Tulare County Short Line Railroad Feasibility Study

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OF
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Executive Summary

The Sid Craig School of Business has conducted a study to determine the feasibility of operating a short line railroad on the San Joaquin Valley Railroad (SJVR) segment between Jovista, California and List, California. The feasibility study presents the different options available to the Tulare County Association of Governments (TCAG) to prevent the abandonment of that portion of railroad by the SJVR. A survey of shippers using GIS technology and past records from the SJVR was used to determine potential demand for rail service on the railroad segment of track between Jovista and List. A short line railroad was found to potentially be feasible based on income projections from shipments for customers that are currently not able to ship; these projections indicate an annual net income of $1,413,000. However, a short line railroad was not feasible on the rail segment based on the number of rail cars needed by shippers that are currently able to ship; with an annual net loss projection of $686,000.

Four options for preventing the abandonment of the railroad were analyzed. First, for TCAG to purchase the entire railroad from Jovista to Fresno. Second, encourage a private company to purchase the railroad and TCAG would subsidize cost rail repair under a public-private partnership. Third, TCAG could facilitate a private party to purchase the railroad by offering incentives. Fourth, TCAG cound jointly purchase the railroad with another private party.

The best option for TCAG to save the rail line within its county is to subsidize repair of the track and encourage a private party to buy the line. This option is the most favorable as it has minimal capital investment for TCAG as they only have to fund track repair, which could be grant funded. A short line operator would be able to buy the line at a reduced price, as they would not have to carry the entire burden of repairing the line. This option would promote long-term sustainability of the railroad because a partnership agreement with the short line could prevent future track abandonment.

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1. Background Information

The SJVR is owned by Rail America, the largest short line railroad company in the United States. Rail America has successfully petitioned the federal Surface Transportation Board (STB) to abandon the 30 mile segment of track between the southern Tulare County border just north of Delano, near the community of Strathmore. The track has not been removed at this time. The track has been spiked at Strathmore, which prevents any railcars from moving south of Strathmore. The 10 mile segment of track between Strathmore and Exeter is also threatened to be abandoned. Rail service on that segment of track has also been discontinued since 2007. However, railcars have been stored on that track. The segment of track between Exeter and Dinuba has been rumored to be desired to be abandoned in the near future.

Rail America petitioned for the abandonment of the track claiming there was not enough freight railroad business to continue operation. Their claim for lack of business is validated by the fact that no railcars were shipped in or out on the rail line from Jovista to Strathmore since October 2006 (Surface 2008). However, an excessive surcharge of $950 per railcar by Rail America during that time discouraged shippers from using the railroad line. Rail America wants to remove the track and sell it as scrap. The track in that segment is a smaller size rail that would need to be removed and upgraded to a rail size that could handle heavier railcars and allow for faster railroad speeds. Once the railroad tracks are removed, the segment would cease to be a railroad line because the right-of-way is owned by Union Pacific railroad company who is not interested in maintaining the right-of-way. Once abandoned, re-establishing a railroad is a very long and costly process involving numerous regulator and environmental approvals.

Rail America has not removed the railroad tracks on the segment because the scrap price for the railroad track has declined due to the slowing economy. The return on scrapping the 30 mile segment of track is likely to be less than the maintenance charge put on them by Tulare County. Rail America has declined to sell any of the SJVR segments to other short line railroad companies, despite an offer from the Patriot Rail short line railroad company.

The parent company of Rail America is Fortress Investment Group LLC, (NYSE: FIG), an asset management firm based in New York. Fortress Investment Group was hit hard at the end of 2008 with the liquidity crunch for investment firms. Their 2008 year end financial statements reported a before tax loss of $1.1 billion. They are currently attempting to generate liquidity through issuance of more class A shares and a bid for bailout funding from the Federal Reserve (Molinski 2009). Rail America could use the revenue from scrapping the track to inject capital into the struggling parent company. According to industry sources, Fortress Investment Group is interested in making the SJVR look more profitable for potential buyers and increases the asking price of the SJVR (C. Littlefield, personal communication March 18, 2009). SJVR also has rail operations that run north of Dinuba to Fresno and a separate rail system in the heart of Kern County that are in operation and are assumed to be profitable today.

1.1. Assumptions

This report relies upon a number of limiting assumptions that are necessary to analyze and present options regarding the continued operation of the SJVR. These options are necessary to avoid many if/than analysis situations that could arise otherwise. If any of these limiting assumptions are not met, the basis for the opinions presented in this report would be invalid.

1. Right of Way arrangement with the Union Pacific Railroad

Union Pacific will continue to lease the right of way for the track from Jovista to List under the same terms currently in place with Rail America even if a new entity purchased the track. The current terms of the lease are assumed to be an annual evergreen lease at the rate of $1 per year. Under the lease arrangement, the lessee assumes all liabilities and responsibilities for operating the railroad company and holds the leasor harmless. Without this assumption the cost projections in this report would be understated.

2. Physical condition of the track

The condition of the track between Jovista to List is in “excepted” condition and the track only needs routine maintenance to run the amount of freight traffic projected. This assumption is based on the comments on record from the Chief Engineer of the SJVR during the abandonment hearing before the STB. Excepted condition track is viable for a railroad company to operate a freight shipping business. The track is assumed to not need major repairs in the current or near term horizon that would require major capital expenditures. Without this assumption, the cost projections for maintenance in this report would be understated and capital expenditures for track renewal would need to be added.

3. <u>Physical condition of the bridges and signals</u>

The condition of the bridges and crossing guard signals between Jovista and List are in good condition and only need routine maintenance to run the amount of freight traffic projected. The bridges and signals are assumed to not need major repairs in the current or near term horizon that would require major capital expenditures. Without this assumption, the cost projections for maintenance in this report would be understated and significant capital expenditures would need to be added.

4. <u>Average freight rate is projected to be $350 per railcar and remains constant</u>

The freight rate charge collected from the Union Pacific for railcars moved on the railroad is projected to be $350 per railcar on average for all the users on the rail line. The projected freight rate is based on the actual average freight rate for 2004 paid to SJVR in a report provided by Chuck Littlefield, the former general manager of the SJVR. The interchange agreements held by SJVR were not disclosed to verify the current rates offered to the SJVR by Union Pacific.

5. <u>Management on the entire rail line between Jovista and Fresno</u>

Currently, the SJVR is managed by a single short line railroad operator on the entire 93.4 miles of rail line between Jovista and Fresno. This report makes the assumption that the 30.57 miles of rail line between Jovista and List would never be managed by a short line railroad company that does not also manage the portion of railroad from List to Fresno. This assumption is based on the necessity of a short line operator to have a railroad that goes to a class 1 railroad rail yard. The railroad from Jovista to List does not connect to a class 1 railroad. A short line railroad operating in only the southern portion of the railroad would be in an unfavorable position in their ability to negotiate freight rates and could have to pay surcharge fees to the northern short line rail operator to access the class 1 railroad in Fresno. A separate short line railroad operating in the southern portion of the line would also be at risk of rail abandonment of the track between their line and the class 1 railroad in Fresno.

6. The railroad from List to Fresno is and will remain profitable

The railroad that is not scheduled for abandonment by the SJVR north of Exeter is assumed to be profitable given the railroad is currently in use.

7. The cost of diesel fuel price remains at a stable level

This report assumes the retail price of diesel fuel does not fall far below its current levels of $2.25 to $2.50 per gallon. Nearly all of the shippers on the railroad line have the ability to switch from rail to truck because of the proximity of many inter-model transportation service yards throughout the San Joaquin Valley if the cost of shipping by truck becomes more favorable. Without this assumption, the shipping volume projections in this report would be overstated.

2. Economics of Short line Railroads

The primary source of revenue for a short line railroad comes from collecting fees anytime a railcar uses the track owned by the short line railroad. Fees for renting railcars and storing railcars on their track are secondary sources of revenue. Understanding the relationship between a short line railroad and class 1 railroad companies is important to the viability of running a railroad company.

