

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Planning and Economic Development  
**AGENDA DATE:** January 6, 2011  
**CONTACT PERSON/PHONE:** Kathy Dodson, PhD, Director 541-4670  
**DISTRICT(S) AFFECTED:** All

**SUBJECT:**

Discussion and action authorizing the Mayor to sign a Memorandum of Understanding between the City of El Paso, Ciudad Juarez, REDCo and Freight Shuttle Partners, LLC to continue Universal Freight Shuttle development efforts.

[Planning and Economic Development, Kathryn B. Dodson, (915) 541-4872]

**BACKGROUND / DISCUSSION:**

This item is to enter into Memorandum of Understanding between the City of El Paso, Ciudad Juarez, Chihuahua, Mexico, El Paso Regional Development Corporation (REDCO); and Freight Shuttle Partners, LLC to participate in efforts related to the development of the Universal Freight Shuttle (UFS) Project. UFS is a technology used to move freight across the international border and minimize truck traffic at the point of entries. The public will be served by reducing truck traffic on the international bridges, thereby reducing the negative environmental impact that arises from the idling truck traffic and by furthering the economic development of the region.

**PRIOR COUNCIL ACTION:**

N/A

**AMOUNT AND SOURCE OF FUNDING:**

N/A

**BOARD / COMMISSION ACTION:**

On December 16, 2010 the Economic and Community Development, Quality of Life and Tourism LRC approved bringing this item forward to City Council.

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**

  
\_\_\_\_\_  
Department Head

**RESOLUTION**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the City Manager be authorized to sign a Memorandum of Understanding among the City of El Paso, Ciudad Juárez, Chihuahua, México, El Paso Regional Economic Development Corporation (REDCo), and Freight Shuttle Partners, LLC, regarding the feasibility of a Universal Freight Shuttle.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

THE CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor

ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Josette Flores  
Assistant City Attorney

\_\_\_\_\_  
Kathy Dodson  
Director, Economic Development

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made and entered into by and between the City of El Paso, a Texas Municipal Corporation (“ELP”); Ciudad Juarez, Chihuahua, Mexico (“CDJ”); El Paso Regional Development Corporation (“REDCO”); and Freight Shuttle Partners, LLC (“FSP”) and is effective on the date specified below.

**WHEREAS**, the international land ports of entry located at the U.S./Mexico Border in the El Paso/Juarez metropolplex (“POE’s”) are integral to the financial well being of not only the two cities but the national economies as well;

**WHEREAS**, the POE’s located in the El Paso/Juarez region regularly handle freight valued at about \$50 billion (US) annually;

**WHEREAS**, both cities have acknowledged the need to develop and implement new technologies and modes of operation to increase the efficiency of handling trans-border freight in a safe, secure and reliable manner;

**WHEREAS**, FSP has developed a method commonly referred to as a Universal Freight Shuttle (“UFS”) as a means to move freight across the international border and minimize truck traffic at the POE’s;

**WHEREAS**, the development of the UFS Project requires the cooperation of ELP and CDJ as well as the State and Federal governments of Mexico and the U.S.;

**WHEREAS**, ELP and CDJ recognize the importance of reducing truck traffic at the POE’s and increasing operational efficiencies with regard to the movement of freight and have agreed to assist the private sector partner, FSP, in the development of the UFS Project;

**WHEREAS**, the City Council of the City of El Paso believes that the public will be served by reducing truck traffic on the POE’s thereby reducing the negative environmental impact that arises from the idling truck traffic and by furthering the economic development of the region; and

**WHEREAS**, REDCO has also agreed to participate in the development of the UFS Project.

**NOW, THEREFORE**, the parties agree to use best efforts to negotiate and work towards a final agreement as follows:

1. **City of El Paso (ELP)**. In order to advance the development of the UFS Project, the City of El Paso shall:
  - a. Undertake the necessary process to investigate the possibility of securing the necessary right of way at the Zaragoza POE to establish the UFS

international crossing on the U.S. side, utilizing the Presidential Permit. ELP will provide a complete report to all parties as to the necessary legal process, associated costs and other pertinent matters to achieve this objective.

