



Santa Cruz County Regional Transportation Commission

--NOTICE--

Request for Proposals (RFP) 2607 for an Operator of Freight Rail Service on the Santa Cruz Branch Rail Line in Watsonville, California

The Santa Cruz County Regional Transportation Commission (RTC) invites interested parties to submit a proposal for Rail Services in Watsonville

Issue Date: January 16, 2026

Closing Date: February 6, 2026, at 3:00 p.m.

Interested parties must deliver one electronic PDF version of the proposal by the closing date to bkressman@sccrtc.org

Proposals relating to this RFP shall be submitted to:

Santa Cruz County Regional Transportation Commission

Subject: Proposal for Operator of Watsonville Rail Service

Attention: Bella Kressman

Email: bkressman@sccrtc.org

Phone: 831-460-3200

This notice, along with its enclosures, comprises the Request for Proposals (RFP) for this project. Responses should be submitted in accordance with the instructions set forth in this RFP. Email inquiries relating to this RFP should include "2607" in the subject header. The RTC reserves the right to amend the RFP by addendum before the final proposal submittal date. This RFP and addenda will be available at: <https://sccrtc.org/about/working-with-the-rtc/#consulting>.





**SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
1101 PACIFIC AVENUE, SUITE 250, SANTA CRUZ, CA 95060**

DATE: January 16, 2026
TO: Interested Parties
FROM: Sarah Christensen, Executive Director
SUBJECT: Request for Proposals (RFP) 2607 for Operator of Rail Service in Watsonville

Invitation

The Santa Cruz County Regional Transportation Commission (RTC) is soliciting proposals from operationally and financially qualified firms, which will be evaluated by the SCCRTC to select a proposer to provide rail service for the Santa Cruz Subdivision.

Request for Proposal Online

The Request for Proposals (RFP) is available on the RTC website:
<https://www.sccrtc.org/about/working-with-the-rtc/#construction>

Response Due Date

Proposals are due in digital PDF format in the Santa Cruz County Regional Transportation Commission (RTC) office by **3:00 PM Pacific Time on February 6, 2026**. Responses should be emailed to bkressman@sccrtc.org. Any proposals received after the date and time specified above will not be considered. RFP Responses shall be considered firm offers to enter into a contract, as described in this RFP for a period of ninety (90) days from the time of submittal.



RFP Schedule

Task	Date
Release RFP	01/16/2026
Deadline to submit questions	1/30/2026
RTC Post Questions/Answers/Addenda	2/2/2026
Deadline to submit proposals	2/6/2026
In-Person Interview	2/18 or 2/19
RTC Selection of Operator	2/20/2026
Complete Contract Negotiations	3/20/2026
Award Contract	3/24/2026
Board Approves Contract Award (April RTC)	4/2/2026
Operator Files with Surface Transportation Board	4/3/2026
STB Approval Secured	5/6/26
Easement Transferred to Operator	5/29/26
Commence Operations	6/1/26

Responses and inquiries relating to this RFP shall be submitted electronically to bkressman@sccrtc.org:

Santa Cruz County Regional Transportation Commission
Attn: Bella Kressmann, Real Property Specialist
Email: bkressman@sccrtc.org

Email inquiries relating to this Request for Proposals should include "*Rail Services RFP2607*" in the subject header.



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Request for Proposals
Santa Cruz County Regional Transportation Commission
Professional Services for
Operator of Watsonville Rail Service

1. Scope of Services

The purpose of this Request for Proposals (RFP) is to solicit proposals from operationally and financially qualified firms which will be evaluated by SCCRTC to select a proposer to provide freight rail service between MP 0.4± and MP 3.0 of the Watsonville Branch Line. The SCCRTC encourages prospective proposers to be creative in their response to this request for proposals and all submitted proposals will be considered.

SCCRTC will provide the right-of-way, trackage, bridges, trestles and culverts, signage and grade crossing warning systems to the selected proposer, in their current condition. The Watsonville Branch Line between MP 0.4± – MP 3 has been maintained and is operable. The selected operator will be required to maintain the Watsonville Branch Line to the level provided, including any improvements, and to the level needed to ensure safe railroad operations. The contract between the two parties will be an Administration and Coordination License agreement.

The selected proposer will be transferred an exclusive railroad freight operating easement on the Subdivision for the area of the Watsonville Branch Line between MP 0.4± and 3.0 from SPPR/PGR. Like SPPR/PGR, the selected proposer must obtain authority from the Surface Transportation Board to be the exclusive common carrier by railroad to fulfill said operating easement service obligations. Through an administration and coordination agreement, the selected proposer will obtain from SCCRTC the right to operate freight rail service between MP 0.4± and MP 3.0 on the Watsonville Branch Line. The selected proposer will be expected to maintain the right of way and infrastructure, and to operate the rail services, on the Watsonville Branch Line in accordance with applicable Federal Railroad Administration (FRA) and California Public Utilities Commission (CPUC) regulations.

The selected proposer will furnish qualified employees for train and engine crews, as well as supervisory employees and support personnel. In addition, the selected proposer will furnish property and liability insurance, an environmental protection program designed to prevent and control environmental accidents, a safety program, an employee certification program, and a substance abuse program. The selected proposer will be required to cooperate with other SCCRTC-approved projects on the



Watsonville Branch Line.

In addition to an administration and coordination agreement, for continuity and continuation of rail service the selected proposer will be required to enter into a railroad interchange agreement with UPRR and accept and assume assignment of industry track agreements and contract rate agreements for freight customers on the Watsonville Branch Line. Additionally, the selected proposer will assume assignment of certain agreements which impact and dictate aspects of the operation of the line, such as crossing agreements.

2. Background Information

The Santa Cruz County Regional Transportation Commission (SCCRTC) is the designated Regional Transportation Planning Agency (RTPA) for Santa Cruz County. The agency consists of twelve members, representing the County of Santa Cruz, the Cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, and the Santa Cruz Metropolitan Transit District. Caltrans serves as an ex-officio member. SCCRTC has the authority to develop and oversee projects on public rail line rights-of-way in Santa Cruz County.