A class 1 railroad is defined by the Surface Transportation Board (STB) as having over $346.8 million in carrier operating revenue (American 2009). Seven class 1 railroads are operating in the United States and two are operating in Canada (Baldwin 2008). A short line railroad is a class 3 railroad and is defined as having less than $28 million in carrier operating revenue (American 2009). Just over 500 short line railroads are operating in the United States (Baldwin 2008). Class 2 railroads are known as regional railroads and fall in between the revenue size of the class 1 and class 3 railroads, but with the distinction that a class 2 railroad must have over 350 miles of track. For the purposes of this report, the regional railroads and class 1 railroads are considered to be one in the same because of their large size compared to the short line railroads. Short line railroads were rail lines that were developed by the larger class 1 railroad companies and sold off to short line railroad companies because they were not profitable for them to maintain. Only thirty class 2 railroads are operating in the United States.

The class 1 railroad issues and collects a single freight bill from the shipper client when a railcar is moved from one location to another. A short line railroad company collects a portion of the freight bill from the class 1 railroad as a fee for moving the shipper's railcars through the track owned by the short line railroad. The freight rate paid to the short line rail operator is a predetermined fixed rate negotiated in a long term interchange agreement between the class 1 railroad company and the short line railroad company. The short line has the right to collect additional fees (or surcharges) for gathering, sorting, and forwarding railcars to the class 1 railroad.

Railcars on most short line railroads are either owned by the shipper or by the class 1 railroad. Shippers who are not heavy rail transporters lease their railcars from the class 1 railroads. The class 1 railroads make it difficult for short line railroads to own railcars and generate their own railcar rental revenue because class 1 railroads will add fees to their shipper for not using their railcars or prevent outside railcars from even using their railroad line.

The subservient relationship between the short line and the class 1 railroad is also apparent in the negotiation of freight rates. Since the 1970's the many class 1 railroad companies have consolidated to a point where they hold a very strong bargaining pressure over the short line railroad companies. "The industry is highly concentrated: the 50 largest companies hold nearly 100 percent of the market (Redorbit 2007)." "Class 1 carriers comprise just 1 percent of freight railroads, but account for over 90 percent of the industry revenue."

The short line railroad's weak position in negotiating the price received for their services makes them price takers. The class 1 railroad companies give the short line railroads a flat rate per carload that is often locked in for the long term and does not account for escalations to keep up with inflation or higher operating expenses for fuel and labor. The rail line from Jovista to Fresno has access to two class 1 railroads; Union Pacific and BNSF (Burlington Northern and Santa Fe). The freight rate for the railroad from Jovista to Fresno was reported to be unprofitable by the SJVR; in addition they were unable to cover their deferred maintenance expenses on the rail line. The current interchange agreements that indentify the freight rates held by SJVR were not disclosed.

SJVR is able to add a surcharge that is passed on to the shipping client to defray the needed capital expenditures for improvement on their track. However, the $950 per carload surcharge put in place on April 2006 was more than what the market could bare. No shippers have used SJVR's rail services since October 2006. Currently, the railroad has been spiked at Strathmore, essentially cutting off shippers south of that line.

2.1 Opinion of other Short Line Railroad Operators

General Managers of short line railroad companies in California were contacted as to their opinion of the economic feasibility of the railroad from Jovista to Fresno. All of the managers who responded were skeptical and wanted more information as far as the potential amount of shipper business on the railroad line. Of the six general managers who responded to the phone survey, two were interested in operating the SJVR. Patriot Rail and Watco Companies; the two largest short line railroad companies operating in California were interested in buying the SJVR.

1. Patriot Rail

Thomas Cucci, Director of Operations, was contacted regarding Patriot Rail's interest and opinion of the proposed rail line. Mr. Cucci indicated that Patriot Rail was currently in talks with the SJVR to purchase not only this line, but all of their west coast operations. When we discussed the line from Jovista to

Fresno specifically, Mr. Cucci said they had already been in contact with TCAG, but in order to move forward with the specific line, they would require shipper guarantees. Patriot Rail would be willing to consider many different types of arrangements to operate the line, from revenue sharing to leasing depending on how the line was purchased.

2. Watco Companies

Ed McKechnie, Chief Commercial Officer, and Mark Blazer, Senior Vice President of Strategic Business Development of Watco Companies, the parent company of Pacific Sun Railroad in Escondido, CA, were contacted and expressed interest in buying the railroad from Jovista to Fresno. Their concern was the narrow geography of the San Joaquin Valley, which causes shippers to consider truck transportation because the distance to send a truck to a nearby intermodel switching hub is minimal. Their positive interest stems from the hope that Rail America's marketing efforts to develop business in the central San Joaquin Valley was not aggressive. Watco suggested that Rail America was in a weak financial position, forcing them to sell the railroad operated by SJVR from Jovista to Fresno.   Watco representatives said they were interested in either buying the whole railroad for a scrap value price or if another company or government agency purchased the track, they would be interested in a revenue sharing joint venture.   Watco had not done any due diligence and strongly indicated they would want to sit down with all potential shippers and draw up contracts before purchase. Ed Mckechnie was not willing to disclose their financial information on operating short line railroads, but he did indicate their cost of capital including opportunity cost was 10% in his determination of buying a short line railroad. Net of debt service, the Watco short line railroad investments would expect to return a profit greater than 10% return on equity.

3. Jovista to List/Fresno Annual Operating Projections

A detailed annual cash flow projection for the SJVR is estimated given information provided by the general manager of the SJVR between 2002-2005, Chuck Littlefield, and from input from current general managers of short line railroads in California (M. Bennett, personal communication, spring 2009).

3.1. Operating Costs

The operation cost projections presented in Exhibit 1 of this report are a projection for the 93.4 mile stretch of railroad between Jovista and Fresno as well as the 40 mile portion from Jovista to List. A short line railroad operation would need the line to extend to Fresno where there is an interchange with BNSF and UP. Any new short line railroad operating the railroad line from Jovista to List would be at the mercy of Rail America because they own track that links the SJVR to Fresno and also the connecting track to Hanford.

The railroad from Jovista to Fresno would be attractive to a short line railroad operator if there were enough business to remain profitable. Since the demand potential of shippers for the railroad is such an important assumption, section 4 will address that issue in more detail.

Labor: All salaries include expense projections for payroll tax, worker's compensation insurance and medical insurance expenses. Employees are assumed to be nonunion. Three trackmen will be hired to handle routine maintenance on the track. Two mechanics will handle locomotive routine maintenance. Four trainmen will be hired to drive the locomotives. One signalman will inspect and repair crossing guard signals on the track. One trainmaster will be hired and will also be responsible for developing shipper business. One office assistant will be hired to handle all billing and payroll duties.

Equipment: The power source for moving the train will come from three 2,000 horsepower locomotives, which are considered medium horsepower locomotives. The locomotives will be leased on a monthly basis. Leasing is preferred over buying a locomotive because of the abundant amount of surplus locomotives on the market due to the contraction of the railroad industry and the movement towards more efficient “green” locomotives. Purchasing a “green” locomotive could be an option with favorable financing through governmental agencies and tax credits. In addition to the locomotive, a gang truck, a mechanic’s truck and a backhoe will be leased for use by the trackmen employees for track maintenance.

The operator will not own any railcars. Shippers on the rail line who do not own a railcar will need to make arrangements through the operator to hire railcars from UP or BNSF. The railcar hire cost will vary depending on the type of railcar. The cash flow projection is based on a $13 per railcar per day charge from UP and BNSF. UP will not charge the short line a railcar hire charge for the first 120 hours and BNSF will not charge for the first 48 hours (C. Littlefield, personal communication March 18, 2009). SJVR will in turn pass on the railcar hire charge on to the shipper.

