

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

AGREEMENT FOR SH36A DEVELOPMENT CORRIDOR BUSINESS PLAN

THIS AGREEMENT is made and entered into by and between Fort Bend County, (hereinafter "County"), a body corporate and politic under the laws of the State of Texas, and Transportation Economics & Management Systems, Inc., (hereinafter "Contractor"), a company authorized to conduct business in the State of Texas.

WITNESSETH

WHEREAS, County desires that Contractor provide certain services related to the SH36A development corridor (hereinafter "Services"); and

WHEREAS, County has determined that this Agreement is for personal or professional services and therefore exempt from competitive bidding under Chapter 262 of the Texas Local Government Code; and

WHEREAS, Contractor represents that it is qualified and desires to perform such services.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the parties agree as follows:

AGREEMENT

Section 1. Scope of Services

Contractor shall render Services to County as defined in the Scope of Services (attached hereto as Exhibit A).

Section 2. Personnel

2.1 Contractor represents that it presently has, or is able to obtain, adequate qualified personnel in its employment for the timely performance of the Scope of Services required under this Agreement and that Contractor shall furnish and maintain, at its own expense, adequate and sufficient personnel, in the opinion of County, to perform the Scope of Services when and as required and without delays.

2.2 All employees of Contractor shall have such knowledge and experience as will enable them to perform the duties assigned to them. Any employee of Contractor who, in the opinion of County, is incompetent or by his conduct becomes detrimental to the project shall, upon request of County, immediately be removed from association with the project.

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Section 3. Compensation and Payment

3.1 Contractor's fees shall be calculated at the rates set forth in the attached Exhibit A. Out of town travel expenses associated with the Agreement shall be reimbursed at cost upon proper submission of expense records to County, subject to the terms and conditions of the County Travel Reimbursement Requirements for Fort Bend County Employees. The Maximum Compensation for the performance of Services within the Scope of Services described in Exhibit A including reimbursable expenses is fifty-five thousand dollars and no/100 (\$55,000). In no case shall the amount paid by County under this Agreement exceed the Maximum Compensation without an approved change order.

3.2 All performance of the Scope of Services by Contractor including any changes in the Scope of Services and revision of work satisfactorily performed will be performed only when approved in advance and authorized by County.

3.3 County will pay Contractor based on the following procedures: Upon completion of the first three (3) steps identified in the Scope of Services, Contractor shall submit to County two (2) original copies of invoices in a form acceptable to County in an amount not to exceed twenty-five thousand dollars and no/100 (\$25,000) for services performed. Upon completion of steps 4, 5, and 6 identified in the Scope of Services, Contractor shall submit to County two (2) original copies of invoices in a form acceptable to County for the remaining balance for services performed, subject to Section 3.1. County shall review such invoices and approve them within 30 calendar days with such modifications as are consistent with this Agreement and forward same to the Auditor for processing. County shall pay each such approved invoice within thirty (30) calendar days. County reserves the right to withhold payment pending verification of satisfactory work performed.

Section 4. Limit of Appropriation

4.1 Contractor clearly understands and agrees, such understanding and agreement being of the absolute essence of this Agreement, that County shall have available the total maximum sum of fifty-five thousand dollars and no/100 (\$55,000), specifically allocated to fully discharge any and all liabilities County may incur.

4.2 Contractor does further understand and agree, said understanding and agreement also being of the absolute essence of this Agreement, that the total maximum compensation that Contractor may become entitled to and the total maximum sum that County may become liable to pay to Contractor shall not under any conditions, circumstances, or interpretations thereof exceed fifty-five thousand dollars and no/100 (\$55,000).

Section 5. Time of Performance

The time for performance of the Scope of Services by Contractor shall begin with receipt of the Notice to Proceed from County and end no later than twelve (12) weeks thereafter.

Contractor shall complete the tasks described in the Scope of Services within this time or within such additional time as may be extended by the County.

Section 6. Modifications and Waivers

6.1 The parties may not amend or waive this Agreement, except by a written agreement executed by both parties.

6.2 No failure or delay in exercising any right or remedy or requiring the satisfaction of any condition under this Agreement, and no course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition.