SCCRTC purchased the Santa Cruz Branch Rail Line (Branch Line) from Union Pacific Railroad Company (UPRR) in 2012. The Branch Line includes approximately 31 route miles of right-of-way and standard gauge railroad line between Watsonville Junction and Davenport, California. UPRR reserved a freight rail easement to allow for continued common carrier freight rail service over the Branch Line. The reserved freight easement has subsequently been transferred to two short line railroad operators. Most recently, SCCRTC has been under an Administration, Coordination and License (ACL) Agreement with St. Paul and Pacific Railroad (SPPR), a subsidiary of Progressive Rail Incorporated (PGR), with SPPR serving as the freight operator for the Branch Line since 2018. A new operator is needed to conduct freight operations and meet customer demands for approximately 3 miles of the Branch Line, between Mile Post (MP) 0.4± and MP 3.0, in and around the City of Watsonville (Watsonville Branch Line).

SCCRTC purchased the Branch Line to make better use of this transportation asset for the benefit of the community. Therefore, in addition to developing passenger rail service in the long term, SCCRTC is working with various partners to build a bicycle and pedestrian trail along the rail line, the Coastal Rail Trail, in the near-term. Coastal Rail Trail project development is occurring north of MP 7.0 and does not conflict with current freight operations.



3. **Proposal Requirements and Format**

Submitted proposals must be clearly labeled as “**Proposal for Operator of Watsonville Rail Service,**” and must include the following:

1. A Transmittal Letter, which must include the following information:
 - The name and signature of the person authorized to obligate the company or joint venture, and the location of the principal office. If activities are to be shared among companies and offices at different locations, indicate where each office is located and what activities are to be performed in each office.
 - A summary description of the work to be performed by each subcontracting company proposed for the project, if any.
 - An e-mail address for the company representative to which correspondence can be sent. If e-mail is not available, so indicate in the transmittal letter. Also provide telephone and fax numbers or so indicate if they are not available.
2. An organization chart including all participants in the proposal, showing the proposed relationships between the key personnel and support staff, showing which work function each company will be responsible for performing.
3. Proposer’s demonstrated ability, including its safety compliance record, to comply with the requirements of CPUC, FRA, and all other regulatory agencies that would govern the proposer’s business of operating rail service on the Branch Line.



4. A mobilization plan and a schedule for the start-up of rail service upon issuance of a notice to proceed by SCCRTC to the proposer.

5. A Service Plan that:

- includes detailed information concerning the rolling stock and other equipment proposed to be used on the Watsonville Branch Line,
- is sensitive to the needs of the communities served by freight,
- provides optimal service to freight customers
- addresses the proposers' ability to ensure consistency of freight rail service, including routine maintenance, inspections, and return service after unplanned outages such as derailments

6. A maintenance plan for the Watsonville Branch Line rail properties, at not less than FRA Class 1 standards, and for the proposer's rolling stock, both of which must include an environmental protection program. The maintenance plan shall include the location of the proposer's maintenance facility, as well as storage facilities for the proposer's rolling stock.

7. A projected five-year financial plan and proposer's most recent financial statements demonstrating the proposer's financial capability and the availability of the financial resources that would be used to provide the services proposed. The financial plan must include projected capital expenditures as well as revenues and expenses, including the proposer's insurance plan, limits of liability, and deductible consistent with industry standards.

8. A proposal for revenue sharing between the proposer and SCCRTC on revenues generated on the Branch Line.



9. References for similar rail operations experience should be provided by the proposer; SCCRTC prefers to receive at least three such references, but proposers submitting fewer than three references will not be disqualified from consideration. Each reference should include the contact's name, title, address and phone numbers, and include an explanation of the services provided, in addition to the years in which they were provided.

4. Description of the Watsonville Branch Line

Shown in Attachment B is a map of the location of the active freight operations on the Watsonville Branch Line. The SCCRTC ownership of right-of-way and improvements begins near Salinas Road at about MP 0.4± at Watsonville Junction and extends to a turnout at about MP 31.4 at Davenport, California. The interchange with UPRR will be made on a track to be designated in an interchange agreement between the operator and UPRR. The right-of-way between MP 0.4± and MP 3.0, the segment of the Watsonville Branch Line under this license, will not be available to the Operator for long-term storage of rail cars. Any operator must ensure that the railroad facilities are in the condition necessary to ensure safe operations that meet all requirements of the FRA and CPUC.

Freight service occurs between Watsonville Junction and the Watsonville industrial area on an as needed basis. The line north of MP 3.0 is not in active freight service as result of a lack of customers and deteriorated track conditions, and operations of the line north of MP 3.0 is not subject to this RFP. The SCCRTC currently intends to be the non-operating common carrier of the Branch Line north of MP 3.0.

The UPRR Track Chart in Attachment C shows the gradient, curvature, mileposts, sidings, spur tracks, yard limits, drainage structures, highway grade separations, at-grade crossings and type of rail in track by weight of rail, jointed or continuous welded rail (CWR), and the year that the rail was laid. There are approximately 6 private at-grade crossings and a combination of privately owned spur track and spur track owned by the RTC. Some main track runs longitudinally in city streets, including about 0.5 track miles in Watsonville.

There are no highway overpasses along this area of the Watsonville Branch Line. For the most part, highway overpasses are maintained by the State Department of Transportation (Caltrans).



SCCRTC is aware of the following maintenance problems encountered on the Watsonville Branch Rail Line:

- Occasional unhoused persons occupying right-of-way
- Trash/debris in right-of-way

Specific information concerning historic freight car loads moved per quarter is included at Attachment D.

5. General Information- RFP Definitions

Throughout this RFP, the following definitions will be used:

- "Agreement" means a written agreement executed between the RTC and a selected respondent.
- "Consultant" or "Contractor" or "Proposer" means the entity, organization, firm, team, or person qualified to provide services described in this RFP.
- "Respondent" means an individual, joint venture, or a company that submits, or intends to submit, a Proposal in response to this RFP.
- "RFP" or "Request for Proposals" means the process described in this document.
- "RFP Response" and "Proposal" mean all documents submitted by a respondent in reply to this RFP request.
- "RTC Contract Manager" means the lead RTC staff assigned to oversee procurement, and the work of the consultant selected to implement this project.
- "RTC website" means the website maintained by the Santa Cruz County Regional Transportation Commission (RTC) at <https://sccrtc.org/>.

