THE COAST DAYLIGHT: A CALIFORNIA LEGEND REBORN

Inspired by yesterday, driven by tomorrow, a beautiful new travel experience to connect California’s two most demanded destinations

CORRIDOR CAPITAL
Passenger Rail Development, Finance and Management
In 1937, the Southern Pacific Railroad, one of California’s oldest corporate citizens, launched a new streamlined train, the Daylight. It was an immediate success, so much so that just three years later the company added a second frequency in 1940.

The train’s striking colors were red, orange and black with a silver accent pinstripe, from the tip of the locomotive to the rounded rear-end observation car.

The train became legendary for its colors, quality of service, and storied route between downtown San Francisco and downtown Los Angeles via Southern Pacific’s coast line.

Travel writers and advertising copy writers dubbed the Daylight “The World’s Most Beautiful Train.”

A legend was born.
Chicago-based Corridor Capital is a passenger rail development, finance and management company.

- Owns the only available uniform stainless steel bi-level fleet in North America.
- Extensive experience working with public agencies and private companies to develop passenger rail choices.
- Led and staffed by some of the most experienced passenger rail professionals in the country.
THE NEW COAST DAYLIGHT:

Recreating California’s most successful passenger train to serve the Golden State’s most demanded and underserved travel corridor
Los Angeles-San Francisco is California's busiest travel corridor. It is the second-most traveled corridor in the United States, behind only the Northeast Corridor served by Amtrak’s daily Acela and Northeast Regional multi-frequencies of nearly 50 weekday departures in each direction.

But it hasn’t been served by rail since 1971, and it does not have its own train: Amtrak’s Coast Starlight runs from Seattle to Los Angeles, but San Francisco passengers must board across the bay at Emeryville.

The southbound Starlight often runs 2-3 hours late, making rail inconvenient and unpredictable for southbound travelers. Because the Starlight is a through train to Portland and Seattle, seating availability Los Angeles to Emeryville can be limited.
California recognizes the busy Los Angeles-San Francisco travel corridor needs a discrete train, with its own timetable tailored to local needs and its own terminal in downtown San Francisco. The train will be sponsored and managed by a separate organization accountable to the communities served by the train (Coast Rail Coordinating Council) and supported by its own budget.

The route of a new Coast Daylight can be extended to San Diego if market conditions warrant.
Neither current Amtrak nor Caltrans rolling stock – nor new Next Gen cars scheduled to be supplied to some states, including California, using federal and stated funding – is available for a new Coast Daylight.
All of the Amtrak and Caltrans equipment is needed to support existing frequencies and planned expansions — no extras to support a new train.

All of the Amtrak and Caltrans equipment is designed for short-distance, daytime corridor service, with a route length of no more than 300-350 miles, and maximum end-to-end travel time of about 5 hours with a short average trip length.

- High-density coach seating, little personal space
- Inadequate food-and-beverage offerings such as snack foods, microwaved “meals”
- Small lounge area and small food-storage/preparation space, capacity too low to serve all-day travelers requiring complete meals served in appropriate dining area.

The new Coast Daylight, as a daytime long distance train, with a scheduled running time of approximately 10 hours will require a discrete fleet — available now — with greater capabilities than existing and proposed cars.
WHY THE NEW COAST DAYLIGHT MUST BE DIFFERENT

- The new Coast Daylight route is 470 miles, travel time of just under 10 hours. Passengers riding the full distance will require more comforts, amenities, services and space.
  - Spacious Luxury Coach seating (80 seats/car plus ADA seating, versus 90+ in California Cars, Surfliners and Next Gen fleet)
  - Premier First Class space (1+1 seating, 35 seats on the upper level of the car with a lower level stateroom seating 5, plus an ADA seating area with a single chair accompanying the ADA area for a total of 40+ revenue seats in the car)
  - The Coast Club car with table service for full meals, a lounge area for drinking/snacking/socializing, and a service counter for passengers ordering and picking up takeout meals to be consumed at their seats, with a full kitchen capable of preparing a variety of meals.