6.3 The rights and remedies of the parties set forth in this Agreement are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity, or by statute.

Section 7. Termination

7.1 Termination for Convenience

7.1.1 County may terminate this Agreement at any time upon thirty (30) days written notice.

7.2 Termination for Default

7.2.1 County may terminate the whole or any part of this Agreement for cause in the following circumstances:

7.2.1.1 If Contractor fails to perform services within the time specified in the Scope of Services or any extension thereof granted by the County in writing;

7.2.1.2 If Contractor materially breaches any of the covenants or terms and conditions set forth in this Agreement or fails to perform any of the other provisions of this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in any of these circumstances does not cure such breach or failure to County's reasonable satisfaction within a period of ten (10) calendar days after receipt of notice from County specifying such breach or failure.

7.2.2 If, after termination, it is determined for any reason whatsoever that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the County in accordance with Section 7.1 above.

7.3 Upon termination of this Agreement, County shall compensate Contractor in accordance with Section 3, above, for those services which were provided under this Agreement prior to its termination and which have not been previously invoiced to County.

Contractor's final invoice for said services will be presented to and paid by County in the same manner set forth in Section 3 above.

7.4 If County terminates this Agreement as provided in this Section, no fees of any type, other than fees due and payable at the Termination Date, shall thereafter be paid to Contractor.

Section 8. Ownership and Reuse of Documents

All documents, data, reports, research, graphic presentation materials, etc., developed by Contractor as a part of its work under this Agreement, shall become the property of County upon completion of this Agreement, or in the event of termination or cancellation thereof, at the time of payment under Section 3 for work performed. Contractor shall promptly furnish all such data and material to County on request.

Section 9. Inspection of Books and Records

Contractor will permit County, or any duly authorized agent of County, to inspect and examine the books and records of Contractor for the purpose of verifying the amount of work performed under the Scope of Services. County's right to inspect survives the termination of this Agreement for a period of four years.

Section 10. Insurance

10.1 Prior to commencement of the Services, Contractor shall furnish County with properly executed certificates of insurance which shall evidence all insurance required and provide that such insurance shall not be canceled, except on 30 days' prior written notice to County. Contractor shall provide certified copies of insurance endorsements and/or policies if requested by County. Contractor shall maintain such insurance coverage from the time Services commence until Services are completed and provide replacement certificates, policies and/or endorsements for any such insurance expiring prior to completion of Services. Contractor shall obtain such insurance written on an Occurrence form from such companies having Bests rating of A/VII or better, licensed or approved to transact business in the State of Texas, and shall obtain such insurance of the following types and minimum limits:

10.1.1 Workers' Compensation insurance. Substitutes to genuine Workers' Compensation Insurance will not be allowed. Employers' Liability insurance with limits of not less than \$1,000,000 per injury by accident, \$1,000,000 per injury by disease, and \$1,000,000 per bodily injury by disease.

10.1.2 Commercial general liability insurance with a limit of not less than \$1,000,000 each occurrence and \$2,000,000 in the annual aggregate. Policy shall cover liability for bodily injury, personal injury, and property damage and products/completed operations arising out of the business operations of the policyholder.

10.1.3 Business Automobile Liability insurance with a combined Bodily Injury/Property Damage limit of not less than \$1,000,000 each accident. The policy shall cover liability arising from the operation of licensed vehicles by policyholder.

10.1.4 Professional Liability insurance with limits not less than \$1,000,000.

10.2 County and the members of Commissioners Court shall be named as additional insured to all required coverage except for Workers' Compensation. All Liability policies including Workers' Compensation written on behalf of Contractor shall contain a waiver of subrogation in favor of County and members of Commissioners Court.

10.3 If required coverage is written on a claims-made basis, Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of the contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of 2 years beginning from the time that work under the Agreement is completed.