General Overhead: An office building will be rented for the use of the general manager, office manager, and trainmaster. The insurance expense accounts for both property loss and liability insurance. The cost for liability insurance is very high because only two insurance coverage companies will insure railroads and one of the two is AIG. The property insured includes the bridges and other structures along the railroad. The general liability insurance covers all liability associated with any incident revolving around the train. The tax expense accounts for property taxes and the general licensing requirements for operating a railroad. Income taxes were not included in the operating income projections.

Routine Track Maintenance: Only parts used on tracks that are in need of repair are budgeted. The track maintenance expense is the most variable projection outside of the shipper demand in the entire operating income analysis. The size of the track on the SJVR is reported to be mainly 75 lbs rail which is designed for 263,000 lbs carloads. The track maintenance expense will increase if the more modern railcar weighing 286,000 lbs are run at speeds no greater than 10 mph. The risk of derailment and a costly clean-up is high considering the track is mainly class 1, or excepted track. The cost for a derailment according to short line railroad general managers is about $250,000 per occurrence. Derailment clean up costs and capital expenditures for large scale track replacement on the line are not included in the projected routine track maintenance expenses. The routine track repairs will be done in-house. The overall routine track maintenance expense is $314,000 including labor.

3.2. Long Term Expenses

A detailed inspection that identifies the current status of the track is beyond the scope of this project. This report makes the limiting assumption that the track on the entire proposed rail segment is excepted track. This assumption is based on the comments on record from the Chief Engineer of the SJVR during the abandonment hearing before the STB.

Excepted track is the lowest classification of track allowable by the Federal Railroad Administration for freight transportation. Excepted track is also called class 1 track in a classification system of 1 through 5, with class 5 being the highest quality track classification. Passenger transportation is not allowed on excepted track under any circumstances. Freight transportation is allowed, but only at a maximum train speed of 10 miles per hour (Department 2009). . No more than 5 railcars per train of hazardous materials are allowed to be transported at any one time on excepted trackAll of the track must be inspected once a week during operation by a licensed track inspector by high rail vehicle to determine its classification.

The section of rail between Fresno and Dinuba is class 2 (112 lb rail) and would not require an upgrade for the expected business and speeds necessary to operate efficiently. The remaining track from Dinuba to Jovista is expected to be the 75 lb rail (excepted condition, class 1) and could be operated by a short line railroad. However, because of the speed and distance that the operator would be required to operate (10 mph for up to 70 miles), the excepted class track is not fast enough to allow for quick and efficient operation. An operator may be able to ship at speeds of 20 mph on 75 lb rail if it is properly maintained and regularly checked. However, with newer, heavier rail cars (286,000 lbs) these speeds become more dangerous. At the current track speeds (10 mph) it would take an operator upwards of 7 hours nonstop to reach a customer at the southern end of the line. At best, it would be 14 hours of operation to go down and pick up a customer's rail car's and return them to Fresno. This makes it very inefficient for the operator, as well as make shipping by rail a less attractive option for businesses that are time sensitive.

The short line railroad is in need of an upgrade, both for safety and quality of service. In 2004, the Visalia to Armona line was upgraded in a similar fashion. 45 miles of track were upgraded from 75 lb rail to 112 lb rail, 41,000 ties were replaced, 50,000 tons of ballast added, 30 switches upgraded, and 8 bridges were upgraded. This was done at a cost of $14 million, or $272,727 per mile. To upgrade the 73-mile line from Jovista to Dinuba with 112 pound rail would cost roughly $20 million dollars. The projections for the cost to put in a new track are based on the interviews with Mark Bennett, the general manager of the Trona Railroad and Dave Buccolo, the general manager of the Central California Traction short line railroad. Both general managers recently did a major maintenance on their track. The cost to repair bridges on the track would be an additional expense that could cost additional millions of dollars. Realistically the entire railroad would not be overhauled at once and a complete upgrade may not be necessary.

The Trona Railroad budgets a capital improvement plan for the replacement of 5% of the track per year. A capital improvement plan of that magnitude would cost the operator just over $352,000 per year. THe capital improvement plan expenditures are in addition to routine maintenance costs projected to be $368,400 per year. Routine maintenance costs are for problems on the track that must be repaired immediately for the railroad to continue to operate and qualify under excepted condition track. The operator has a major capital expenditure in track replacement cost that must be considered when operating the railway for the long run.

Exhibit I

Short Line Railroad Annual Operating Cost Projections

			Jovista to Fresno	Jovista to Exeter
		Miles	93.6	40
Labor Expense:				
General Manager Salary	1 x $70,000	$	70,000	29,915
Trackmen Salaries	3 x $50,000 each	$	150,000	64,103
Mechanics Salaries	2 x $60,000 each	$	120,000	51,282
Trainmen Salaries	4 x $60,000 each	$	240,000	102,564
Office Assistant Salary	1 x $35,000	$	35,000	14,957
Signalman Salary	1 x $60,000	$	60,000	25,641
Trainmaster Salary	1 x $60,000	$	60,000	25,641
Equipment Expense:				
Locomotives	3 x $4,000 per month	$	144,000	61,538
Locomotive Fuel	9,000 gallons per month @ $2.50/gallon	$	270,000	115,385
Locomotive Lube Oil	$750 per month	$	9,000	3,846
Locomotive Repair	$5,000 per month	$	60,000	25,641
Mechanics Tools/Supplies	$9 per railcar	$	36,000	15,385
Trackmen Vehicle Lease	$2,000 per month	$	24,000	10,256
Truck/Car Fuel		$	14,400	6,154
Truck/Car Maintenance		$	7,500	3,205
Railcar Hire		$	120,000	51,282
Routine Track Maintenance:				
Track Repair (ties & rails)	$10,000 per month	$	120,000	51,282
Track Repair Tools		$	8,000	3,419
Signal Repair	$3,000 per month	$	36,000	15,385
General Overhead:				
Utilities	$2,000 per month	$	24,000	10,256
Office Supplies	$500 per month	$	6,000	2,564
Office Rent	$2,000 per month	$	24,000	10,256
Telecommunications	$1,000 per month	$	12,000	5,128
Liability Insurance		$	120,000	51,282
Property Taxes & Gov. Fees		$	60,000	25,641
Miscellaneous		$	50,000	21,368
Depreciation				
Depreciation & Amortization	$10,000 per month	$	120,000	51,282
	Total Expenses	$	1,999,900	854,658
	Break Even number of railcars at $350/railcar		5714	2442

3.2. Revenue Projections

The railroad is projected to receive revenue from three sources. The first and primary source of revenue is from a freight rate charges for incoming and outgoing railcar movement on the rail line. The projected freight rate of $350 per railcar is based on the actual 2004 freight rates paid to SJVR. The freight rate projection is high considering what other short line railroads receive. However, the line from Jovista to Fresno travels a larger distance than most short line railroads. The second source of revenue comes from storing rail cars on the unused portion of the track. A rate of $3 per car per day is projected to be charged with a 90 day minimum. In addition, a charge of $175 per railcar for both incoming and outgoing cars movement will be charged. The projected storage rates are based on information provided by various California short line operators. The third source of revenue comes from demurrage and railcar hire charges for shippers located on the rail line that do not own their own railcars or locomotives to move their railcars from one location on the line to another. The revenue generated from shippers needing to hire and spot their railcars is based an average railcar hire charge of $50 per railcar per day. The $50 per railcar charge is comparable to the actual 2004 non-freight revenue amount per railcar. 1,200 railcars are projected for demurrage and railcar hire based on the assumption that only 60% of the total annual railcars on the railroad will need to pay those services.

Surcharges have been used in the past on this railroad, which could be considered a source of revenue. However, for this paper they are not viewed as a viable option as they raise the cost of shipping via rail. The closeness of intermodal hubs requires the cost of shipping via rail to be kept to a minimum in order to get and keep customers on this railroad.

