

# Northeast Texas Rural Rail Transportation District (NETEX)

Serving Titus, Franklin, Hopkins, Delta, Hunt, and Collin Counties.

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NETEX Railroad in Commerce, Jason Davis photo.

## About

### A Rural Rail Transportation District (RRTD) is...

- a governmental subdivision of the state;
- created by the commissioners courts by resolution;
- operated by a board of directors appointed by the commissioners courts;
- a non-taxing authority;
- a tax exempt authority;
- a body holding the powers of eminent domain and condemnation;
- a district insulating member counties from liability;
- granted authority to generate revenue through economic development grants, loans, and leasing and operational agreements;
- granted the authority to issue revenue bonds; and
- formed and authorized to conduct the affairs of the district under Texas Transportation Code, Title 5, Subchapter I, Chapter 172 - Rural Rail Transportation Districts ("Chapter 172").

### The Northeast Texas Rural Rail Transportation District (NETEX)...

- is an established governmental subdivision of the state of Texas representing six contiguous counties across northeast Texas, overlapping the service area of TAMU-C, including: Titus, Franklin, Hopkins, Delta, Hunt, & Collin Counties.

- was officially formed in June 1994 by Titus, Franklin, Hopkins, & Hunt Counties to save the former St. Louis Southwestern (Cotton Belt) Railway's Dallas Division Commerce Branch, or "C-Branch," from abandonment and preserve rail service for current and future customers along the corridor and ensure the potential for long-range economic growth in the region. The district's first ByLaws were adopted on November 21, 1994. The first segment of right of way was acquired on December 15, 1995.
- owns, or jointly owns with the state of Texas, 65.6 miles of operational railroad plus 23.2 miles of right of way with rails removed for a total corridor length of 88.8 miles.
- contracts with North East Texas Connector, LLC, as operator of the railroad.



## NETEX has...

- An active short line railroad on which railroad and transportation related research studies or training could be conducted.
- Established rail service enabling and promoting economic growth by attracting large and high volume industrial operations to the region.
- Interchanges with two Class 1 railroads: Union Pacific & Kansas City Southern.
- Right of Way connecting to DART ROW enabling future rail passenger connections to/from the DFW Metroplex.
- Opportunities for development of tourism through railroad passenger excursions, motorcar runs, etc.
- Connections to key political figures, individuals, organizations, and entities involved the areas of transportation and regional economic development.
  - State and National Congressional Leaders.
  - TxDOT officials.
  - Railroad officials.
  - Elected County Officials
  - Area Councils of Government (ARK-TEX COG, NCTCOG)

- Local Economic Development Corporations
- Sulphur River Regional Mobility Authority (SuRRMA)
- Texas High-Speed Rail & Transportation Corporation (THSRTC)
- South Central High-Speed Rail & Transportation Authority (SCHSRTA)
- Texas A&M University-Commerce

## The Formation of NETEX...

In 1981, Texas approved Article 6550c, the initial legislation calling for the creation of rural rail districts throughout the state. The provisions of Art. 6550c were later incorporated into the Texas Transportation Code as Chapter 172. By March of 1999, 11 rural rail districts, consisting of over 50 Texas counties had been developed. Rail districts can be formed in Texas by any one or more contiguous counties.

Following the application for abandonment of the Dallas Division of the Southern Pacific's subsidiary St. Louis Southwestern, known as the Cotton Belt, the four counties of Hunt, Hopkins, Franklin and Titus formed the Northeast Texas Rural Rail Transportation District, NETEX.

On December 15, 1995, five years after the closure of the branch, and before Union Pacific's takeover of SP, the rail district took ownership of 31 miles of track from MP 555 just west of Greenville to MP 524 just west of Sulphur Springs, for a purchase price of \$2,000,000 and an immediate investment of \$225,000 for track remediation and repair. SP had reserved ownership from MP 524 to Mount Pleasant for two reasons. First there was a strong possibility that a large carload shipper would move into Sulphur Springs, and second there was the utility track between SP and KCS east of Winfield, just west of Mount Pleasant in Titus County.

On October 1, 2000, almost five years after the first purchase, NETEX bought the Union Pacific track from Milepost 524 to 489.4, at the Franklin County/Titus County line. The purchase price was \$1.3 Million. NETEX was granted trackage rights on the 7.9 miles of UP retained track in Titus County from the Franklin/Titus County line to the UP freight yard in Mt. Pleasant to facilitate the interchange of rail traffic at the eastern end of the railroad.

NETEX also purchased the abandoned segment of right of way between MP 555 at Simtrott and MP 575.4 near Wylie to preserve the corridor for the future restoration of freight rail service and to enable a western connection to the Dallas Area Rapid Transit (DART) System for possible passenger service.

Since its formation, the counties of Collin and Delta have joined the membership of the district which now represents six member counties and is governed by a 12 member board of directors comprised of two county court appointed representatives from each member county.