Section 11. Indemnity

CONTRACTOR SHALL INDEMNIFY AND DEFEND COUNTY AGAINST ALL LOSSES, LIABILITIES, CLAIMS, CAUSES OF ACTION, AND OTHER EXPENSES, INCLUDING REASONABLE ATTORNEYS FEES, ARISING FROM ACTIVITIES OF CONTRACTOR, ITS AGENTS, SERVANTS OR EMPLOYEES, PERFORMED UNDER THIS AGREEMENT THAT RESULT FROM THE NEGLIGENT ACT, ERROR, OR OMISSION OF CONTRACTOR OR ANY OF CONTRACTOR'S AGENTS, SERVANTS OR EMPLOYEES.

Section 12. Confidential and Proprietary Information

12.1 Contractor acknowledges that it and its employees or agents may, in the course of performing their responsibilities under this Agreement, be exposed to or acquire information that is confidential to County. Any and all information of any form obtained by Contractor or its employees or agents from County in the performance of this Agreement shall be deemed to be confidential information of County ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated with respect to confidentiality in the same manner as the Confidential Information. Confidential Information shall be deemed not to include information that (a) is or becomes (other than by disclosure by Contractor) publicly known or is contained in a publicly available document; (b) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Agreement; or (c) is independently developed by employees or agents of Contractor who can be shown to have had no access to the Confidential Information.

12.2 Contractor agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Contractor uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties

or use Confidential Information for any purposes whatsoever other than the provision of Services to County hereunder, and to advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use its best efforts to assist County in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, Contractor shall advise County immediately in the event Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and Contractor will at its expense cooperate with County in seeking injunctive or other equitable relief in the name of County or Contractor against any such person. Contractor agrees that, except as directed by County, Contractor will not at any time during or after the term of this Agreement disclose, directly or indirectly, any Confidential Information to any person, and that upon termination of this Agreement or at County's request, Contractor will promptly turn over to County all documents, papers, and other matter in Contractor's possession which embody Confidential Information.

12.3 Contractor acknowledges that a breach of this Section, including disclosure of any Confidential Information, or disclosure of other information that, at law or in equity, ought to remain confidential, will give rise to irreparable injury to County that is inadequately compensable in damages. Accordingly, County may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interest of County and are reasonable in scope and content.

12.4 Contractor in providing all services hereunder agrees to abide by the provisions of any applicable Federal or State Data Privacy Act.

12.5 Contractor expressly acknowledges that County is subject to the Texas Public Information Act, TEX. GOV'T CODE ANN. §§ 552.001 *et seq.*, as amended, and notwithstanding any provision in the Agreement to the contrary, County will make any information related to the Agreement, or otherwise, available to third parties in accordance with the Texas Public Information Act. Any proprietary or confidential information marked as such provided to County by Consultant shall not be disclosed to any third party, except as directed by the Texas Attorney General in response to a request for such under the Texas Public Information Act, which provides for notice to the owner of such marked information and the opportunity for the owner of such information to notify the Attorney General of the reasons why such information should not be disclosed. The terms and conditions of the Agreement are not proprietary or confidential information.

Section 13. Independent Contractor

13.1 In the performance of work or services hereunder, Contractor shall be deemed an independent contractor, and any of its agents, employees, officers, or volunteers performing

work required hereunder shall be deemed solely as employees of contractor or, where permitted, of its subcontractors.

13.2 Contractor and its agents, employees, officers, or volunteers shall not, by performing work pursuant to this Agreement, be deemed to be employees, agents, or servants of County and shall not be entitled to any of the privileges or benefits of County employment.

Section 14. Notices

14.1 Each party giving any notice or making any request, demand, or other communication (each, a "Notice") pursuant to this Agreement shall do so in writing and shall use one of the following methods of delivery, each of which, for purposes of this Agreement, is a writing: personal delivery, registered or certified mail (in each case, return receipt requested and postage prepaid), or nationally recognized overnight courier (with all fees prepaid).