Exhibit 2

Short Line Railroad Annual Operating Income Projections

Freight Revenue	4000	carloads	350 $/carload	$	1,400,000	598,291
Car Storage	300	carloads		$	186,000	79,487
Demurrage	$50 per railcar (1,200 car estimate)			$	50,000	21,368
			Total Revenue	$	1,636,000	699,145
			Total Expenses	$	1,999,900	854,658
			Operating Income	$	(363,900)	$ (155,513)

4. Breakeven for Railroad

The assumption has already been made that the line north of List is currently profitable; therefore this will focus on the line that has been abandoned south of List. Based on the three possible revenue streams there is a combination of ways that a breakeven point can be found for an operator. It has been determined that the safest way to guarantee breakeven is with rail shipments, because car storage may not always be available and demurrage charges can cause the cost of shipping to increase.

It is necessary for the portion of the line south of List breakeven without the cars already being shipped north of List. If the line is unable to sustain itself then it will always run the risk of non-operation, abandonment, or removal. Based on the cost projections it has been determined that it will take 2,442 shipments at a freight rate of $350 to cover the costs of operation. Currently there are no shipments coming off this portion of railroad, therefore an operator wanting to run the railroad will have to actively market to and locate businesses interested in shipping via rail. Exhibit 3 is a list of potential rail customers between Jovista and List that are able to ship currently. These customers have access to rail spurs and have showed interest in shipping via rail thru interviews.

Exhibit 3	
Customers Ready to Ship	
Company	**Estimated Shipments/Year**
Britz Fertilizer	30
Sierra Forrest Products	100
Tuff Stuff Products	50
Tulare Frozen Foods	300
Total	480

Currently, there is a potential of 480 shipments per year based on businesses that are able to ship if railroad were able to operate currently. This equals $168,000 of revenue based on the projected freight rate of $350. This means that the railroad from Jovista to List would be operating at a loss of $686,658.

There are several businesses that are opening up new operations or looking to start businesses that will rely heavily on rail shipments. These potential customers would prefer to ship on the railroad from Jovista to Fresno because of the close proximity. Exhibit 4 covers these businesses which are looking to be operating within the near future, or would ship if they had access to a rail spur.

Exhibit 4	
Potentail Customers	
Company	**Estimated Shipments/Year**
AGG	240
Nutrient Technologies	10
Paul Pugh	750
Porterville Rock & Recycle	5,000
Total	6000

There is a future possibility of 6,480 shipments per year on the railroad from Jovista to List. This would create $2,268,000 of revenue at the projected freight rate of $350 per shipment. This means the railroad from Jovista to List would be operating at a profit of $1,413,342.

5. Locating Customers

In order to determine businesses that are interested in shipping via rail between Jovista and List a combination of sources were used. For more information on the companies that were contacted please see Appendix B for full customer profiles.

5.1. Past Shippers

The names of businesses shipping on the railroad from Jovista to Fresno were obtained from a SJVR 2002 shippers list provided by Tom Sparks (Appendix C).. Businesses located between Jovista and List were contacted, some were unable to be reached and others were unwilling to answer questions. Many of these businesses are in the Ag industry, and have similar concerns with rail shipment.

When asked about preference of shipping via truck or rail the concerns were as follows:

Cost: The shippers stated that trucking was cost efficient. The relief they are experiencing at the gas pump makes it cost efficient to ship their products via truck. They admitted struggling with trucking when gas prices soared in the mid-2008 and considered switching to rail. However, the sharp drop in gas prices at the end of 2008 helped to continue shipping via trucks.

Products shipped: The concern shippers had for rail shipment is regarding perishable goods. Railcars from this line might not be adequate for shipping their goods, because of a time factor. Without a guarantee of shipment within a limited number of days, their products cannot be shipped.

Time: Truck shipments allow the shippers to have more control over the shipping schedule. They can adjust it according to their needs and to the demand in the market. This option was not possible with rail, because the shippers had to obey and follow the pre-set schedule of the rail. There is a concern with rail shipments that the rail cars will have to wait for days to be collected or moved onto the class 1 connection.

All of the businesses that were contacted from this list were asked if they would ship via rail if the line were cost effective and efficient. The overwhelming response from those customers in the Ag industry was “No.” These customers require a special set of needs in regards to shipping that they felt rail could not meet. In addition, the Railex intermodal hub in Delano provides guaranteed rail service to the east coast in 5 days. Many Ag shippers felt it would be much more efficient to truck the products the short distance to Delano in order to guarantee timely shipment.

5.2 Potential Shippers

In order to fully determine the demand for the railroad from Jovista to List it was determined that a variety of businesses near the line should be contacted about their interest in rail shipping. With the help of the Tulare County Assessor, a list of businesses near the railroad was generated. Mark Clark, the Geographic

Information Systems Coordinator provided us with the necessary inputs for the GIS (Geographical Information System), such as parcels, city limits, streets and highways. Please refer to Appendix D for the GIS terms of use.

With the assistance of Dr. Kathleen Moffitt, the GIS output of parcels was narrowed down to a manageable list of businesses that could be contacted about their interest in rail (Appendix E). The process for narrowing the scope of the search was as follows.

- There are a total of 65,535 parcels in Tulare County. Narrowed to 271 potential businesses by removing the unrelated parcels.
- The determination of the unrelated parcels was based on land usage, residential, institutional, unnecessary commercial businesses that cannot benefit from using rail, and Ag business. During initial conversations with previous shippers it was determined that a railroad would be unable to count on Ag shipments to remain profitable.
- The list of the potential 271 businesses was created by targeting certain industries such as, light manufacturing, warehouses, storage yards, canneries, wineries, saw mills, packing houses, and cold storage.
- The selection of land usage was combined with another selection targeting location. A half mile radius from the rail line was chosen.
- The list was further taken down from 271 to about 170 businesses by removing the cold storage, and packing house that are related to Ag business.

- The businesses were later compressed to 30 potential customers. The list was based on location between Jovista and List, as well as companies that ship their goods.
- Profiles were conducted for those businesses that were willing to answer questions about shipping products via rail. These profiles can be found in Appendix B of this report.

6. Options to Pursue

The following is section is a list of four possible options that TCAG could pursue in trying to keep the railroad from Jovista to List.

6.1. Entire Line Purchase

This option involves purchasing the entire line of rail from Jovista to Fresno. As outlined in the assumptions section, a rail line operator would require the entire line be available to them. It would not be as attractive to an operator to enter without having the rights to the entire line. If another company operates between the southern operator and the class 1 connection in Fresno, they would potentially have the rights to surcharge the shipper, thus making rail a less attractive option for shipping.

Therefore, it is advisable the purchase option consist of the purchase of the SJVR line from Jovista to Fresno. Furthermore, there is currently not enough shipping activity on the line south of List to allow a new operator to break even.

In order for the TCAG to purchase the rail line, one of the following two options would need to be exercised:

- A Joint Powers Authority with Fresno County needs to be established and an agreement needs to be drafted for the purchase of the entire line from Jovista to Fresno.

- TCAG would purchase the entire rail line from Jovista to Fresno on its own.

As outlined above, a short line operator will prefer having control and access to the entire line in order to be able to get its cars to the Union Pacific and the BNSF connections in Fresno. Therefore, a partnership with a short line operator will be more attractive and feasible if control is exercised on the entire line.

Recent estimations value the entire Jovista to Fresno line at approximately $13 million (C. Littlefield, personal communication March 18, 2009). However, the price on the entire line could amount to $25 million. The current scrap value of the portion south of Dinuba is estimated at around $2 million. As an alternative to scrapping, SJVR may agree to sell it for scrap price.

It would cost approximately $20 million to upgrade the rail line south of Dinuba from 75 lb rail to at least 112 lb rail in order to safely support train speeds in excess of 10 mph.

A few options are available for TCAG if the purchasing scenario is exercised. Some of these options came to light from conversations with representatives of Patriot Rail.