6. Closing Date for RFP Responses

Each proposer must submit their proposal as a reproducible original or in reproducible electronic form in PDF format. Proposals submitted pursuant to this RFP must be received by SCCRTC no later than **3:00 P.M. PST on February 6, 2026**, at the following email or street address:

Bella Kressman, Real Property Specialist
bkressman@sccrtc.org
Santa Cruz County Regional Transportation Commission
1101 Pacific Ave., Suite 250
Santa Cruz, CA 95060



SCCRTC is not responsible for delays due to the U.S. Postal Service, courier services or any other mail delivery service. Proposals received after the above date and time will not be accepted.

All questions in regard to this RFP must be submitted to the above contact or 831-460-3200 no later than 5:00 PM on January 30, 2026. SCCRTC reserves the right to issue a revised RFP or addenda as a result of comments and questions from prospective proposers, with such addenda being posted by 5:00 PM on February 2, 2026 at:

<https://www.sccrtc.org/about/working-with-the-rtc/#consulting>

It is the sole responsibility of the respondent to check the website for addenda to the RFP documents. Information obtained from other sources is not official and should not be relied upon for completion of proposals in response to this RFP.

All proposals submitted in response to this request will be screened by SCCRTC staff and/or other SCCRTC-designated representatives. The screening will determine which proposers will be recommended to the SCCRTC Board for selection and/or invited to interview. SCCRTC reserves the right to make a final selection without an interview, or to choose not to negotiate or execute a contract with any proposer.

7. Addenda to RFP

The RTC reserves the right to amend this RFP at any time up until the due date. Any amendments to or interpretations of the RFP shall be described in written addenda posted on the RTC website (<https://www.sccrtc.org/about/working-with-the-rtc/#construction>). All addenda issued shall become part of the RFP.

If the RTC determines that the addenda may require significant changes in the preparation of proposals, the deadline for submitting the proposals may be postponed by the number of days that the RTC determines will allow Proposers sufficient time to revise their proposals. Any new due date shall be included in the addenda.

8. Proposal Format

Proposal content and completeness are most important; however, effort should be made to produce a complete, competitive, and qualifying response that is also concise. Proposers are encouraged to submit proposals that do not exceed 25 pages, not including attachments of resumes, detailed scope of services, project schedule, and cover letter.



The RTC, at its option, may require a Proposer to provide additional information and/or clarify requested information prior to the due date. Submittal of additional information after the due date is not allowed. The screening of proposals will determine which Proposers will be invited to an interview, if necessary.

9. Operator Selection and Contract Negotiations

The selection of a proposer to provide rail services on the Watsonville Branch Line shall be made by SCCRTC in accordance with the selection criteria that are contained in Attachment A, and in accordance with the time schedule detailed above.

At the conclusion of the proposal ranking process, SCCRTC may offer a contract to the highest-ranked proposer and negotiate final contract terms with that firm. If an agreement cannot be reached with the highest-ranked proposer, SCCRTC may terminate negotiations with that proposer and commence negotiations with the next highest-ranked proposer.

If necessary, SCCRTC may repeat this process until a final contract has been negotiated.

10. Additional Conditions

- a) **Respondent's Proposal Preparation Expenses:** Respondents are solely responsible for their own expenses in preparing and submitting a response to this RFP as well as for subsequent interviews and contract negotiations with the RTC. The RTC will not be liable to any respondent for any costs or damages incurred by the respondent in preparing the RFP response, loss of anticipated profit, or for any other claim.
- b) **Ownership of RFP Responses:** All documents, including specific RFP responses, submitted to the RTC become the property of the RTC. All materials submitted by proposers are subject to public inspection under the California Public Records Act (Government Code § 6250 *et seq.*), except that the RTC may withhold from disclosure clearly marked confidential trade secret information contained in any proposal, and proposer's submission of information so marked shall constitute its agreement to defend and indemnify the RTC from any claim or liability for nondisclosure thereof. After award of the contract (or if not awarded, after rejection of all proposals), all responses will be regarded as public records and will be subjected to review by the public. Any language purporting to render all or portions of the proposal confidential will be regarded as non-effective and will be disregarded.



- c) **Collection and Use of Personal Information:** Respondents are solely responsible for familiarizing themselves and ensuring that they comply with the laws applicable for the collection and dissemination of personal information, including resumes and other personal information concerning respondent employees and employees of any proposed subconsultants.
- d) **Non-Commitment of RTC:** This RFP is not an agreement to purchase or contract for services. The RTC reserves the right to modify or cancel in whole or in part this RFP, to reject any and all proposals, to accept the proposal they consider most favorable to the RTC's interests in their sole discretion, and to waive irregularities or informalities in any proposal or in the proposal procedures. The RTC reserves the right, in its sole discretion, not to enter into a contract as a result of this RFP. The RTC further reserves the right to reject all proposals and seek new proposals when the RTC considers such procedure to be in their best interests. All responses will be assessed in light of the needs described in this RFP, including the Scope of Services. The RTC is under no obligation to receive further information, written or oral, from any respondent. Any award will be to the consultant(s) whose Proposal is, in the sole judgment of the RTC board on the basis of the evaluation criteria herein, most advantageous to RTC.
- e) **Changes to Proposals Prior to Closing Date:** Any proposals received prior to the due date and time specified above may be modified by written request of the proposer. Any modification must be received by the proposal due date and time specified in this RFP. After that date, no additional wording or comments will be added to the response unless requested by the RTC for purposes of clarification.
- f) **Modification of RFP Terms:** The RTC reserves the right to modify the terms of this RFP at any time and may cancel this RFP or further review of responses at any time without entering into a contract. It is the sole responsibility of prospective and actual respondent to check for modifications of and additional information pertaining to the RFP on the RTC website: <https://sccrtc.org/about/working-with-the-rtc/#consulting>

Notification of Further RFP Respondent Review and Interview Not Binding: A respondent may withdraw from consideration at any time by notifying the RTC in writing, by phone, or by email. The RTC may, at its sole discretion, withdraw the name of a respondent for further review by notifying the respondent in writing, by phone or by email. Notice in writing, by email or by phone to a respondent that it has been identified as a candidate for further review and an interview will neither constitute a contract, nor give the respondent any legal or equitable rights or privileges relative to this RFP.