14.2 Each party giving a Notice shall address the Notice to the receiving party at the address listed below or to another address designated by a party in a Notice pursuant to this Section:

County: Commissioner Precinct 1
301 Jackson Street
Richmond, Texas 77469

With a copy to: Fort Bend County
Attn: County Judge
401 Jackson Street
Richmond, Texas 77469

Contractor: Transportation Economics & Management Systems, Inc.
116 Record Street
Frederick, Maryland 21701

14.3 A Notice is effective only if the party giving or making the Notice has complied with subsections 14.1 and 14.2 and if the addressee has received the Notice. A Notice is deemed received as follows:

14.3.1 If the Notice is delivered in person, or sent by registered or certified mail or a nationally recognized overnight courier, upon receipt as indicated by the date on the signed receipt.

14.3.2 If the addressee rejects or otherwise refuses to accept the Notice, or if the Notice cannot be delivered because of a change in address for which no Notice was given, then upon the rejection, refusal, or inability to deliver.

Section 15. Compliance with Laws

Contractor shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement, including, without limitation, Worker's Compensation laws, minimum and maximum salary and wage statutes and regulations, licensing laws and regulations. When required by County, Contractor shall furnish County with certification of compliance with said laws, statutes, ordinances, rules, regulations, orders, and decrees above specified.

Section 16. Performance Warranty

16.1 Contractor warrants to County that Contractor has the skill and knowledge ordinarily possessed by well-informed members of its trade or profession practicing in the greater Houston metropolitan area and Contractor will apply that skill and knowledge with care and diligence to ensure that the Services provided hereunder will be performed and delivered in accordance with the highest professional standards.

16.2 Contractor warrants to County that the Services will be free from material errors and will materially conform to all requirements and specifications contained in the attached Exhibit A.

Section 17. Assignment and Delegation

17.1 Neither party may assign any of its rights under this Agreement, except with the prior written consent of the other party. That party shall not unreasonably withhold its consent. All assignments of rights are prohibited under this subsection, whether they are voluntarily or involuntarily, by merger, consolidation, dissolution, operation of law, or any other manner.

17.2 Neither party may delegate any performance under this Agreement.

17.3 Any purported assignment of rights or delegation of performance in violation of this Section is void.

Section 18. Applicable Law

The laws of the State of Texas govern all disputes arising out of or relating to this Agreement. The parties hereto acknowledge that venue is proper in Fort Bend County, Texas, for all legal actions or proceedings arising out of or relating to this Agreement and waive the right to sue or be sued elsewhere. Nothing in the Agreement shall be construed to waive the County's sovereign immunity.

Section 19. Successors and Assigns

County and Contractor bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of the other party, in respect to all covenants of this Agreement.

Section 20. Third Party Beneficiaries

This Agreement does not confer any enforceable rights or remedies upon any person other than the parties.

Section 21. Severability

If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

Section 22. Publicity

Contact with citizens of Fort Bend County, media outlets, or governmental agencies shall be the sole responsibility of County. Under no circumstances whatsoever, shall Contractor release any material or information developed or received in the performance of the Services hereunder without the express written permission of County, except where required to do so by law.

Section 23. Captions

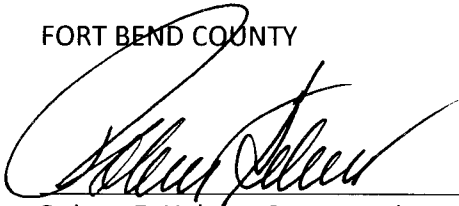
The section captions used in this Agreement are for convenience of reference only and do not affect the interpretation or construction of this Agreement.

Section 24. Conflict


In the event there is a conflict between this Agreement and the attached exhibit, this Agreement controls.

IN WITNESS WHEREOF, the parties hereto have signed or have caused their respective names to be signed to multiple counterparts to be effective on the 22 day of July, 2014.

FORT BEND COUNTY

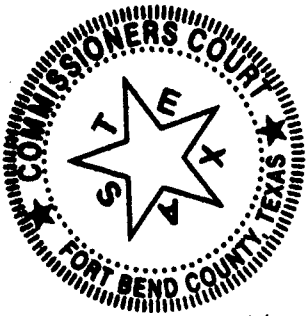

Robert E. Hebert, County Judge
7-22-2014

TRANSPORTATION ECONOMICS &
MANAGEMENT SYSTEMS, INC.