- Following the purchase, TCAG could attempt to attract a line operator who would lease the right to operate for an amount agreeable to both parties.

- A short line operator, such as Patriot Rail, could be contracted to operate on the line while doing some form of revenue sharing with TCAG.

6.1.1. Strengths of Purchase Option:

First, purchasing the line would allow the owner to maintain control and use of the existing rail line. This is the only option that guarantees that the line is kept intact for current and future use. By having ownership in the line, TCAG is the only entity that can decide how long the line would be available, unless contractual terms state otherwise.

Second, TCAG would benefit from sharing the profits generated from the railroad operation and from tax revenue from the potential businesses that will find the rail attractive.

Third, as previously explained, it is very attractive for short line partners to operate on the line if there is only one owner over the entire length of it. This ensures that there are no surcharges in various sections of it, thus making rail a more attractive option for the various shippers.

6.1.2. Weaknesses of Purchase Option:

The following are weaknesses of the option to purchase the entire line from Jovista to Fresno.

First, it would take a large investment to purchase and subsequently upgrade the entire line.

- Estimates put the value of the short haul rail line at about $13 million. TCAG must consider the opportunity cost of committing such a large sum of money.

- The portion of the line from Dinuba to Jovista consists of only 75 lb. rail and would need to be upgraded to at least 112 lb. rail in order to make the portion usable and be able to support heavy rail cars at train speeds in excess of 10 mph.

Second, there are liabilities associated with owning the line.

- Injury liability would be the most common. Any injury that involves the rail line could impact TCAG, which would be held legally responsible, until a contract were signed releasing TCAG of such liability.
- There are environmental concerns associated with owning the line due to the rail line's impact on endangered species habitat. TCAG would need to comply with environmental rules and regulations and make any investments necessary to protect them.
- Contractual issues may arise as a result of the partnership between TCAG and the rail line operators. Such issues may become a liability for any of the parties involved.

Third, having an ownership stake at the short haul rail line, TCAG would have a new asset to manage. This may require further infusions of capital to pay for costly track maintenance, management salaries, and other expenses.

Fourth, the County of Tulare risks the ability to continue using the rail line, if operating it is not profitable.

- If the rail is purchased and area businesses choose to use other options for shipping, such as truck, then TCAG would be stuck with a non-performing asset, after a substantial infusion of money used for the purchase and the repair.

- The decision to purchase the rail line could become a political liability if the rail operation is non profitable. Political stakeholders would raise concerns about spending money for a non-performing asset.
- The 7x and 8x portions of the line do not currently support continued operation, if operated alone. More customers are needed on these portions in order for the operator to break even. If an insufficient number of business activity is generated to allow the operator to break even, then such part of the rail is not viable.

6.1.3. Option Summary

If TCAG became involved in purchasing the line, it would maintain the control. This option ensures that the line is not scrapped. This option also has the potential of generating income for the county.

Purchasing the existing rail line; either in cooperation with other neighboring counties, or purchasing the entire line outright, is a very risky option. A large cash investment would be required to purchase the line, as well as time and manpower to oversee operations.. Purchasing the line would also lead to increased liability until contractual terms can be agreed upon by an operator of the line. If the current environment changes and rail becomes a less viable option, TCAG would be burdened with a non-performing asset.

6.2. Subsidized Rail Repair Assistance

Due to the condition of track south of Dinuba (75 lb rail), it is critical that the rail be upgraded in order to support operation. Due to the high costs associated with the repair, it has not been viable for a short line operator to purchase and repair the rail line.

This option involves offering subsidized rail repair assistance for the portion of the rail south of Dinuba. In this case, a short line operator would buy the line from SJVR, while TCAG would provide moneys for repairing the track. As outlined in the financing section, there are several options for pursuing grants that can be utilized for rail repair.

By providing money to upgrade track, TCAG would make it more attractive for a short line operator to purchase the rail line. The operator would, in turn, become profitable sooner if it did not have to infuse large amounts of capital for track repair purposes. Furthermore, if the line gets upgraded to support higher speeds and more efficient movement of goods, it may be more attractive to businesses to use rail in lieu of other transportation options. This would allow the operator to increase its revenues and net income.

In exchange for its assistance with rail repair, TCAG could create a limited partnership giving them the benefits such as profit sharing, or first right of refusal clause if the short line, who owns the track, wishes to sell the track. Limited partnership contractual terms can be explored to prevent abandonment of the line for a certain length of time. The 2005 Cross Valley Rail Corridor project, consisted of a similar arrangement where public funds were used for track repair purposes, but contractual terms were set in place to prevent rail abandonment for a certain time period.

6.2.1. Strengths of Subsidized Repair Option

First, since another interested party will purchase the rail and operate on it, the line is not abandoned. This ensures the line is available for businesses that find cost savings and value in it.

Second, TCAG may choose to create a partnership in exchange for providing repair funding. Such a partnership may grant TCAG partial control on the line, including stipulations on usage of the line and its final future, if the operator decides to stop using it.

Third, as stated above, subsidized repair funding would make the line more attractive for a short line operator to purchase and operate. The substantial amount of capital required for repair purposes would be a strong incentive for the operator. The condition of the track to be abandoned could have much more deferred maintenance than assumed. The life span of track with heavy freight train traffic is about 40 years. The majority of the rail line is most likely older than 40 years, but it has not been heavily used.

Fourth, if TCAG is able to secure federal grant funding, then its investment is minimal.

Fifth, by only providing repair subsidies, TCAG does not own or operate a new asset. This is important in that TCAG will minimize the risks and liabilities associated with the ownership of the rail line.

6.2.2. Weaknesses of Subsidized Repair Option

First, if the subsidized repair option is pursued, there is no direct revenue generated by TCAG. The owner of the line (also, the operator) would earn all profits that arise from the use of the line. For TCAG, the investment to upgrade the track would be a sunk cost, because it would not be recoverable. However, the county would be profiting from attracting new businesses and supporting economic development.

Second, there may be political implications associated with the decision to provide public funds to a private entity for track repair purposes.

Third, if TCAG chose to pursue this option, it must seek federal grants that can be used for the repair of the short rail line. While many grant seeking opportunities exist, as described in the financing section, they are not a guarantee for obtaining the funds, which may be difficult to receive.

Fourth, this option does not guarantee the line is not abandoned in the future, unless stated otherwise in an agreement with the rail line operator. If shipping via rail becomes non-viable and unprofitable in the future, the rail line operator may choose to abandon it once again.

6.2.3. Option Summary

By using grant funding to upgrade and repair the line, TCAG could create a limited stake in the short rail line. Contractual terms with the rail line operator could give TCAG some decision-making power in how and when the rail line may be abandoned in the future. This option also creates a better value for a short line operator to purchase the line, while ensuring that the line is reliable for the long term and fast enough to support operation.

6.3. Purchase Facilitation

Instead of providing funds to purchase the line, or grant money to repair it, this option involves facilitating the purchase and operation of the rail line by a third party. TCAG can do so by creating value for the third party. This can be done without a cash expenditure by TCAG. The following sub-options may be taken into consideration.

First, TCAG can help a third party by creating a burden associated with scrapping the existing line. The county could require environmental impact studies that are deemed necessary prior to scrapping the line. Current owners of the track may instead choose to sell their stake. In addition, TCAG may require that the rail crossings be repaired, making sale over scrapping more attractive to the owner.

Second, TCAG can create incentives that can help a new operator start utilizing the line. TCAG can explore several tax incentives that may make the line more attractive to an operator. Once the line has been purchased, TCAG may be in a position to offer tax breaks or other similar enticements. TCAG can also help by creating a "relaxed" operating environment for the new operator.

6.3.1. Strengths of Purchase Facilitation Option:

First, if this option is pursued, TCAG would not own or operate a new asset. As a result, TCAG would avoid the risks and liabilities associated with owning the rail line. Such liabilities would be the responsibility of the new owner and operator.