- g) **Confidentiality:** After the deadline to submit proposals has passed, all



proposals will be regarded as public records and will be subject to review by the public. Except as expressly provided below, any language purporting to render all or portions of the proposals confidential will be regarded as non-effective and will be disregarded. If any proposal is based on (i) information constituting a trade secret, as that term is defined in Evidence Code section 1060, or (ii) information that is subject to a confidentiality agreement, the proposer may submit such information separately from the proposal, clearly marked as confidential. The proposer shall state in writing whether any such confidential information is a trade secret or is subject to a confidentiality agreement. Such information will be designated confidential, but only to the extent permitted by the California Public Records Act. In the event of a legal challenge to the confidentiality of any such information submitted by a proposer, SCCRTC will give the proposer notice of such legal challenge and the opportunity to defend the confidentiality of such information, but such defense will not be the responsibility of SCCRTC.

- h) **Conflict of Interest:** The prospective consultant shall demonstrate no conflicts of interest, and a commitment to avoid potential conflicts that might arise from work performed for others, past associations or pending relationships. Prospective consultants shall disclose any financial, business or other relationship with RTC that may have an impact upon the outcome of this contract or RTC construction projects. The prospective consultant shall also list current clients who may have a financial interest in the outcome of this contract or RTC projects that will follow. In particular, the prospective consultant shall disclose any financial interest or relationship with any construction company that might submit a bid on RTC projects.
- i) **Non-discrimination and Disadvantaged Business Enterprise (DBE) Participation:** It is the policy of the RTC to ensure nondiscrimination in the award and administration of all contracts and to create a level playing field on which firms can compete fairly for contracts and subcontracts relating to the RTC's construction, procurement, and professional services activities. The consultant, subrecipient or subcontractor shall not discriminate on the basis of race, color, sex, gender, religious creed, national origin, ancestry, physical disability (including HIV and AIDS status), mental disability, medical condition (e.g., cancer), genetic information, marital status, gender, gender identity, gender expression, age, sexual orientation, military, or veteran status in the performance of the contract. This applies to all consultants' and subconsultants' employment, solicitations, selection of subconsultants and procurement of materials. Pursuant to Title VI of the Civil Rights Act of 1964 – disadvantage business enterprises will be afforded full opportunity to submit bids in response to this invitation.

- j) **Drug-Free Workplace:** Consultants shall comply with the provisions of Government Code § 8350 et seq., regarding Drug-Free Workplace Certification, and with the U.S. DOT regulations "Drug-Free Workplace Requirements Grants" in 49 CFR Part 29, Subpart F.
- k) **Financial Management and Accounting System Requirements:** Contracts shall not be awarded to a consultant without an adequate financial management and accounting system as required by 48 CFR Part 16.301-3, 2 CFR 200, 49 CFR Part 18, and 48 CFR Part 31.

11. Attachments: *(Attachments are provided as links along with the RFP)*

Attachment A: Scoring Criteria

Attachment B: Map of the Operating Area

Attachment C: Track Chart

Attachment D: Quarterly Reports

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Attachment A

Criteria for Selection of Operator of Rail Service Santa Cruz Subdivision

Proposer Name: _____

<u>Criteria</u>	<u>Maximum Points</u>	<u>Rating</u>
1. Ability to operate rail service as evidenced by experience in providing similar service.	15	_____
2. Experience and competence of key personnel.	15	_____
3. Comprehensiveness and validity of the proposed Service Plan	15	_____
4. Comprehensiveness and validity of the proposed Maintenance Plans.	15	_____
5. Viability of proposer's Financial Plan and evidence of financial capability to provide the services proposed.	15	_____
6. Ability and willingness to respond to SCCRTC requirements and accessibility to SCCRTC Staff and Board.	15	_____
7. Experience in working with FRA, CPUC, and other regulatory agencies.	10	_____
Total	100	_____

Rater: _____ Date: _____



Administrative Coordination and License (ACL) Agreement Area

Santa Cruz Branch Rail Line and Spurs * MP .4 - MP 3.