Authorized Agent- Signature
ALEXANDER E. MELCALF
Authorized Agent- Printed Name
President
Title
2 July 2014
Date

ATTEST:


Dianne Wilson, County Clerk



AUDITOR'S CERTIFICATE

I hereby certify that funds are available in the amount of \$55,000.00 to accomplish and pay the obligation of Fort Bend County under this contract.

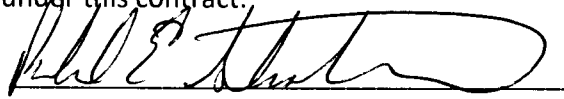

Robert Edward Sturdivant, County Auditor

EXHIBIT A

SH36A Development Corridor Business Plan: Scope of Work

Introduction

The purpose of this concept study is to evaluate the potential for developing a Freeport/SH36A Development Corridor as a major rail trade corridor serving the rail yards, intermodal centers, and retail distribution centers of central, northern and west Texas. The corridor will provide a bypass and reliever to the ports of Galveston and Houston, which are being “choked off” by bottlenecks and congestion. It will provide a fast and effective means for serving markets to the north and west of Houston while expanding the opportunities for the Port Freeport to develop as a competitive “port of entre” to serve the rapidly expanding regional distribution centers now being established by “Big Box” retailers, and intermodal yard facilities of major freight railroads.

The 36A Coalition are advocating for a study to assess the feasibility of a corridor from Freeport to SH6 north of Hempstead where it can connect to Interstate 35 and 45, and avoid the bottlenecks of Houston. It would like to consider as part of this corridor the potential for rail investment that would serve the inland markets from the Port Freeport while avoiding Houston’s congested rail routes.

TEMS has been asked to prepare a Scope of Work that will provide a Concept Level Analysis and Business Plan that will answer the following questions –