- b. Work with FSP, Texas Department of Transportation and/or other appropriate entities to identify the appropriate rights of way from the Zaragoza POE to possible sites for the UFS transportation terminal(s) and inspection facilities.
- c. If necessary, work with FSP to resolve right of way issues with Union Pacific and/or BNSF in order to create a multi-modal capability at one or more locations.
- d. Formulate a plan for an appropriate level of financial incentives to assist in the feasibility of the project and deliver a fair rate of return to the citizens of El Paso and present that plan to the City Council for consideration.
- e. Assist in the identification and coordination with other appropriate potential partners such as the Camino Real Regional Mobility Authority.

2. **Ciudad Juarez (CDJ).** In order to advance the development of the UFS Project, Ciudad Juarez shall:

- a. Undertake the necessary process with Mexican federal government and/or concessionaire to validate the possibility of providing the necessary right of way at the Zaragoza POE to establish the UFS international crossing on the Mexican side of the international border. CDJ will provide a complete report to all parties as to the necessary legal process, associated costs and other pertinent matters to achieve this objective.
- b. Work with FSP and other entities as necessary to identify the appropriate rights of way from the Zaragoza POE to the selected Juarez site(s) for the UFS transportation terminal(s) and inspection facilities.
- c. Consider an appropriate level of financial incentives, including but not limited to municipal bond financing and state and/or federal tax incentives, that will improve the project's cost structure while at same time deliver a fair rate of return to the citizens of Juarez.

3. **El Paso Regional Development Corporation (REDCO).** In order to advance the development of the UFS Project, REDCO shall:

- a. Work with FSP to identify available land site(s) in El Paso that possess the appropriate size, location and other physical characteristics to

accommodate inspection facilities, transportation terminals, prototype development and potential vehicle manufacturing.

- b. Work with FSP to identify available land site(s) in Juarez that possess the appropriate size, location and physical characteristics to accommodate inspection facilities and transportation terminal.
- c. Conduct an in-depth economic impact analysis of the UFS Project which can be used by all parties to accomplish their individual and collective objectives related to the project. All parties will have input into the design of the final deliverable.
- d. Use its contacts within the private manufacturing / transportation sector of El Paso and Juarez to open doors for FSP to offer FSP's services.
- e. Work with FSP to identify additional sources of private financing if needed.

4. **Freight Shuttle Partners, LLC. (FSP)** Depending on the other parties' progress regarding their commitments to this MOU and any further agreements with the City and other necessary entities, FSP shall consider the possibility of constructing or causing to be constructed a complete UFS System in the El Paso/Juarez area, designed to transport cargo shipments from point to point within the region, and that minimally would have the following characteristics:

- a. Minimum investment in excess of \$100 million for the system.
- b. Terminal facilities in both El Paso and Juarez that would have required security, inspection and other amenities/facilities deemed necessary pursuant to an agreement, as well as those deemed necessary by the federal governments of the US and Mexico.
- c. The design and construction of elevated, secure bi-directional guide ways that will link the terminal facilities in both El Paso and Juarez. Guide ways would be expected to require a maximum footprint of no more than five (5) feet on the ground, and be constructed in such a manner as to minimize interference with vehicular traffic flows in El Paso, Juarez, and at the POE.
- d. Cargo transport vehicles in the UFS system that would be unmanned and driven by all-electric, linear induction motors.
- e. Development of a prototype vehicle for a Border System at the El Paso location.

5. **Joint Activities.** Once the parties sign this MOU, they agree to work together to:

- a. Determine a project schedule and timelines for each of the obligations the respective parties have undertaken
  - b. Develop and implement a process to communicate with the appropriate federal official(s) and/or agencies in both the U.S. and Mexico with the goal of bringing the entire project to a successful conclusion.
  - c. Develop an implementation plan for the UFS Project including a financial plan, permitting plan and ROW acquisition schedule and plan.
6. **Termination.** Any party may terminate this MOU upon thirty (30) days' written notice to the other parties of the intention to terminate this MOU.

**SIGNED and EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

**THE CITY OF EL PASO**

By: \_\_\_\_\_  
Joyce A. Wilson  
City Manager

**APPROVED AS TO FORM:**

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Sylvia Borunda Firth  
Senior Assistant City Attorney

\_\_\_\_\_  
Kathy Dodson  
Director, Economic Development

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

**CIUDAD JUAREZ**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EL PASO REGIONAL  
DEVELOPMENT CORPORATION  
(REDCO)**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FREIGHT SHUTTLE PARTNERS, LLC**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_