

FILED
DEC 21 2007
SURFACE
TRANSPORTATION BOARD
**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. AB-103 (Sub- No. 21X)

**KANSAS CITY SOUTHERN RAILWAY COMPANY
ABANDONMENT EXEMPTION
LINE IN WARREN COUNTY, MS**

**SUPPLEMENT TO
RAYMOND B. ENGLISH
OFFER OF FINANCIAL ASSISTANCE**

1. Raymond B. English ("English"), in his individual capacity, on December 20, 2007, timely filed an Offer of Financial Assistance ("OFA"), pursuant to 49 U.S.C. 10904 and 49 CFR 1152.27 to purchase **a portion** of a rail line owned by the Kansas City Southern Railway Company ("KCSR") which rail line is the subject of the above-captioned abandonment proceeding. English desires to amend and supplement his OFA in the following ways:

2. Change the Offeror from Raymond B. English to Raymond B. English and James Riffin ("Riffin"), in their individual capacities. James Riffin is an existing Class III rail carrier. See *CSX Transportation, Inc. – Abandonment Exemption – In Allegany County, MD*, STB Docket No. AB-55 (Sub-No. 659X) (STB served August 18, 2006); *James Riffin d/b/a The Raritan Valley Connecting Railroad – Acquisition and Operation Exemption – On Raritan Valley Connecting Track*, STB Finance Docket No. 34963, (STB served December 20, 2006).

3. Add the following new paragraphs:

21. English and Riffin further offer to purchase that portion of the Line that extends **from MP 227.5 to MP 229.85**, a distance of approximately **2.35 miles**, or to the end of the Line that is the subject of the above entitled proceeding. For this portion of the Line, the underlying right-of-way, which consists of about 28.5 acres, all the track material, bridges, and any and all other items on, appurtenant to, or associated with, the Line, including any and all interests, legal or

equitable, that KCSR may have in, or which is associated with, the Line, including all licensing and any other agreements associated with the Line, free of all liens and encumbrances, settlement costs to be split, English offers approximately \$ **45,000.00**.

PRICE TO BE PAID FOR THE LINE

22. **Real Estate:** English proposes to purchase that portion of the Line which is between **MP 227.5, and MP 229.85**, a distance of approximately **2.35 miles**, or to the end of the end of the Line. According to information English has been able to obtain (copies of deeds, information provided by KCSR), the right-of-way is generally 100-foot wide between MP 227.5 and MP 229.85. 2.35 miles at 5,280 feet per mile equals 12,408 linear feet. A strip of dirt that is 12,408 feet long and 100 feet wide, will contain 1,240,800 SF, which at 43,560 SF per acre, equates to 28.485 acres, or 28.5 acres. The deeds English consulted, indicated KCSR only had a reversionary interest in a substantial portion of this portion of the Line. Board precedent has held that real estate that is subject to a reversionary interest, has no legally cognizable value in an OFA proceeding.

23. The City of Vicksburg, MS and KCSR entered into a Purchase and Sale Agreement (“PSA”), dated April 5, 2007, wherein the City of Vicksburg offered to purchase the Line for \$4,500.00 per acre (see ¶2 PSA), whether KCSR’s interest was reversionary or fee simple. The PSA further stated in ¶ 11, that if KCSR could not transfer the entire Line to the City of Vicksburg pursuant to the National Trails System Act, the City of Vicksburg would be relieved of its obligation to purchase the Line.

24. On December 20, 2007, Riffin spoke with Nancy Thomas, counsel for the City of Vicksburg. During this telephone conversation, Riffin stated English desired to purchase that portion of the Line between MP 225.6 and MP 227.5. Riffin then asked if the City of Vicksburg still desired to purchase the portion of the Line between MP 227.5 and MP 229.85. Ms. Thomas reiterated a statement she had made some months previously: That the City of Vicksburg had an interest in purchasing the Line **only if** the City could purchase the **entire Line**, and that the City of Vicksburg **did not** have an interest in purchasing just the end of the Line, or that portion of the Line between MP 227.5 and MP 229.85.

25. While English does not have an interest in purchasing this portion of the Line, Riffin

believes this portion of the Line should be preserved, so that if shippers on this portion of the Line desire to utilize freight rail service some time in the future, it could be made available. For this reason, Riffin elected to participate in the purchase of the Line.

26. The record indicates the track material between MP 227.5 and MP 229.85 was removed some years ago. Consequently, the only thing that KCSR has to offer, is the right-of-way itself. Since this portion of the Line does not contain any track material, is extensively overgrown with vegetation, cannot immediately be utilized for freight rail service, and the City of Vicksburg no longer has an interest in purchasing this portion of the Line, English and Riffin do not feel the purchase price for this portion of the Line should be consonant with the price listed in the PSA.

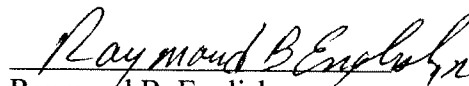
27. In the interest of preserving this portion of the Line for future possible rail service, English and Riffin would offer \$3,000.00 per fee simple acre, with a cap of \$45,000.00. In arriving at this price, English and Riffin were mindful of the cost to remove and dispose of the vegetation on the Line, which would be approximately \$10,000 per acre, and the cost to rehabilitate the bridges, which have not been maintained for years. [A strip of vegetation 30 feet wide x 12,408 feet in length would encompass 8.5 acres. At \$10,000 per acre, it would cost at least \$85,000 to remove and dispose of the vegetation. If the right-of-way for this portion contains 28.5 acres, and if that 28.5 acres were to be valued at \$4,500 per acre, that would give it a value of \$128,250. Subtracting the \$85,000 cost to remove a strip of vegetation 30 feet wide, would leave a net value of \$43,250, which is close to the cap of \$45,000 English and Riffin are offering for this portion of the Line.]

Respectfully submitted


Raymond B. English

CERTIFICATE OF SERVICE

I hereby certify that on this 21th day of December, 2007, a copy of the foregoing Offer of Financial Assistance, was served by first class mail, postage prepaid, upon **William A. Mullins, Baker & Miller PLLC**, Ste 300, 2401 Pennsylvania Ave, N.W., Washington, DC 20037, attorney for Kansas City Southern Railway Company, and upon **Craig Richey**, 315 W. 3rd Street, Pittsburg, KS 66762, attorney for Vicksburg Southern Railroad, Inc.


Raymond B. English