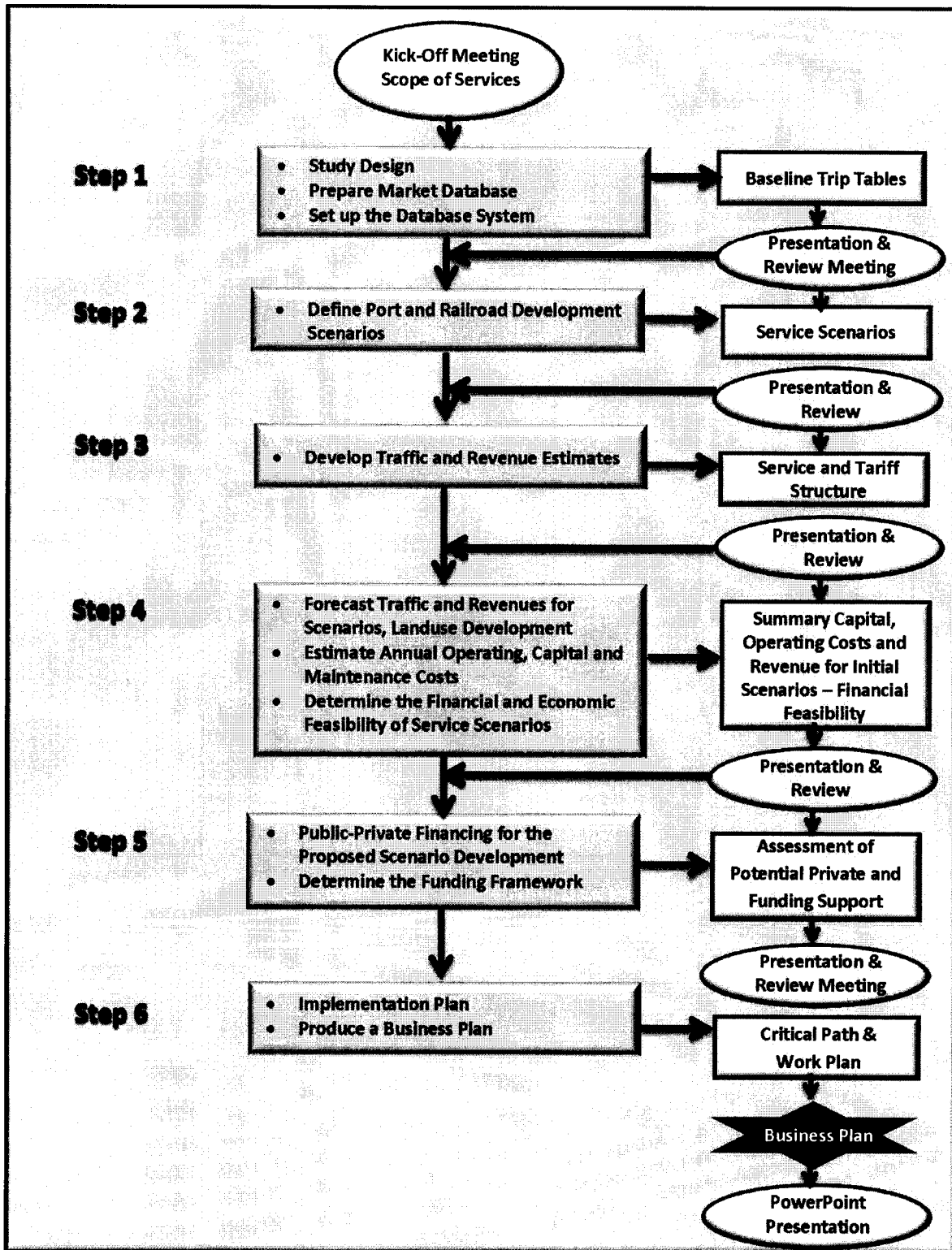
- Is there a business case for investing in rail along the SH36A Corridor and developing a trade corridor?
- How will Port Freeport and the communities along the SH36A Corridor benefit?
- Can the private sector play a role in developing the corridor, and can the freight railroads become a partner in the process?
- What are the sources of public and private funding (revenue, loans, grants, bonds, letters of credit, etc.) that can be obtained to support and develop the project?

Study Approach

The purpose of the concept study is to access the market opportunities, physical facility needs, financial and economic returns, business arrangements and implementation timeline for developing rail service along the SH36A Corridor to and from Port Freeport.

In undertaking this analysis TEMS will use its six steps Business Planning process. The process is shown in Exhibit 1. For concept studies TEMS will use a more aggregate level of analysis that can be refined to a more detailed analysis as work proceeds from Concept to Feasibility to Investment Grade. At the Investment Grade Level the work will reflect the ± 20 percent error level agreed with Wall Street and necessary for both general and revenue bonds.

Exhibit 1: Steps toward the Development of the Business Plan



Step 1 – Market Assessment

Using the market data developed by TEMS for the Panama Canal, Gulf Coast Port Study, West Coast Port Study, and National Ports Model develop a market analysis for the Port Freeport and SH36A Development Corridor using the TEMS GOODS™ multimodal freight model. The existing database of socioeconomic data, marine markets, and competitive inland transport networks will be updated using the latest Port statistics, updated inland transportation data, and changes in mode competition due to oil prices, congestion and fuel efficiency.

Medium and Long Term forecasts will be prepared using both the economic growth forecasts and changes in transport infrastructure in the Port Freeport and the other Gulf Ports, and the market shares of the Gulf versus both West and East coast ports.