- The new Coast Daylight is a cross between a multi-frequency short-distance corridor train and a single-frequency daily long distance train. It does not carry sleeping cars, but in order to attract passengers traveling long distances, it must offer a higher standard of accommodations and onboard services than a typical daytime corridor train.

Where will the Coast Rail Coordinating Council find such a fleet?

THE COAST DAYLIGHT • THE WORLD’S MOST BEAUTIFUL TRAIN
Creating the best train in the country means securing the best rolling stock in the country. That means the Hi-Levels built by the Budd Company for the Santa Fe Railway.

- Rugged stainless-steel construction — 110-mph capability, Amtrak certified — engineers call them the best passenger railcars ever built in North America, virtually indestructible.

- First true bi-level passenger cars ever built, served as template for Amtrak Superliner and later California Car fleets built in the 1980s. The Hi-Levels regularly operated in Amtrak service on California routes, including the San Diegans and the Coast Starlight.

- Luxury coaches plus a unique dining-lounge car with a full kitchen on the lower level and service counter and all seating upstairs.

- Transition cars configured with steps at one end permitting passage between Hi-Level cars and conventional single-level cars operating in the same train (no other bi-level coaches have this feature). This allows interoperability with every single-level and bi-level passenger car ever manufactured in America.
Suggested consists:

- Total of 2 train sets, 8 cars each.
- Each trainset to include 6 Luxury Coaches with 80+ seats.
- Each trainset to include 1 Premier First Class car with 40+ seats in 1+1 configuration on the upper level with rotating seats featuring full recline, leg rests and a retractable wall-mounted table beside seat. On the lower level will be a private stateroom with seating for five or six passengers, ideal for enroute conferences and meetings.
- All classes of cars will include ADA seating and ADA restrooms on lower level. Video screens will be found throughout the train, offering travel times to the next station stop, rate of speed, time of day, other information, and advertising and entertainment programming.
- A new system of handling passengers’ baggage is being evaluated. Additional luggage towers will be located on the lower level of each car, and passengers’ bags will be checked by onboard staff. This will eliminate any passengers carrying their bags to the upper level, and no separate baggage car is required to provide checked baggage service.
- The Coast Club dining-lounge car will be placed in the consist between the Luxury Coach section and the Premier First Class car. 36 seats in diner section, 18 seats in lounge section; 5, 2-person stand-up tables in the lounge section; and, a service window for takeout orders.

Motive power: Two 3,200+ HP diesel locomotives, one at each end.
AN EFFICIENT DESIGN/ENGINEER/ASSEMBLY DELIVERY SCHEDULE

Build timetable:

• Depending upon the rebuild schedule for other Hi-Level orders, and the choice of rebuilder, the first train can be rebuilt and delivered 12 to 18 months from the Notice to Proceed.

• Second train set to follow 4 to 6 months later.

• Deployment: The first delivered train set can commence Los Angeles-San Francisco (or San Diego-San Francisco) service three days a week in each direction, with Pacific Surfliner trains 761/790 continuing service four days per week from Los Angeles to San Luis Obispo until full deployment for daily service upon delivery of the second train set.
‘EAT, DRINK, AND BE MERRY’ MEANS HIGH DOLLAR INCOME

• No other type of land transportation has the ability to provide such a variety of onboard food service as a passenger train – all of which can generate high dollar income from a captive audience, especially on a route which covers a full day with opportunities to provide breakfast, brunch, lunch, afternoon repasts, and dinner. The Coast Club will employ innovative, cost-saving ways of providing full-service meals and snacks in order for the car to generate positive revenue.

• Passengers often pass their time eating and drinking while enjoying the passing scenery. Passenger train club cars are legendary for socializing between travelers while enjoying snacks, cocktails, wine, and beer selections.

• The new Coast Daylight will offer full meal service with four distinctive menus throughout the day, according to time of day.