Second, there would be no monetary commitment on behalf of TCAG if this option is pursued. If the line does not support any activity in the future, TCAG would not have committed any capital investments towards it.

6.3.2. Weaknesses of Purchase Facilitation Option

First, TCAG would not have any control on the future of the line. The line might be abandoned in the future and the county would not be able to prevent it.

Second, TCAG may need to consider legal ramifications that may arise from creating burdens/nuisances for the current owners of the rail line. Any nuisance factor needs to be discussed with the county's legal experts. TCAG needs to seek advice on choosing the best legitimate ways to facilitate the transfer of ownership to an operator that will intend to use it.

6.3.3. Option Summary

This option suggests facilitation as a means of helping a new line operator take ownership of the line. The county can do so by being a nuisance to the current owners to prevent them from discontinuing rail operations. Alternatively, TCAG could help the new operator with incentives for continued rail operations. If this option is pursued, TCAG would not have any stake or say in the future of the rail line. As a result, the pursuit of this option could lead to the abandonment of the rail line in the future.

6.4. Business Partnership

This option explores the creation of a partnership with a short line operator. Both TCAG and the short line operator would provide funds to help purchase and upgrade the rail line. Both parties can also explore federal grant financing options. By creating a partnership with a short line operator, TCAG can have partial control and influence in the future of the rail line.

6.4.1. Strengths of Business Partnership Option:

First, pursuing a business partnership, TCAG ensures that the line is not abandoned. The joint partnership with a short line operator ensures continued operation.

Second, a business partnership would give TCAG partial control on the future of the line. TCAG may be able to guarantee rail as a transport option for local businesses if it had some stake in the ownership of the line.

Third, a short line operator may find it more attractive to do business, if it only had to invest part of the funds required to purchase and upgrade the line.

Fourth, TCAG would be able to receive part of the profit from the operation of the short rail line if the terms of the partnership agreement are such that they provide for revenue sharing. Such terms would need to be explored prior to any purchase decision.

6.4.2. Weaknesses of Business Partnership Option:

First, the terms and conditions of the business partnership would need to be acceptable to both parties. Reaching an agreement may be difficult as the short line operator may need to give partial control to TCAG. The terms of the business partnership could also deter the short line operator from wanting to purchase the short rail line.

Second, using public money to cover part of the purchase and repair costs could result in political pressure in the event that the line does not support continued operation. Political opponents could use the decision to partner with a short line operator as a failed attempt to govern and a wrong use of public funds.

Third, TCAG may find it difficult to obtain funding if it is not able to secure grant money. In that case TCAG may need to take away funds from many necessary projects that are critical to the county.

Fourth, TCAG would face liabilities and risks associated with owning and managing an asset, such as injury liabilities and environmental obligations.

Fifth, with a partnership stake on the line, TCAG would be vunerable to long-term financial commitment to track repairs and the possibility that rail shipments on the line yield unprofitable results.

6.4.3. Option Summary

A business partnership with a rail line operator would be a good solution to manage the proposed rail line abandonment. It would allow TCAG to have an influence in the future decisions related to rail line use and abandonment. This option would also have the potential of providing the county with extra revenue generated by the rail operation.

6.5. Best Option

Of the four options, subsidizing rail repair is the most viable option available. It has the opportunity to create the desired outcome of keeping the rail running in Tulare, while minimizing the necessary investment. If TCAG were able to secure federal funds to assist in upgrading the line, then TCAG would be able to ensure the line continue to operate with a minimal investment.

By subsidizing rail upgrades, an operator would be able to upgrade the line to 112lb rail in a much quicker fashion. The operator would then be able to service customers on the southern end of the line in an efficient and timely manner. This will benefit the shippers as well as make future businesses see the line as another viable option for shipping.

By exercising the option to subsidize rail upgrades, TCAG is able maximize benefits while minimizing risk. By allowing another operator to purchase the line, they assume all the business risks of running and operating the line. By subsidizing the line upgrades, TCAG is able to create an environment where they have control over the final outcome of the line, but do not have the risk associated with purchasing and operating the line. TCAG is able to benefit the operator, businesses, and the community without a large investment of their own money.

7. Finance Section

There are numerous funding opportunities available for rail infrastructure upgrade and renewal. These opportunities are in the form of grants, low-interest loans, and tax credits.

Grants administered federally by the US Department of Transportation as a part of the American Reinvestment and Recovery Act (ARRA, but better known as “economic stimulus”) and are solely geared toward passenger rail service (California 2009). However, stimulus monies directed towards California do provide some opportunities. TCAG has already received $17.6 million in ARRA monies (California 2009a). CalTrans’ grant monies are specifically geared towards rail projects has been focused solely towards high-speed rail and programs that improve intercity passenger rail service. However, CalTrans also has $1.5 billion in discretionary transit monies that would be available for this project (California 2009). The minimum grant award is $20 million and the maximum grant award is $300 million. All grant monies must be expended by September 30, 2011.

The Federal Railroad Administration, an agency of the US Department of Transportation administered rail-related grant and loan programs. Currently, most of their grant programs are closed. However, two loan programs are still in operation.

First, the Transportation Infrastructure Finance & Innovation Act (TIFIA) provides three types of credit for surface transportation projects (Transportation 2008). TIFIA offers secured loans, loan guarantees and standby lines of credit. The advantages of TIFIA is that it allows for deferral of loan payments for up to five years, can be used as subordinate debt under other debt service obligations. In addition, as a standby line of credit, TIFIA can be used as a funding source as a method to finance a project while in the process of searching for grants or other funding opportunities.

Second, is the Railroad Rehabilitation and Improvement Financing Program (RRIF) loan program (Railroad 2009). Unlike the TIFIA, RRIF is a financing mechanism for 100% of project costs. A portion of the funding pool has been reserved for class 1 freight rail programs.

Grants would be available for TCAG to sponsor and then pass on the benefits of infrastructure upgrades to the proposed shippers. Timelines for grant approval are much longer than loans. The loan programs offer approval within 90 days.

Congress has extended a program called the "45G Railroad Track Maintenance Credit." (American 2009a). This program provides a tax credit for rehabilitation of rail infrastructure. This program could beneficial to the project in two ways: One, if improvements were made by TCAG, the tax credit could be used as an incentive to lure a rail operator. Two, the tax credit could be used as an incentive for the rail operator to perform maintenance on the line. For each dollar spent or rehabilitation of infrastructure, there is a 50-cent tax credit. The maximum allowable credit is determined based on the miles of line rehabilitated, up to $4,500 per mile. If all 73 miles of track were rehabilitated in one tax year, the total credit would be $328,500.

8. Economic Benefits of Rail

There are many ways that the use of rail transportation can provide economic benefit. Having access to a rail line allows businesses the opportunity to transport products long distances at a price that is generally cheaper than truck shipments. If there is no access to rail lines than businesses that rely on rail transportation will have to look to locate elsewhere. Without access to a rail line it would be very difficult for Tulare County to attract businesses that rely heavily on long distance transportation. This in turn means the county will be losing out on tax revenue, jobs, and economic growth. In addition, diverting truck traffic to rail will reduce wear and tear on roadways, as building rail infrastructure is 10% of the cost of roadway construction (NADO 2008).

How can rail benefit business? Through reduced shipping costs which can lead to increased profitability. Increased production, products can be distributed greater distances leading to less exhaustion in current markets and a larger need for products. Increased employment, as production increases there will be a need for more workers. Reduced prices, because of the decrease in shipping costs the savings can be passed on to the customer. This may also help to increase market share which can add to more growth for the business.

Within the businesses that were contacted for this survey there are several that will be greatly affected by ability to ship products via rail. From the survey data, it is clear that TCAG needs to focus on non-perishable shippers. Improved rail service will lead to existing shippers possibly switching to rail or expanding their operations and will be an asset in luring new business to the region. In addition, businesses using rail will see reduced costs, reduced prices of goods sold and increased output (Indiana 2002). For a region, this will result in increased employment.