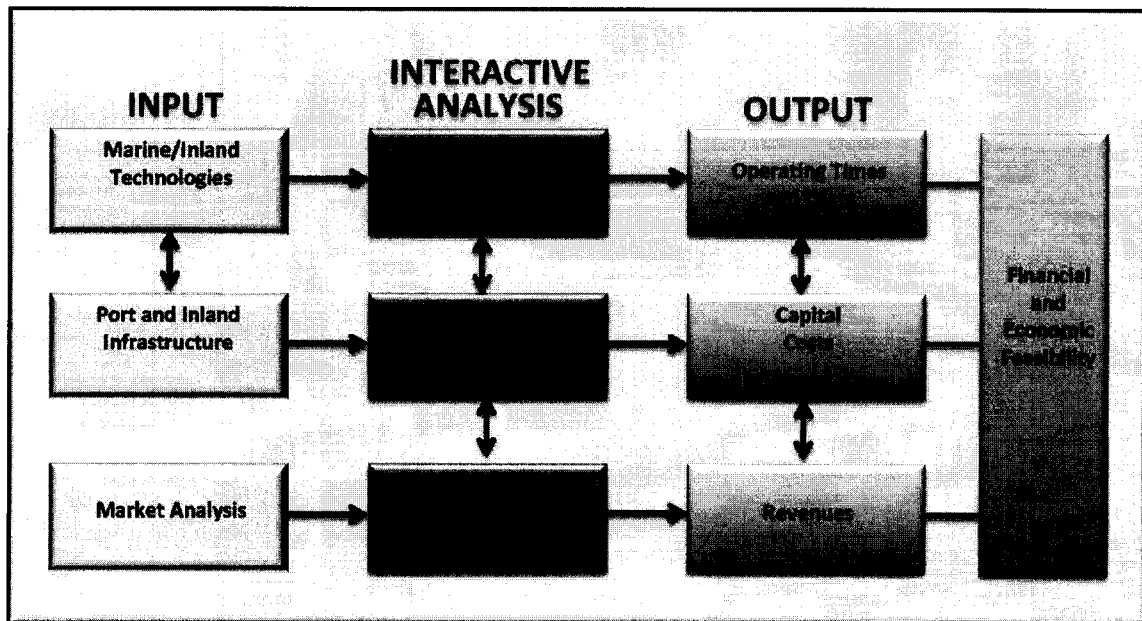
The market analysis will be used to identify rail traffic from the Port Freeport along the SH36A corridor for horizon years 2020, 2030, 2040, and 2050. The traffic analysis will be summarized in terms of short, medium and long term opportunities.

Step 2 – Service Scenario Definition

In the second step, the Business Plan will seek to define the most appropriate form of port, and rail infrastructure and development strategies that might be developed for the Port Freeport and the SH36A corridor. Using specific market data on the potential market pairs, service needs, and the potential types of water and rail operations in terms of performance and cost, an Interactive Analysis will be completed that assesses the relationship between market volumes, and service development options for the Port Freeport and Inland distribution networks. From the evaluation of these options the analysis will identify the rail traffic potential, intermodal interface needs, port to port services, and potential schedules and tariffs.

Exhibit 2 shows the Interactive Analysis process. It can be seen that data on the marine and inland transport distribution systems and on the market is required to identify the character of the transport operations that can be provided in the Freeport/SH36A Development Corridor.

Exhibit 2: Interactive Analysis Process



Port and rail Infrastructure needs to service the Port Freeport and the SH36A Corridor will be identified and their operating and capital costs estimated. This included the ability to support on-dock, near dock, and conventional rail intermodal services. Furthermore, the timing of rail infrastructure needs will be assessed to ensure that it is timed to relate to changing traffic conditions, which could well occur in the next five to ten years due to the Panama Canal and increasing congestion in the Houston region. The impact of the proposed improvements in Port Freeport services and SH36A Corridor for rail will then be compared to other major Gulf ports and used in estimating the potential market that the Port can capture.

The GOODS™ model allocates traffic to modes using a metric that reflects shipper and carrier behavior in the face of different mode and service options. It provides a mechanism for estimating market share traffic volumes and revenue potential for each element of the traffic movement.

Finally, the analysis will define the most effective way to develop both water services and inland distribution services, by assessing their performance in both financial and economic terms. From the evaluation of options the most effective rail and inland port development plan for Port Freeport and the SH36A corridor will be derived. In developing the service plan, the analysis will also recognize and consider existing and potential institutional, fiscal, and policy issues that are fundamental to the success of the project.