*Spurs shown are a combination of privately owned and RTC owned

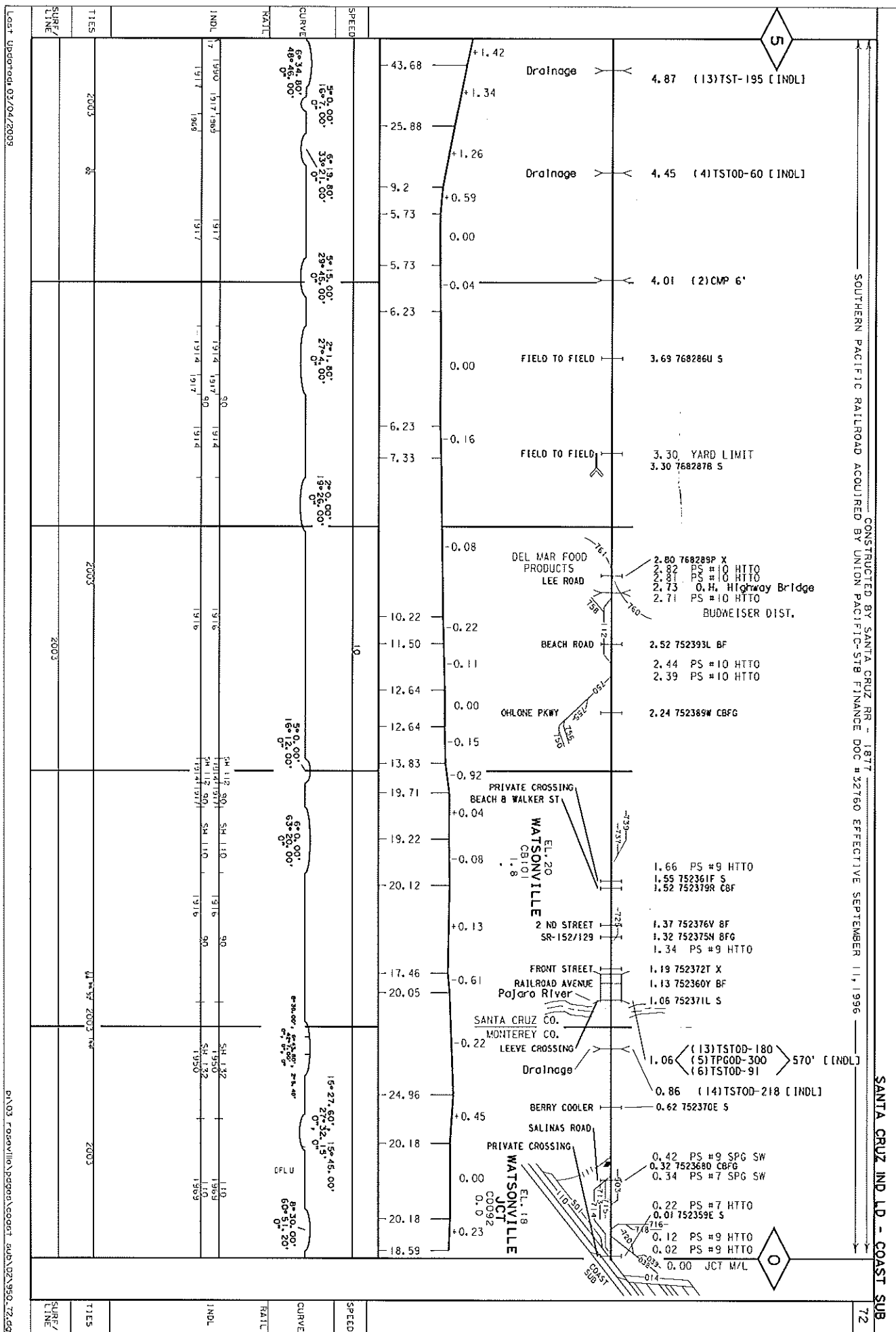
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January 15, 2026



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ATTACHMENT C





MOVING YOU FORWARD

November 30, 2018

Third Quarter 2018 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

We are pleased to present our first quarterly report regarding our operation on the Santa Cruz Branch Line. With operations having begun at the end of August, this report addresses only a partial quarter of revenues. For information, we also provide a short list of highlights below that cover the period from start-up to today:

- On August 28, 2018, the Saint Paul & Pacific Railroad, LLC ("SPP") began its five-days-per-week service with two full-time employees and three shared employees;
- On September 25, 2018, the GP15 "green" locomotive arrived on location and was renamed the "City of Watsonville";
- Since start-up, the SPP has continually cycled in and out center beam, box, and reefer rail car traffic;
- On October 1, 2018, the SPP completed repairs to an industry switch and spur line to recommence consumer traffic;
- On November 23, 2018, the Daisy Speeder returns to the Branch Line;
- Over the course of the quarter and continuing until today, the SPP has removed more than half of the 159 tank rail cars stored on the line. The SPP continues to work with the owner and the Union Pacific to remove the remainder of the cars as soon as possible.
- The SPP completed its first quarter of operations injury free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated in the third quarter of 2018:

Freight Service

	July	August	September	Total
Handling Revenue	\$ -	\$ -	\$ -	\$ -

Storage

	July	August	September	Total
Storage Days	-	16	30	
Storage Cars	-	159	159	
Car Days	-	2,544	4,770	
Multiplied By:				
Storage Rate/Car/Day	-	20	20	
Less: \$2.00 Exemption	-	(2)	(2)	
Total Storage Revenue Earned	\$ -	\$ 45,792	\$ 85,860	\$ 131,652
License Fees - 50%	\$ -	\$ 22,896	\$ 42,930	\$ 65,826

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees is abated until the first anniversary of the Agreement.

Please feel free to contact me with any questions.

Respectfully,



Chairman & Chief Executive Officer

Copy to Dave Fellon, Owner of Progressive Rail Inc.



February 28, 2019

Fourth Quarter 2018 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

We are pleased to present our second quarterly report regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). With operations having begun at the end of August, this report addresses the first full quarter of revenues. Below are additional fourth quarter highlights:

- The SPP continued removing the fleet of empty tank cars that had been placed in storage by the prior operator, moving the last cars out on January 7, 2019. This fulfills Progressive Rail's pledge to the RTC to remove these stored cars as soon as possible.
- Revenue carloads grew to 23 in the fourth quarter, with that number poised to more than double in the first quarter of 2019.
- Effective January 1, 2019, property in Watsonville was secured through a long-term lease for use as a transload center. The SPP is now in the process of identifying and quantifying freight opportunities to convert from long-haul trucks to rail which would be served at this site.
- In November, a temporary locomotive inspection pit was constructed in Watsonville to conform with Federal Railroad Administration requirements.
- The SPP completed its second quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated in the third quarter of 2018:

Freight Service

	October	November	December	Total
	7	5	11	23
Switching Carloads				
Handling Revenue Charged	\$ 4,199	\$ 2,777	\$ 6,409	\$ 13,384
Commission Due - 3%	\$ 126	\$ 83	\$ 192	\$ 402

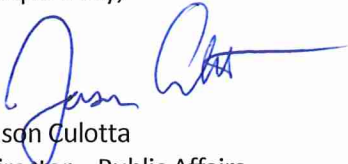
Storage

	October	November	December	Total
Storage Days	31	30	31	
Storage Cars	140	98	40	
Extended Days	4,351	2,925	1,243	
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	78,318	52,650	22,374	153,342
Commission Due - 50%	\$ 39,159	\$ 26,325	\$ 11,187	\$ 76,671

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees is abated until the first anniversary of the Agreement.

Please feel free to contact me with any questions.