Research conducted by the Federal Railroad Administration (FRA) stated that "a threshold of 50 carloads per mile is used as a general indicator of economic viability." There is approximately 40 miles of rail from Jovista to List, in order for the rail road to be economically viable and create an impact in the area at least 2000 rail cars are needed. Any number of rail cars beyond the estimated breakeven point, 2442 rail cars, will make the line both economically viable and profitable.

9. Environmental Impact

Santa Paula County conducted a rail study in March, 2007, and that study stated that "Each rail car would haul the equivalent tonnage of three truckloads of product. Given that the trucks operate back to the mining operation empty, each loaded railcar has the potential to eliminate six truck movements from the highway system.(Southern 2007)" When comparing this to the break even cost analysis, that equates to remove 15,000 truckloads off roadways annually. In other words, the project must have at least 2,500 railcars moving along the rail per year.

Any initiative, whether encouraging use of the short line railroad, or discouraging the use of trucks to transport goods will have a positive environmental impact. One gallon of diesel fuel moves one ton of freight an average of 406 miles (Union 2008). In addition, one double-stacked train is the equivalent of taking 280 trucks off the road. For each ton-mile of shipping shifted to truck, air pollutant output is reduced by 2/3 (NADO 2008). Converting 1% of long-haul freight from trucks to trains would reduce annual greenhouse gas emissions by 12 million tons per year.

Between truck, air, water and rail; rail emits the least carbon dioxide, carbon monoxide, nitrous oxide, and volatile organic compounds. A consortium of major rail carriers is currently working with the EPA to fund and encourage research and development to further improve locomotive efficiency, reduce emissions and fuel consumption. In addition, truck traffic is the most detrimental type of traffic to municipal infrastructure. Reduced repairs on these facilities will not only result in a cost savings, but also result in a longer lifetime for petroleum-based roadbeds.

10. Conclusion

It is economically viable for a short line railroad to operate freight railroad service between Dinuba and Fresno given the amount of current freight business on the line today. The segment of the railroad between Jovista and List is not deemed economically viable railroad given our analysis of the shipper demand for that area today, but could be with potential shippers. However, the combined operation of the whole railroad between Fresno and Jovista is economically viable.

The best option for TCAG to preserve the segment of rail that runs through their county is to attract another short line railroad company and work towards attracting more shipper interest in using rail transportation. It is our conclusion that there is not enough business to operate a short line railroad south of List unless more shipper volume is generated. From surveys of future shipper growth that could make that segment profitable, profitability hinges on one shipper that is not yet permitted to operate as a gravel business. Even if that new gravel business does begin operations, the concentration risk of the shipping customers for the rail segment in Tulare is a major concern.

It is this report’s conclusion that TCAG should encourage and make it as easy as possible for another short line railroad to purchase and operate the railroad in their county. TCAG could help subsidize the purchase by offering to aid in the repair of the track in Tulare County. TCAG should provide aid in the track repair by pursuing grant funding for railroad repairs. It is necessary to upgrade the track in order to attract short line railroad companies because of the track maintenance and repair is the largest expense to operating a railroad.

It is estimated that purchase of the line from Jovista to List would cost anywhere from $13 to $25 million and upgrading the line could cost at least another $20 million. CalTrans has $1.5 billion available in economic stimulus monies to award for discretionary transit projects, with a project minimum of $20 million. Purchasing the line, additional right of way, or a major infrastructure upgrade would all be within the scope of this grant. However, in writing an effective grant application that would leverage the abilities of TCAG and an interested short line railroad buyer, it is recommended that such a grant be used to upgrade the rail line and not towards the purchase cost; in that way the new rail line operator would have a vested interest in the continuing operational success of the railroad line. The purchase of the track by TCAG is also not recommended given the need to purchase track outside of their county in order to reach a class 1 railroad rail yard hub that would connect them to the needed network of national rail lines.

Going forward, it is recommended that TCAG make every effort to aid in the marketing of the railroad to potential shippers along the line. In the survey of potential shippers it is clear that no marketing of rail service by Rail America has taken place over the last few years in Tulare County. Citrus and other agricultural commodity shippers needing outbound rail service on that segment have already switched to using Railex intermodal option in Delano and have expressed no desire to move away from Railex. Highway 65 runs adjacent to the segment scheduled for abandoned by SJVR and provides a quicker means for freight transport for shippers.

TCAG should help in making it as desirable as possible for a short line rail operator to want to work in their county by helping to attract shippers and in aiding in any costs associated with maintaining the railroad right of way. TCAG should not pursue an investment in preserving the SJVR within its county borders because the narrow geography of the San Joaquin Valley does not have enough rail service demand at this time to support a short line railroad when alternative means of transportation via truck or via railroad by the other two railroad lines operated by the UP and BNSF are in close proximity.

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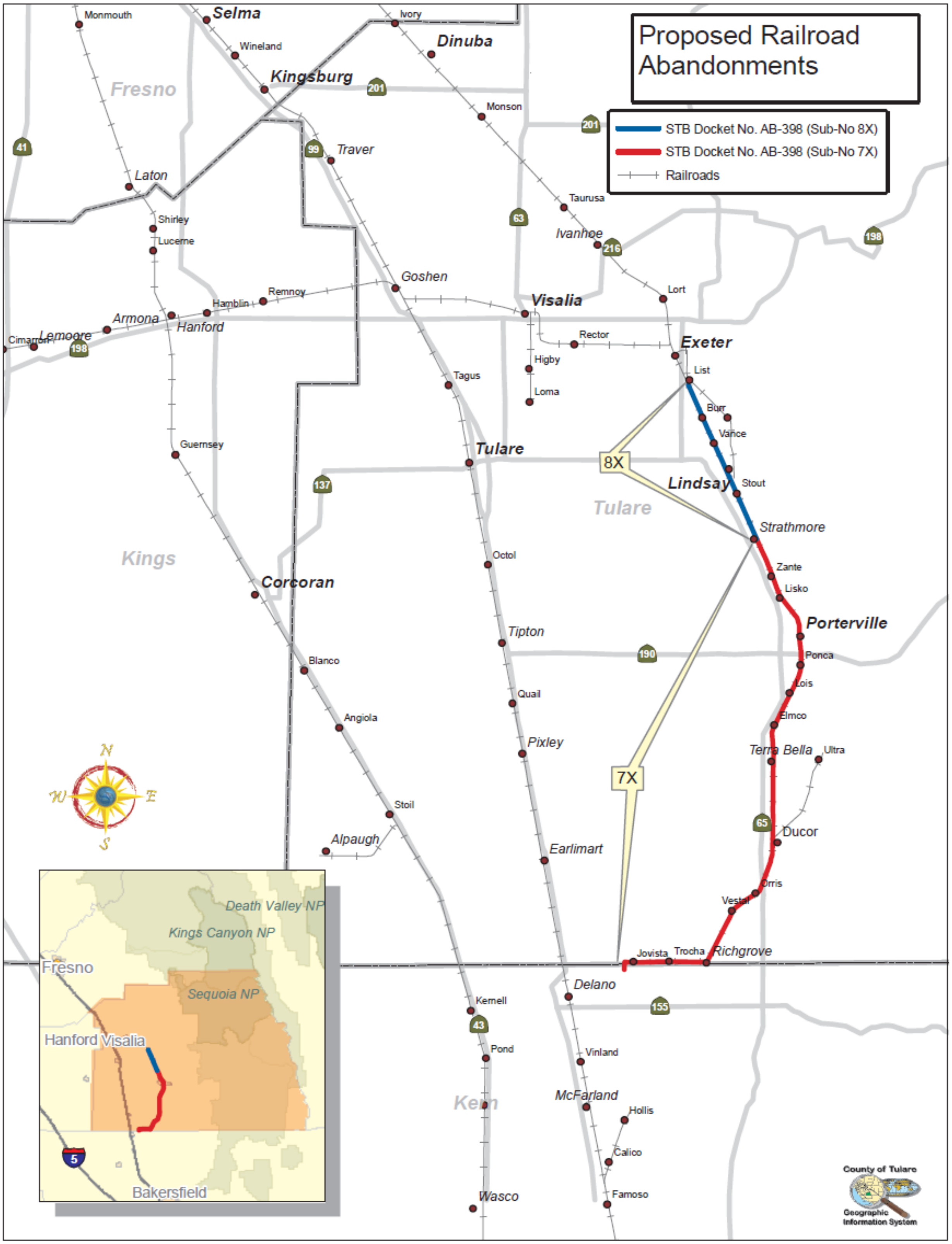
Appendix A – Map of Proposed Rail Abandonment