A key element of this assessment will be that the study teams work closely with important stakeholders such as the shippers to ensure they are comfortable with the basic concepts, market forecasts, and Port Freeport service proposals. It is important to achieve “buy-in” from the freight shippers, railroads and carriers, and to identify their needs in meeting the Port Freeport proposals. This includes both line and yard capacity issues for rail, which will be identified using the MISS-IT™ and Switch-It™ models. As required, capacity needs and potential funding will be addressed. The service plan as finally developed will include contingencies to manage issues affecting its implementation.

Step 3 – Traffic and Revenue Assessment

A traffic and revenue yield assessment will be completed to optimize the rail tariff systems for the final service plan. For each level of service, the market data and the service plan will be used to derive revenue estimates that reflect the supply and demand conditions that will exist. By providing an analysis of tariffs in relation to the supply and demand conditions, a final set of traffic volumes and revenues can be derived. These tariffs, when applied to the market, will optimize revenues and provide the key input to the financial model used to assess the potential of the Port Freeport, and SH36A Corridor.

Step 4 – Implementation Plan Analysis

In the fourth step, the market analysis, service plan and tariff structures developed in Steps 1 through 3 will be used to define the specific infrastructure, land uses, and development proposals for the Freeport/SH36A Development Corridor. The analysis will identify these critical inputs/costs –

- Rail infrastructure,
- Port infrastructure,
- Inland port potential,
- Terminal facilities, parking and access,
- Bulk and car load rail yard traffic,
- Maintenance facilities,
- Interface access systems for truck and rail traffic,

A financial and economic evaluation process will assess financial return and economic benefits. These assessments will include net present value, internal rate of return, payback period, debt coverage and financial risk. As the process develops, specific recommendations will be developed for the Port Freeport and the SH36A Corridor and the revenue process will be examined to maximize the financial and economic success of the project.

At the end of Step 4, the preliminary Implementation Plan will be developed, defining the milestones and components for implementing the Freeport/SH36A Development Corridor.

Step 5 – Financing and Funding Plan

In Step 5, the potential financing framework and funding plan for the rail project will be defined to include potential public-private partnerships, franchise potentials and others. The role of funding sources in terms of both the public and private sector will be assessed and a variety of creative financing and funding programs will be considered. Specific consideration will be given to the appropriate institutional structures for the operation and the needs of stakeholders. As required, specific cost sharing arrangements will be developed between federal, state, ports, shippers and the freight railroads. As appropriate, cost-sharing arrangements will be thoroughly defined and various cost allocation, procedures proposed.

During this step, Institutional arrangements agreements will be discussed, developed, and delivered to the partners for their acceptance. A preliminary Risk Analysis will identify key factors and issues associated with the different strategic options.

Step 6 – Business Plan

In Step 6, a preliminary Business Plan will be finalized that will bring together the various sub-plans and agreements that have been developed as part of Steps 1 through 5. The preliminary Business Plan will include –

- Market Analysis
- Operating and Service Plans
- Land use Requirements
- Preliminary Financial Plan
- Preliminary Funding Plan
- Preliminary Implementation plan
- Preliminary Business plan

The Business Plan will guide and support the key stakeholders throughout the implementation and financing activities of the incremental rail project. Capital needs, operating costs and potential revenues will be identified.

Business Plan – This plan will set out a development plan and investment program to support as necessary the development of a rail corridor and operation to support the updated Port Freeport infrastructure, and a full multimodal “Inland Port” facility to facilitate traffic movement by rail, truck and water out of and into the Port Freeport hinterland. This development will require full financial and economic justification and an understanding of the contribution the rail facility can make to the Texas economy in terms of jobs, income and transfer payments like tax base expansion and additional rents and fees.

Resources

Time Line: The work will take twelve weeks to complete, and will involve three meetings and presentations to the 36A counties and the Port Freeport, as the study proceeds.

Study Cost: The study will cost \$50,000 to complete plus out of pocket travel costs. Out of pocket travel costs will be billed as a direct expense.