Memorandum

DATE September 18, 2017

TO Honorable Members of the Mobility Solutions, Infrastructure and Sustainability Committee: Lee M. Kleinman (Chair), Rickey D. Callahan (Vice-Chair), Sandy Greyson, Adam Medrano, Casey Thomas, II and Tennell Atkins

SUBJECT Union Pacific in Dallas

On Monday, September 25, 2017, you will be briefed on Union Pacific in Dallas. The briefing materials are attached for your review.

Please feel free to contact me if you have any questions or concerns.

Majed Al-Ghafry
Assistant City Manager

C: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Bilerae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizar Tolbert, Chief of Staff to the City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

“Our Product is Service”
Equity | Empathy | Ethics | Excellence
Union Pacific in Dallas

Dan Harbeke
Director Public Affairs
2016 Fast Facts

Operating Revenue: $19.9 B
Route Miles: 32,100 in 23 States
Employees: 42,900
Annual Payroll: $4.1 B
Customers: 10,000
Locomotives: 8,500
2016 Business Mix
by Freight Revenue $18.6 Billion

Percentage of $18.6 Billion Freight Revenue

- Auto: 11%
- Coal: 13%
- Industrial: 18%
- Chemical: 19%
- Agriculture: 19%
- Intermodal: 20%
2016
Union Pacific in Texas

Miles of Track: 6,307
Annual Payroll: $692.4 M
In-State Purchases: $1.4 B
Capital Investment: $801.9 M
Employees: 7,356
Community Giving: $1.75 M

* ----- denotes foreign line access
Growth in Texas
The Good, the Bad, and the Ugly

• Every single day, 650 people move to Texas.
• North Texas grows by one person every five minutes.
• The North Texas population is expected to be just shy of 17 million by 2050.
• TxDOT predicts an 88% increase in total freight tonnage by 2040.
• Each person annually requires 40 tons of freight.

Jobs, Competitive Wages, Tax Revenue, and Economic Stability

Congestion, Safety Concerns, Environmental Impact, and Necessary Infrastructure Improvements
UP Capital Investment Trends
~$50 Billion since 2000*

*In billions. Includes cash capital, leases and other non-cash capital.
Strengthening the Franchise
~$3.1 Billion 2017 Capital Plan*

- Infrastructure Replacement $1,860
- Locomotives & Equipment $435
- Technology & Other $240
- Capacity & Commercial Facilities $255
- PTC $300

*In millions. Includes cash capital, leases and other non-cash capital.

Capital Spend Approximately 15% of Revenue
Freight Rail Works in Texas
Union Pacific’s Value Proposition

- Customized services for the delivery of frac sand and pipe to west Texas energy operations.

- Transport of central Texas aggregate product to meet the need for rock in Houston and south Texas.

- Innovative services including Dallas to Dock that provides plastic producers with an export solution for plastic pellets, expanding their reach overseas.

One train takes several hundred trucks off congested highways

Rail is almost four times more fuel efficient than trucks
Dallas to Dock

From hopper → package → container → dock
1. Plastic pellets are loaded into hopper cars in the Gulf region.

And transported to Dallas for packaging.
Dallas has an abundant supply of containers to meet export demand.
In Dallas, plastic pellets are packaged by premier packager KTN and loaded into intermodal containers.
Containers travel to ocean ports on our premium intermodal service.
At ports, containers are loaded onto vessels destined for global markets.
Dallas-Fort Worth Area
Capital Expenditure 2012-2016

Infrastructure Investment

= $1B
Union Pacific as Your Freight Partner
Serving the Freight Needs of a Growing Economy

• If the projections come true, multimodal solutions need to be a part of this new reality.

• Since 2009, Union Pacific has spent $6.3 billion on our southern region and $4.0 billion in Texas alone.

• The people and the freight are coming, and together, We Can Handle It!
OUR MISSION
The men and women of Union Pacific are dedicated to serve.

OUR VALUES
Passion for performance
High ethical standards
Work as a team
Union Pacific in Dallas

Mobility Solutions, Infrastructure & Sustainability Committee
September 25, 2017

Tanya Brooks
Assistant Director
Mobility & Street Services

City of Dallas
Proposed Prairie Creek Boulevard Project

• Project Scope
  • Partnership project with North Central Texas Council of Governments (NCTCOG) and Union Pacific (UP)
  • Multi-modal four-lane grade-separated bridge at Prairie Creek Road
  • Close the UP at-grade railroad crossing at Sam Houston Road

• Project Cost: $19M
  • NCTCOG $8.4M
  • City of Dallas 2017 Bond Program $7.5M
  • Union Pacific $1.5M
  • Dallas County $1.6M
Proposed Joppa Project

• Project Scope
  • Close UP at-grade crossing at Linfield Road
  • Construct grade-separated bridge for pedestrians and cyclists
  • Beautification and landscaping improvements along Carbondale Street
  • Upgrades to Loop 12/Carbondale

• Project Cost: $8,286,170
What is a Quiet Zone?

- The Federal Railroad Administration (FRA) Train Horn Rule (49 CFR Part 222) requires the sounding of locomotive train horns on approach and entry of public highway-rail grade crossings.
- It preempts state and local laws/ordinances governing the sounding of locomotive horns.
- It includes provisions that allow communities to silence train horns at crossings by establishing “quiet zones” that meet certain requirements.
Process to Establish a Quiet Zone

- Assemble Diagnostic Team (City, FRA, RR, TxDOT) to determine appropriate Supplemental Safety Measure (SSM) needed at crossing in lieu of train horn
- Council action to issue Notice of Intent (NOI) with 60-day comment period
- Implement SSM(s)
- Issue Notice of Establishment (NOE) with effective date
Active Railroad Crossing Quiet Zones

Quiet Zones, Effective Date
- FAR NORTH DALLAS, 3/21/2011
- URBANDALE 1, 12/12/2011
- MARKET CENTER, 9/10/2012
- URBANDALE 2, 10/10/2016