

The Honorable Morgan Meyer  
Chair, House Investigations Committee

Chairman Meyer,

We are affected landowners who testified at several legislative hearings concerning Texas Central's proposed Dallas to Houston high-speed rail project. At the time we testified, we knew the Texas Government Code requires all testimony before House committees to be provided under oath, subject to penalty of perjury. Knowing this was the law, we took our oaths seriously and testified truthfully before the committees.

On the other hand, Texas Central's Managing Director Holly Reed gave false testimony in relation to House Bills 4219 and 1367. Because Ms. Reed's testimony materially impacted consideration of these bills, we are asking you to refer her testimony to the appropriate authorities.

#### **Ms. Reed's testimony concerning House Bill 4219**

Over the past few years, numerous landowners entered into option contracts with Texas Central after being told by Texas Central representatives that it had the power to take their property through eminent domain. Believing they had no other choice, these landowners signed away their property rights to Texas Central. HB 4219 allowed landowners to cancel these option contracts and get their property back if it was later determined in court that Texas Central did not have eminent domain authority.

On April 8, 2019, there was a hearing on HB 4219 before the House Judiciary & Civil Jurisprudence Committee. During testimony, several concerned witnesses discussed Texas Central's tactics with respect to negotiating these option contracts. You then asked Ms. Reed to explain Texas Central's process with respect to its "option purchase program." During her explanation, she testified:

**"We don't actually close on the property until the project has all of the federal permits needed to build and until we have financial close where we have raised all of the money to build the entire project. At that point we have an agreed upon price and we go to closing."**

In other words, Reed suggested HB 4219 was unnecessary because Texas Central wasn't going to exercise any options until it had raised \$20 billion and received all permits, which obviously wouldn't happen unless Texas Central was able to prove it had eminent domain. Ms. Reed's testimony eased any concerns that landowners were in jeopardy of signing away their property rights to Texas Central for a project that might never happen.

#### **Ms. Reed's testimony concerning House Bill 1367**

HB 1367 was another common-sense landowner protection bill. It gave landowners who signed option contracts under the threat of eminent domain the right to get their property back from Texas Central if it was used for something other than the high-speed rail project, or if the project was cancelled.

On April 2, 2019, at the hearing on HB 1367 before the House Land & Resource Management Committee, Ms. Reed gave more testimony about the "option purchase program." Much like what she said at the hearing on HB 4219, Ms. Reed testified that **"we would not close on those option agreements until we have the money to build the project, we have hit financial close, and we have the permits to build the project."**

By making this statement, Reed suggested there was no need for HB 1367 because Texas Central was not going to close on any option contracts until it had all the money and permits secured and was ready to proceed with construction. Basically, Reed told the committee there was nothing to worry about because the protections in HB 1367 were already in place.

### **Reed's testimony was false**

Reed's sworn testimony during both hearings was false. Just a few months later, Texas Central Chief Investment Officer Tim Keith swore to a federal agency that Texas Central had secured only \$450 million of the estimated \$20 billion in funding it needs to build the project. (see attached declaration) In addition, Texas Central still does not have *any* of the permits needed to construct or operate the high-speed rail. In fact, Ms. Reed herself has recently complained to the press that Texas Central cannot raise the money it needs until it gets all its permits. The point is, Texas Central is nowhere close to having its money or permits in place.

At the time of her testimony to both committees in April 2019, the FRA dashboard demonstrated permits were expected in March 27, 2020<sup>1</sup>. This was known to the public since November 16, 2018 and five months before her testimony. Despite this testimony, many option contracts were closed even though the permits and funding were not in place. For those option contracts that were not closed prior to expiration, they were instead amended to close prior to the FRA's permit timeline<sup>2</sup> which again solidifies her false testimony. According to Ms. Reed's own statements<sup>3</sup> she clearly knew permits were not expected until "early to mid-next year."

Nevertheless, Texas Central began closing on option contracts just months after Ms. Reed gave her false testimony. To date, Texas Central has closed on more than 100 option contracts and is in the process of closing more. (see attached deeds as examples) As its Managing Director and lead spokesperson, Ms. Reed knew many of the option contracts would expire on December 31, 2019 and that Texas Central was not going to let them lapse. She knew Texas Central was going to exercise these options prior to securing all the money and necessary permits, but told the committees just the opposite.

### **Ms. Reed's false testimony should be referred**

Texas Central continues to take property from landowners under the threat of eminent domain, even though it has not proven it has eminent domain or secured the money and permits needed to complete the project. HB 4219 and HB 1367 were designed to prevent these blatant violations of Texans' private property rights, but were not given fair consideration due to Ms. Reed's false testimony. Failure to refer her testimony to the appropriate authorities undermines the integrity of the legislative process to the detriment of all Texans.

---

<sup>1</sup> <https://web.archive.org/web/20181116173836/https://www.permits.performance.gov/permitting-projects/dallas-houston-high-speed-rail>

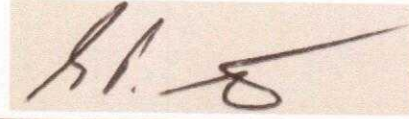
<sup>2</sup> <https://cms7.permits.performance.gov/permitting-projects/dallas-houston-high-speed-rail>

<sup>3</sup> <https://theleadernews.com/federal-action-pushes-texas-bullet-train-project-toward-fruiton/>

Sincerely,

2/18/2020

X

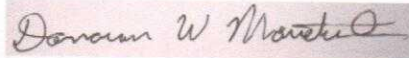


---

Gene P. Whitesides LTC, USA (Ret.)  
Madison County landowner

2/18/2020

X

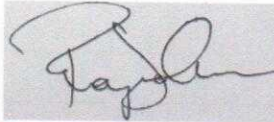


---

Donovan W. Maretick  
Waller County landowner

2/18/2020

X




---

Roy Johnson  
Grimes County landowner

2/18/2020

X



---

Glenn A. Mannina  
Leon County landowner

2/18/2020

X



---

Christie Parker  
Harris County landowner

Cc:

The Honorable Tom Craddick, Chair, House Land and Resource Management Committee  
The Honorable Jeff Leach, Chair, House Judiciary and Civil Jurisprudence Committee  
The Honorable Ben Leman  
The Honorable Cody Harris