Respectfully,



Jason Culotta
Director – Public Affairs

Cc: Dave Fellon, President of Progressive Rail



May 08, 2019

First Quarter 2019 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

We are pleased to present our First Quarter 2019 report regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are the First Quarter highlights:

- As previously reported, the SPP removed the last of the stored empty tank cars arranged by the prior operator on January 7, fulfilling Progressive Rail's pledge to the RTC to remove these stored cars.
- Revenue carloads grew to more than 20 for each month of the first quarter, more than tripling the total 4th Quarter volume. We are hopeful to continue SPP revenue carload growth through 2019.
- Plans to develop the Watsonville transload property will be negatively delayed based on feedback from the City with an earliest probable opening in mid-2020, which is a setback. We are currently working on plans to transload directly to/from the mainline without making improvements.
- Howard Cohen resigned from SPP earlier this month to pursue other opportunities. James Prokes and Phil Smailes will assume his duties. We thank Howard for his efforts.
- The track west of MP 3.0 is out of service and in need of significant repairs.
- The SPP is not harmed by the track west of MP 3.0 being out of service.
- As discussed in your offices in March, SPP financial performance continues to be challenged. Through Mar YTD we've experienced a significant net income loss. We continue our focus on growing the business while controlling costs.
- The SPP completed its third quarter of operations injury-free.
- Scheduled meeting with RTC staff on May 30th to continue our conversation from March.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated in the third quarter of 2018:

Freight Service

	January	February	March	Total
Switching Carloads	25	22	23	70
Handling Revenue Charged	\$ 14,975	\$ 12,766	\$ 13,645	\$ 41,386
Commission Due - 3%	\$ 449	\$ 383	\$ 409	\$ 1,242

Storage

	January	February	March	Total
Storage Days	3	28	31	
Storage Cars	9	-	-	
Extended Days	27	-	-	
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ -	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	486	-	-	486
Commission Due - 50%	\$ 243	\$ -	\$ -	\$ 243

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees is abated until the first anniversary of the Agreement.

Please feel free to contact me with any questions.

Respectfully,



Rob Russell
President - PGR

Cc: Dave Fellon, President of Progressive Rail



July 22, 2019

Second Quarter 2019 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

We are pleased to present our Q2 2019 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are additional Q2 highlights:

- Couch Distribution received 53 cars thus far in 2019. Couch has not had rail operations since 1998. This is considered a big win for SPP.
- Martinelli's has successfully completed three cross country test shipments from Watsonville, CA to Cranbury, NJ. This company has previously never used rail for transportation.
- Plans to develop the Watsonville transload property will be negatively delayed based on feedback from the City with an earliest probably opening mid 2020 which is a setback.
- As discussed with the SCCRTC previously, SPP financial performance continues to be challenged. Through June YTD we've experienced a net loss of (\$239,387). We continue our focus on growing the business while controlling costs.
- The SPP completed another quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q2 2019:

Freight Service

	April	May	June	Total
Switching Carloads	36	31	11	78
Handling Revenue Charged	\$ 20,589	\$ 16,991	\$ 6,286	\$ 43,866
Commission Due - 3%	\$ 618	\$ 510	\$ 189	\$ 1,316

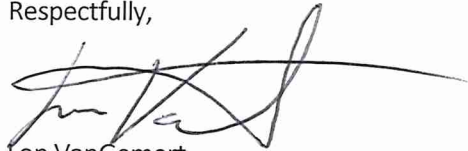
Storage

	April	May	June	Total
Storage Days	30	28	31	89
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees is abated until the first anniversary of the Agreement.

Please feel free to contact me with any questions.

Respectfully,



Lon VanGemert
Chief Executive Officer - PGR

Cc: Dave Fellon, President - PGR



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October 22, 2019

Third Quarter 2019 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

We are pleased to present our Q3 2019 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are some Q3 highlights:

- During Q3 we switched 103 cars for 3 customers.
- Couch Distribution moved 65 railcars during Q3, bringing their YTD total to 118 cars in 2019. Couch has not had rail operations since 1998. This is considered a big win for SPP.
- Martinelli's completed their test moves during the first half of 2019 and during Q3 moved 32 cars. This company has previously never used rail for transportation.
- Plans to develop the Watsonville transload property will be negatively delayed based on feedback from the City with an earliest probably opening mid 2020 which is a setback.
- As discussed with the SCCRTC previously, SPP financial performance continues to be severely challenged. Through September YTD we've experienced a net loss of (\$318,088). We continue our focus on growing the business while controlling costs.
- The SPP completed another quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q3 2019:

Freight Service

	July	August	September	Total
Switching Carloads	25	36	42	103
Handling Revenue Charged	\$ 13,280	\$ 20,595	\$ 24,657	\$ 58,532
Commission Due - 3%	\$ 398	\$ 618	\$ 740	\$ 1,756

Storage

	July	August	September	Total
Storage Days	31	31	30	92
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Lon VanGemert
Progressive Rail Inc.



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2020 FEB -4 AM 10:13

January 28, 2020

Fourth Quarter 2019 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

We are pleased to present our Q4 2019 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are some Q4 highlights:

- During Q4 we switched 72 cars for 4 customers.
- Couch Distribution moved 41 railcars during Q3, bringing their 2019 total to 159 cars. Couch has not had rail operations since 1998.
- Martinelli's successfully moved 12 railcars during Q4 2019. This company has previously never used rail for transportation.
- As discussed with the SCCRTC previously, SPP financial performance continues to be severely challenged. In 2019, we experienced a net loss of (\$189,139). We continue our focus on growing the business while controlling costs.
- The SPP completed another quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q3 2019:

Freight Service

	October	November	December	Total
Switching Carloads	26	27	19	72
Handling Revenue Charged	\$ 14,829	\$ 15,443	\$ 11,122	\$ 41,394
Commission Due - 3%	\$ 445	\$ 463	\$ 334	\$ 1,242

Storage

	October	November	December	Total
Storage Days	31	30	31	92
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Lon VanGemert
Progressive Rail Inc.