• All meals and all types of beverages will be included in the accommodations charge for passengers in Premier First Class. Included will be traditional meals, morning fruit, pastries and beverages, an after-lunch wine and cheese tasting, and a late afternoon tea service. These passengers may choose to enjoy meals in the Coast Club car or have at-seat service.

• Luxury Coach passengers will also have the late afternoon tea service offered in addition to the four meal times and snacks offered throughout the day. All food and beverage pricing will be competitive with similar menu items available in moderate-priced restaurants and cafes.

• The Coast Club car will be open terminal to terminal for all passengers. Every menu item, from breakfast omelettes to wine and beer selections will be California-centric, favoring California growers, suppliers, and businesses.

• All onboard services positions – as all other jobs for the operation of the new Coast Daylight – will be held exclusively by California residents.
EQUIPMENT MAINTENANCE AND ONBOARD CLEANING

- To be performed by a California-based contractor with an all-California workforce.
- Maintenance shop facility to be identified at each terminal, San Francisco and Los Angeles, or, if possible, San Diego.
- A California-based maintenance contractor will handle enroute cleaning at San Luis Obispo to provide onboard cleaning during the trip, so each train is cleaned enroute after departure from San Luis Obispo.

RailPlan International, Inc. with offices in Ontario, California; Fredericksburg, Virginia and Baltimore, Maryland is known throughout the world for its expertise in railroad equipment design, maintenance, and manufacture. RailPlan currently enjoys equipment maintenance, service and inspection contracts with Maryland and North Carolina.

RailPlan is Corridor Capital’s exclusive partner for Hi-Level fleet equipment design and maintenance, and RailPlan will establish a California entity to maintain the Coast Daylight.

ONBOARD CLEANLINESS IS PARAMOUNT

A California janitorial contractor will supply onboard cleaning after boarding at San Luis Obispo so each train can be quietly cleaned enroute – and in full view of passengers – during the second half of its trip.

THE COAST DAYLIGHT • THE WORLD’S MOST BEAUTIFUL TRAIN
RESERVATIONS AND TICKETS

• Ticketing and reservations to be handled through a California-based and staffed website and call center specifically established and managed for the Coast Daylight.

• Website and reservations system will interface with the Amtrak reservations system so Coast Daylight passengers connecting with Amtrak at any station between Los Angeles and San Jose can make reservations and buy interline tickets. Passengers using the Amtrak system will also have access to the Coast Daylight reservations system for train tickets and other travel packages and services.

• The website will be available across all platforms including Smartphones and tablets.
The new *Coast Daylight* has a ridership base substantially different from all other passenger trains, in California and nationwide:

- **Unusually strong end-to-end market** — Most Amtrak corridor trains operate between end point metros of substantially different size (e.g., Chicago—7 million—and St. Louis—1 million; New York—10 million—and Charlotte—900,000). The Bay Area and Los Angeles are both big — and affluent, with major traffic congestion and airport problems that make train travel attractive, especially to millennials.

- **Plus, a strong intermediate market** — Santa Barbara and San Luis Obispo are cities of substantial size that currently cannot be reached by rail from downtown San Francisco. Air fares from San Francisco are prohibitively expensive for most travelers, and the 6-7-hour connecting bus trip from downtown San Francisco to the *Pacific Surfliner* northern point at Santa Barbara is too long and arduous for all but the hardiest and most adventurous.

- **Strong tourist draw** — Coastal and inland California between Los Angeles and San Francisco remains the state's most emblematic landscape for tourists from out of state, including wealthy overseas tourists from Europe, Japan and China. This up-market requires its own train — the new *Coast Daylight*.

- **The new Coast Daylight will be a destination itself** — The train itself, much like VIA Rail Canada’s highly popular train the *Canadian*, will become a “destination” for many domestic and international travelers who simply wish to enjoy the unique experience of the train itself. With two strong terminals and the best coastal route in North America, the new *Coast Daylight* can expect many endpoint-to-endpoint passengers.