Rail service resumed on the former C-branch in 1996 with East Texas Central Railroad, Inc., as the initial contracted operator for NETEX. Blacklands Railroad became NETEX's contracted operator February 9, 1999 and provided rail service until June 30, 2020. On July 1, 2020, North East Texas Connector, LLC (NETC) assumed responsibilities for providing rail service as the contracted operator for the NETEX railroad.

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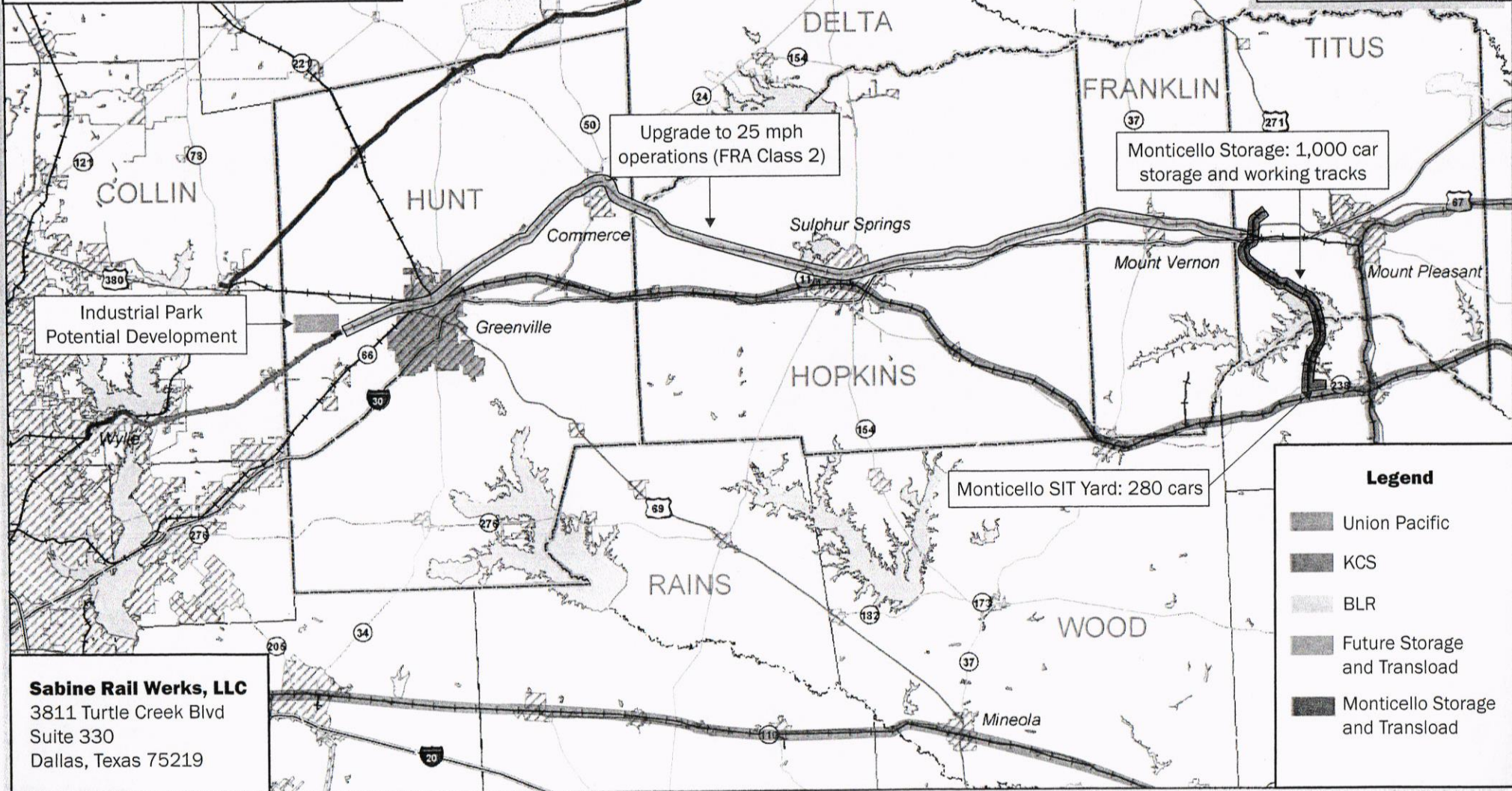
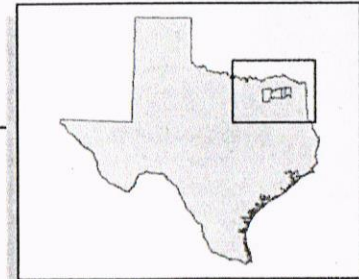
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**A Proposed Rail Rehabilitation Project:**

- 1) Obtain financial capital for rail rehabilitation to FRA class 2 upgrade
- 2) Acquire eastern rail yard at the former Monticello Steam Plant
- 3) Develop a western yard near Greenville
- 4) Enter into a 99-year lease with NETEX

# Blacklands Railroad (BLR)



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