April 15, 2020

First Quarter 2020 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q1 2020 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are some Q1 facts:

- During Q1 we switched 59 cars for 4 customers.
- Couch Distribution moved 36 railcars during Q1 2020. Couch has not had rail operations since 1998.
- Martinelli's successfully moved 13 railcars during Q1 2020. This is one care more than Q4 2019. This company has previously never used rail for transportation.
- As discussed with the SCCRTC previously, SPP financial performance continues to be severely challenged. We are internally evaluating options for the SPP.
- The SPP completed another quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q1 2020:

Freight Service

	January	February	March	Total
Switching Carloads	15	21	23	59
Handling Revenue Charged	\$ 8,458	\$ 12,403	\$ 12,826	\$ 33,687
Commission Due - 3%	\$ 254	\$ 372	\$ 385	\$ 1,011

Storage

	January	February	March	Total
Storage Days	31	30	31	92
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,



Lon VanGemert
Progressive Rail Inc.



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Second Quarter 2020 Report to the SCCRTC

July 15, 2020

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q2 2020 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are some Q2 facts:

- During Q2 we switched 98 cars for 4 customers.
- Couch Distribution moved 70 railcars during Q2 2020. Couch has not had rail operations since 1998.
- Martinelli's successfully moved 19 railcars during Q1 2020. This is six cars more than in Q1. This company has previously never used rail for transportation.
- SPP financial performance continues to be severely challenged. We are internally evaluating options for the SPP.
- The SPP completed another quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q2 2020:

Freight Service

	April	May	June	Total
Switching Carloads	45	32	21	98
Handling Revenue Charged	\$ 24,681	\$ 18,020	\$ 11,672	\$ 54,373
Commission Due - 3%	\$ 740	\$ 541	\$ 350	\$ 1,631

Storage

	April	May	June	Total
Storage Days	30	31	30	91
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Lon Van Gemert, CEO



October 22, 2020

Third Quarter 2020 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q3 2020 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are some Q3 facts:

- During Q3 we dropped to 87 switched carloads for 5 customers.
- This was led by Couch Distribution who moved 49 rail cars
- SPP financial performance continues to be severely challenged. We are internally evaluating options for the SPP.
- The SPP completed another quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q2 2020:

Freight Service

	July	August	September	Total
Switching Carloads	13	30	44	87
Handling Revenue Charged	\$ 6,825	\$ 17,165	\$ 26,737	\$ 50,727
Commission Due - 3%	\$ 205	\$ 515	\$ 802	\$ 1,522

Storage

	July	August	September	Total
Storage Days	31	31	30	92
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Lon Van Gemert, CEO



January 21, 2021

Fourth Quarter 2020 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q4 2020 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are some Q4 facts:

- During Q4 we dropped to 72 switched carloads for 4 customers.
- This was led by Couch Distribution who moved 35 rail cars.
- SPP financial performance continues to be severely challenged.
- The SPP completed another quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q4 2020:

Freight Service

	October	November	December	Total
Switching Carloads	34	30	8	72
Handling Revenue Charged	\$ 19,825	\$ 16,911	\$ 4,946	\$ 41,681
Commission Due - 3%	\$ 595	\$ 507	\$ 148	\$ 1,250

Storage

	October	November	December	Total
Storage Days	31	30	31	92
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,


Lon Van Gemert, CEO

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April 9, 2021

First Quarter 2021 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q4 2021 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are some Q1 facts:

- During Q1 we switched just 13 carloads for 2 customers.
- Couch Distribution is no longer shipping via rail.
- SPP financial performance continues to be severely challenged.
- The SPP completed another quarter of operations injury-free.

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q1 2021:

Freight Service

	January	February	March	Total
Switching Carloads	5	0	8	13
Handling Revenue Charged	\$ 3,080	\$ -	\$ 4,756	\$ 7,836
Commission Due - 3%	\$ 92	\$ -	\$ 143	\$ 235

Storage

	January	February	March	Total
Storage Days	31	28	31	90
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,


Lon Van Gemert, CEO

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Second Quarter 2021 Report to the SCCRTC

August 13, 2021

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q2 2021 results regarding Progressive Rail's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP). Below are some Q2 facts:

- During Q2 we switched 9 carloads for 3 customers.
- SPP financial performance continues to be severely challenged.
- The SPP outsourced freight operations to Roaring Camp

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q1 2021:

Freight Service

	April	May	June	Total
	1	2	6	9
Switching Carloads				
Handling Revenue Charged	\$ 556	\$ 1,154	\$ 3,742	\$ 5,452
Commission Due - 3%	\$ 17	\$ 35	\$ 112	\$ 164

Storage

	April	May	June	Total
Storage Days	30	31	30	91
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Lon Van Gemert, CEO

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October 8, 2021

Third Quarter 2021 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q3 2021 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q3 2021:

Freight Service

	July	August	Sept	Total
	1	5	6	12
Switching Carloads				
Handling Revenue Charged	\$ 577	\$ 2,777	\$ 3,580	\$ 6,934
Commission Due - 3%	\$ 17	\$ 83	\$ 107	\$ 208

Storage

	July	August	Sept	Total
Storage Days	31	31	30	92
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Lon Van Gemert, CEO



Fourth Quarter 2021 Report to the SCCRTC

January 10, 2022

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q4 2021 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q4 2021:

Freight Service

	October	November	December	Total
Switching Carloads	5	16	11	32
Handling Revenue Charged	\$ 3,307	\$ 6,875	\$ 6,530	\$ 16,712
Commission Due - 3%	\$ 99	\$ 206	\$ 196	\$ 501

Storage

	October	November	December	Total
Storage Days	31	30	31	92
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Lon Van Gemert, CEO

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First Quarter 2022 Report to the SCCRTC

April 7, 2022

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q1 2022 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q4 2021:

Freight Service

	January	February	March	Total
Switching Carloads	1	10	19	30
Handling Revenue Charged	\$ 596	\$ 6,979	\$ 11,617	\$ 19,193
Commission Due - 3%	\$ 18	\$ 209	\$ 349	\$ 576

Storage

	January	February	March	Total
Storage Days	31	28	31	90
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Lon Van Gemert, CEO



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July 7, 2022

Second Quarter 2022 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q2 2022 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q2 2022:

Freight Service

	April	May	June	Total
Switching Carloads	6	9	9	24
Handling Revenue Charged	\$ 3,935	\$ 6,644	\$ 5,451	\$ 16,030
Commission Due - 3%	\$ 118	\$ 199	\$ 164	\$ 481