**California’s ‘Signature’ Train**

With its high level of innovative amenities, onboard services and benefits, comfortable passenger cars and unique coastal route, the new *Coast Daylight* will become California’s “Signature” train representing California tourism and transportation innovation to the world. Whether the train endpoints are San Francisco-Los Angeles, or San Francisco-San Diego or San Jose-San Diego, the new *Coast Daylight* will be California’s “Signature” train.
AGGRESSIVE AND DEDICATED COAST DAYLIGHT MARKETING

• The new Coast Daylight will be the subject of an all-encompassing, dedicated marketing program.

• Cross-promotions with other California passenger train services and travel and hospitality industry packagers.

• A strong campaign with major international tour operators in Asia and Europe. This campaign will work closely with overall California state marketing programs.

• Heavy marketing to the domestic and international travel agency and travel consortium industries.

• Independent consumer-based marketing including all social media outlets, online marketing, and traditional venues such as radio, television, print, direct mail, and movie theater onscreen marketing.

• A comprehensive, ongoing public relations campaign.

• Product placement opportunities such as new Coast Daylight travel package prizes on television game shows and use of Coast Daylight equipment and trains in television and film scripts.

A strong combination of dedicated marketing partnerships with other travel industry companies as well as heavy Asian tourism demand will propel the new Coast Daylight to success.
FINANCIAL SUPPORT FROM THE PRIVATE SECTOR

Because it will have its own identity and will appeal to its own discrete markets, the new Coast Daylight will create new, non-ticketing revenue streams from private business sources.

- Under the direction of the Coast Rail Coordinating Council, Corridor Capital, as developer and managing operator of the new Coast Daylight will utilize and coordinate California advertising placement agencies to reach out to local industries and business with an “Adopt-a-Train” program under which these household-name businesses can make a financial investment in a year’s worth of maintenance for a car or locomotive in return for naming rights to the asset, including:
  - the sponsor’s name on the locomotive or car’s exterior
  - the sponsor’s sales literature in the seat-back pockets on each passenger car
  - the sponsor’s messages running on the electronic passenger-information screens in each car.
- Unlike an Adopt-a-Highway program, in which the sponsor’s name is seen only fleetingly on a sign marking the beginning of a sponsored highway segment, “Adopt-a-Train” keeps the sponsor's name and message in front of passengers throughout the trip and in front of motorists on parallel highways and grade crossings as well. The new Coast Daylight can act as a non-intrusive rolling billboard for corporate sponsorships that can generate revenues making a significant contribution towards defraying the train’s annual operating expenses.

California businesses – and, any business in the world wishing to reach California’s desirable consumer base – can make a financial investment by sponsoring a new Coast Daylight locomotive or passenger car and be the recipient of unique and interesting marketing benefits.
GOOD FOR LOCAL BUSINESSES, GOOD FOR THE COAST DAYLIGHT

• Cross promotions add strength to individual marketing efforts.

• The new Coast Daylight’s proprietary reservations system and its captive onboard audience can be mobilized to generate incremental revenue by promoting businesses in the communities the train serves.

• Special discounts for new Coast Daylight passengers can be made available by hotels, restaurants and tourist attractions that advertise on the reservations website or on the electronic passenger information screens in the cars.

• A specific program seeking hospitality industry partnerships with such simple things as new Coast Daylight promotional tent cards placed in hotel rooms can inexpensively but significantly raise the awareness of the service to the primary target audience of travelers.

• The new Coast Daylight will also quickly become a favorite of domestic and international travel agencies seeking new and exciting destinations and travel choices for clientele. Working with travel agency consortiums and trade groups can generate high-dollar results.

