Construction of the Helix pipe assembly yard has eliminated the possibility of extending the OxyChem spur further to the south and east. The proposed line would potentially serve several properties that will eventually be developed for port-related industrial use.

Completion of Sinton Junction



PROJECT ELEMENTS

This project would require the relocation of the San Patricio Electric Cooperative's operations yard. Approximately 1,100 feet of new track would be needed to complete the junction.

PROJECT PURPOSE

Completing the junction would dramatically improve the efficiency of handling railcars moving between industrial shippers in the Gregory-Ingleside area and points to the north and east of the Coastal Bend. Northbound trains must now first travel south before being reassembled to head north. Union Pacific owns and operates the Sinton to Aransas Pass line and no other railroad provides service on the line.

Status of Projects Identified in Plan



PORT CORPUS CHRISTI

	PROJECT	STATUS (January 2012)
1.	Nueces River Rail Yard	Final engineering design in progress; estimated cost \$21.6 million.
2.	Suntide Unit Train Sidings & Rail Yard	This is an identified future need; preliminary engineering done; estimated cost \$16.5 million.
3.	Bulk Terminal Rail Reconfiguration & Loop Rail	Working with terminal users and potential users to develop an overall redevelopment plan including logistical, regulatory and funding issues.
4.	Bulk Terminal Unit Train Siding & Connector Track	This is an identified future need. It would include access road improvements on the south side of the Interchange Yard.
5.	ADM Grain Elevator Track Improvements	Preliminary engineering is complete; will involve renovations at Texas Lehigh; estimated cost \$6.2 million.
6.	Northside Permian Rail Extension and Yard	Final engineering design for rail and paving in progress. Estimated costs: track extensions - \$2 million; paving 14 acre yard - \$3 million; east end turnaround loop - \$1 million
7.	Additional Track to Serve Rincon Property	This is an identified future need.
8.	Added Track Capacity at Al Speight Yard	This is an identified future need.
9.	Rehabilitation of Inactive MoPac Yard	Not currently under consideration but may present future opportunity.
10.	Odem Rail Relocation & Interchange Yard	This is a conceptual plan that has been discussed with some stakeholders, potential users and Texas Department of Transportation representatives; preliminary estimated cost is \$83.5 million.
11.	La Quinta Line Build-In From Odem	Preliminary discussion of this concept has been ongoing for more than a decade. Its future will depend on the type of traffic generated by development of the La Quinta property; preliminary estimated cost is \$24.5 million.
12.	Gregory Rail Relief Route	An engineering study is underway to evaluate conceptual routes and right of way issues.
13.	La Quinta Terminal Loop Track	All plans to date for the La Quinta property have included a conceptual rail loop and rail yard.
14.	Potential Rail Extension to South of Ingleside	Current and future industrial operations on La Quinta Ship Channel may benefit from direct rail access. This plan element is conceptual and preliminary.
15.	Completion of Sinton Junction	This is an identified current need. It has been discussed by local interests for many years without resolution.

April 4, 2012