Storage

	April	May	June	Total
Storage Days	30	31	30	91
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbelman, CPA
Chief Executive Officer



October 20, 2022

Third Quarter 2022 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q3 2022 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q3 2022:

Freight Service

	July	August	September	Total
Switching Carloads	8	21	18	47
Handling Revenue Charged	\$ 3,823	\$ 11,458	\$ 8,926	\$ 24,207
Commission Due - 3%	\$ 115	\$ 344	\$ 268	\$ 726

Storage

	July	August	September	Total
Storage Days	8	21	18	47
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbeltmann, CPA
Chief Executive Officer



January 16th, 2023

Fourth Quarter 2022 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q4 2022 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q4 2022:

Freight Service

	October	November	December	Total
Switching Carloads	27	17	13	57
Handling Revenue Charged	\$ 14,262	\$ 9,099	\$ 6,431	\$ 29,792
Commission Due - 3%	\$ 428	\$ 273	\$ 193	\$ 894

Storage

	October	November	December	Total
Storage Days	31	30	31	92
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbeltmann, CPA
Chief Executive Officer



April 20th, 2023

First Quarter 2023 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q1 2023 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q1, 2023:

Freight Service

	January	February	March	Total
Switching Carloads	4	2	2	8
Handling Revenue Charged	\$ 2,094	\$ 1,408	\$ 1,408	\$ 4,909
Commission Due - 3%	\$ 63	\$ 42	\$ 42	\$ 147

Storage

	January	February	March	Total
Storage Days	31	28	31	90
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbelman, CPA
Chief Executive Officer

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July 6, 2023

Secibd Quarter 2023 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q2 2023 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q2, 2023:

Freight Service

	April	May	June	Total
Switching Carloads	9	4	11	24
Handling Revenue Charged	\$ 6,698	\$ 2,868	\$ 8,076	\$ 17,642
Commission Due - 3%	\$ 201	\$ 86	\$ 242	\$ 529

Storage

	April	May	June	Total
Storage Days	31	28	31	90
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbeltmann, CPA
Chief Executive Officer



Third Quarter 2023 Report to the SCCRTC

January 19, 2024

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q3 2023 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q3, 2023:

Freight Service

	July	August	September	Total
Switching Carloads	10	34	19	63
Handling Revenue Charged	\$ 5,932	\$ 19,167	\$ 10,845	\$ 35,945
Commission Due - 3%	\$ 178	\$ 575	\$ 325	\$ 1,078

Storage

	July	August	September	Total
Storage Days	31	28	31	90
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbeltmann
Andrea Dobbeltmann, CPA
Chief Executive Officer

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Fourth Quarter 2023 Report to the SCCRTC

January 19, 2024

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q4 2023 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q4, 2023:

Freight Service

	October	November	December	Total
	10	10	6	26
Switching Carloads				
Handling Revenue Charged	\$ 6,749	\$ 6,309	\$ 4,523	\$ 17,581
Commission Due - 3%	\$ 202	\$ 189	\$ 136	\$ 527

Storage

	October	November	December	Total
	31	28	31	90
Storage Days				
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbeltmann, CPA
Chief Executive Officer



January 28, 2025

Fourth Quarter 2024 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q4 2024 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q4, 2024:

Freight Service

	October	November	December	Total
Switching Carloads	11	15	10	36
Handling Revenue Charged	\$ 6,811	\$ 8,225	\$ 5,757	\$ 20,793
Commission Due - 3%	\$ 204	\$ 247	\$ 173	\$ 624

Storage

	October	November	December	Total
Storage Days	30	31	30	91
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbelmann, CPA
Chief Executive Officer



July 31, 2024

Second Quarter 2024 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q2 2024 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q2, 2024:

Freight Service

	April	May	June	Total
Switching Carloads	8	9	6	23
Handling Revenue Charged	\$ 4,417	\$ 6,439	\$ 3,707	\$ 14,563
Commission Due - 3%	\$ 133	\$ 193	\$ 111	\$ 437

Storage

	April	May	June	Total
Storage Days	30	31	30	91
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbmann, CPA
Chief Executive Officer



October 15, 2024

Third Quarter 2024 Report to the SCCRTC

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Dear Mr. Mendez,

Below are our Q3 2024 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q3, 2024:

Freight Service

	July	August	September	Total
Switching Carloads	7	6	8	21
Handling Revenue Charged	\$ 5,068	\$ 4,063	\$ 5,376	\$ 14,507
Commission Due - 3%	\$ 152	\$ 122	\$ 161	\$ 435

Storage

	July	August	September	Total
Storage Days	30	31	30	91
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbelmann, CPA
Chief Executive Officer



First Quarter 2024 Report to the SCCRTC

April 23, 2024

Mr. Luis Pavel Mendez
Deputy Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911



Dear Mr. Mendez,

Below are our Q1 2024 results regarding Progressive Rail's/Roaring Camp's operation on the Santa Cruz Branch Line, operated as the St. Paul & Pacific Railroad (SPP).

Pursuant to Section 7.2 of the Administration, Coordination, and License Agreement (the "Agreement"), the SPP provides the following information to the Santa Cruz County Regional Transportation Commission regarding the freight and storage revenue generated during Q4, 2023:

Freight Service

	January	February	March	Total
Switching Carloads	4	20	26	50
Handling Revenue Charged	\$ 2,911	\$ 10,379	\$ 13,635	\$ 26,924
Commission Due - 3%	\$ 87	\$ 311	\$ 409	\$ 808

Storage

	January	February	March	Total
Storage Days	31	29	31	91
Storage Cars	-	-	-	-
Extended Days	-	-	-	-
Multiplied By:				
Storage Rate/Car/Day	\$ 20	\$ 20	\$ 20	
Less: \$2.00 Exemption	(2)	(2)	(2)	
Total Storage Revenue Earned	-	-	-	-
Commission Due - 50%	\$ -	\$ -	\$ -	\$ -

In accordance with Section 7.4 of the Agreement, the requirement to pay the license fees was abated until the first anniversary. The fees are now being paid to the SCCRTC as per the enclosed check.

Please feel free to contact me with any questions.

Respectfully,

Andrea Dobbeltmann, CPA
Chief Executive Officer