• Souvenir merchandise – tote bags, baseball caps, sweat shirts and other gear – can be sold in the Coast Club cars (and, online, too), enabling passengers to keep “selling” the new Coast Daylight after they've left the train.
GOOD, INDIVIDUALLY, BUT A POWERHOUSE WHEN TOGETHER

• Many joint promotional opportunities by the new Coast Daylight and the various services offered by the other authorities in California, such as LOSSAN, the Capitol Corridor and San Joaquins are available, cross-promoting services through a combined marketing effort.

• Exclusive of the Coast Starlight and three other long distance Amtrak trains which serve California from the east, the Pacific Surfliners, Capitol Corridor service, and San Joaquins carried a total of 5,288,535 passengers in FY 14, a huge base which to market the new Coast Daylight through various onboard, station, and online promotions.

• The new Coast Daylight will also promote rail connections to all other services in California.
LOCAL MANAGEMENT IS THE KEY TO GOOD PERFORMANCE

Fact: The original Daylight introduced by the Southern Pacific Railroad in 1937 became the most heavily patronized train in North America and the most profitable passenger train in the Southern Pacific system. It carried more than a quarter-million people in its first year of operation. In 1940, a second set of Daylights had to be ordered to keep up with demand.

Fact: The original Daylight succeeded because it was controlled by a single management that understood the value of a modern, luxurious and beautiful train traversing a spectacular succession of urban, rural, mountain and coastal landscapes.

Fact: When the Daylights first astonished the world, California had 6 million people. Today it has more than 36 million people (of whom four out of ten will not fly). There are more people in California today who want to ride a train than there were in 1937 who had to ride a train.

Fact: California today is visited annually by millions of affluent overseas visitors who didn’t exist in 1937 (and had no convenient or affordable way to reach the state from China, Japan or Europe). Today these visitors are here, and they are seeking a unique and emblematic California experience.

Conclusion: Local management is the key to raising train performance (including profitability).

THE COAST DAYLIGHT • THE WORLD’S MOST BEAUTIFUL TRAIN
The new Coast Daylight is it.

As its managing sponsor, the Coast Rail Coordinating Council can give a new Coast Daylight to the citizens of California and the domestic and international visitors to California.

Unlike most new route startups, the new Coast Daylight already has all stations and infrastructure in place; the only lacking element is motive power and passenger cars.

Corridor Capital has the trains. And, the acquisition of these train sets is eligible for federal RRIF loan financing.

Working together, Corridor Capital’s Hi-Level fleet, passenger rail expertise through its team and strategic partnerships with a record of decades of accomplishment in implementing and operating passenger trains, and the Coast Rail Coordinating Council, can provide the taxpayers of California an exceptional, high-value passenger train with a responsible budget and successful operation.

THE NEW COAST DAYLIGHT IS THE KEY TO SUCCESS
THINKING AHEAD: PLANNING FOR THE NEAR AND FAR FUTURE

• As with the original Daylight’s near-instant success in 1937 and the addition of a second Daylight frequency in 1940, the new Coast Daylight is likely to create a similar demand. Over an eight year period starting in 2006, revenues were up for California trains. Pacific Surfliners saw a 50% increase over this period, the Capitol Corridor saw a 106% revenue increase, and the San Joaquin Corridor saw a 124% increase in revenues over the period.

• A logical extension would stretch the route south to San Diego, mining the rich vein of Southern California coast residents who are also already accustomed to travel by train thanks to the success of the Pacific Surliners and other popular coast services. A San Francisco-Los Angeles-San Diego route would include the three largest metropolitan areas in California.

• Another scenario takes a frequency inland, to Palm Springs and Indio, providing much desired service to the Coachella Valley. The service could run San Francisco-Los Angeles-Fullerton-Riverside-Colton-Palm Springs-Indio via Metrolink’s southern east-west line.

• Corridor Capital is available to help with the planning, equipment, and operations of additional new Coast Daylight frequencies and route extensions.
THANK YOU FOR YOUR INTEREST IN A REBORN COAST DAYLIGHT, THE WORLD’S MOST BEAUTIFUL TRAIN

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