Appendix B – Jovista to List Customer Profiles

Rail Customer Profile – AGG (America Goes Green)

Customer Name:	AGG				
Address:	9600 Road 256, Terra Bella, CA 93270				
Contact /Position:	Max Lee / President				
Phone:	559-535-5778				
Number of Employees:	NA	Gross Profit:	NA		
Business Function:	Recycle agriculture plastics				
Current method of shipping/Why:	NA company is in planning phase				
Preferred method of shipping/Why:	Rail, it will cut costs, also end users are in Midwest and much more can be shipped in 1 rail car than 1 truck				
Amount spent on shipping annually:	NA company has not started shipping				
Number of shipments annually:	NA company has not started shipping				
Shipping capacity truck to rail car:	3 trucks to 1 rail car				
Has rail been used in past/Cost savings of rail:	NA company has not started shipping				
If line was available and reliable would rail be used:	Yes				
Notes:	AGG is a company that will begin recycling ag plastics and turning the plastic into pellets that will be shipped to the Midwest and turned back into plastic products. Max projects about 2 to 3 shipments into the plant and about 20 rail car shipments out per month. The operation will be set up at the current Tuff Stuff facility.				

Rail Customer Profile - Britz Fertilizer Inc.

Customer Name:	Britz Fertilizer Inc.				
Address:	25730 Ave. 96 Terra Bella, CA 93270				
Contact /Position:	Dave Cannella Manager				
Phone:	559.535.4012				
Number of Employees:	NA	Gross Profit:	Not Provided		
Business Function:	Agricultural Fertilizer and Pest Control Company				
Current method of shipping/Why:	Truck, because SJVR does not provide service.				
Preferred method of shipping/Why:	Rail, because they have access to a spur line. Rail is a lower cost of shipping for them to receive fertilizer input supplies because they can buy in bulk and buy from suppliers who are further away that can ship by rail.				
Amount spent on shipping annually:	Not provided				
Number of shipments annually:	20 to 35 railcars (inbound)				
Shipping capacity truck to rail car:	Varies				
Has rail been used in past/Cost savings of rail:	Yes.				
If line was available and reliable would rail be used:	Yes				
Notes:	The company has other plants in Bakersfield, Firebaugh, Fresno, Parlier, Hanford, Madera, Santa Maria, Stockton, Tulare, Five Points, and Trader.				

Rail Customer Profile - Ducor Aggregate & Hot Mix

Customer Name:	Ducor Aggregate & Hot Mix				
Address:	6950 Old Stage Rd. Ducor, CA 93218				
Contact /Position:	John Lewis, Manager				
Phone:	559.805.3404				
Number of Employees:	NA	Gross Profit:	NA		
Business Function:	Crush gravel to make asphalt, ballast rock (trains), landscape rock				
Current method of shipping/Why:	Truck. Distance from operational rail line and his distance to haul to buyers is short.				
Preferred method of shipping/Why:	Rail shipping allows them to ship rocks to further distances at lower cost than truck.				
Amount spent on shipping annually:	$2.8 million. Small amount relative to how many trucks shipped annually because his trucks only go short distances.				
Number of shipments annually:	28,333 truck loads				
Shipping capacity truck to rail car:					
Has rail been used in past/Cost savings of rail:	No				
If line was available and reliable would rail be used:	Yes				
Notes:	Parent company is Dessert Aggregate. No rail spurs to quarry, so he must ship the rock 7 miles to nearest rail yard in Ducor. One of their customers is Union Pacific Railroad. They purchase gravel for repairing railroad lines.				

Rail Customer Profile - Hit Products Corporation
(Rail spur is not on track that is being abandoned would not be affected by abandonment.)

Customer Name:	Hit Products Corporation				
Address:	556 S. Mirage Ave Lindsay, CA 93247				
Contact /Position:	Paul Cordua Manager				
Phone:	559.562.5975				
Number of Employees:	NA	Gross Profit:	NA		
Business Function:	Irrigation Systems for large scale agriculture users.				
Current method of shipping/Why:	Truck because of late delivery with rail shipping, difficulty getting unloaded and additional fees for demurrage.				
Preferred method of shipping/Why:	Truck because of speed of delivery				
Amount spent on shipping annually:	They only receive supplies, so the seller pays for the shipping costs.				
Number of shipments annually:	NA				
Shipping capacity truck to rail car:	NA				
Has rail been used in past/Cost savings of rail:	Hit Products used rail about 5 years ago when one supplier would send them 4-5 cars per year when 200K lbs. of product was shipped at a time.				
If line was available and reliable would rail be used:	Yes, but only if supplier demanded it.				
Notes:	Hit Products built a rail spur to their Lindsay plant off of a line that is not east of the line to be abandoned. They would not be impacted if the west line was abandoned.				

Rail Customer Profile - Nutrient Technologies

Customer Name:	Nutrient Technologies				
Address:	1092 E. KammAve., P. O. Box 903, Dinuba, CA 93618				
Contact /Position:					
Phone:	559-595-8090				
Number of Employees:	NA	Gross Profit:			
Business Function:	Specialty Fertilizer				
Current method of shipping/Why:	Truck. That’s what is available to them. No spur available for using rail.				
Preferred method of shipping/Why:	Truck				
Amount spent on shipping annually:	$ 200,000				
Number of shipments annually:	1200 tons per year (1 truck = 30tons)				
Shipping capacity truck to rail car:					
Has rail been used in past/Cost savings of rail:	No.				
If line was available and reliable would rail be used:	Would consider it in the broad sense, but it is not practical due to the absence of a spur. Warehouse has rail access however, and they could use about 5-10 cars.				
Notes:	When they acquired the business, this was of interest to them, but they don’t feel that their business growth has warranted the need for building a spur and using rail.				

Rail Customer Profile - Orange Belt Supply Co.

Customer Name:	Orange Belt Supply Co.				
Address:	25244 Road 204, Lindsay CA 93247				
Contact /Position:	Ed Murray				
Phone:	559-562-2574				
Number of Employees:	NA	Gross Profit:			
Business Function:	Crop Protection, Fertilizers, etc.				
Current method of shipping/Why:	Truck. No spur available for using rail. It costs $250,000 to build spur; cost savings provided by cheaper shipping would not be able to .				
Preferred method of shipping/Why:	Truck				
Amount spent on shipping annually:	$ 200,000				
Number of shipments annually:	1200 tons per year				
Shipping capacity truck to rail car:					
Has rail been used in past/Cost savings of rail:	No.				
If line was available and reliable would rail be used:	No, because the cost associated with building the spur would outweigh cost savings associated with rail shipping.				
Notes:	Under current business growth they would not build spur.				

Rail Customer Profile – Paul Pugh

Customer Name:	Paul Pugh				
Address:					
Contact /Position:	Paul Pugh				
Phone:	559-359-0240				
Number of Employees:	NA	Gross Profit:	NA		
Business Function:	Manufacture railroad ballasts and concrete casings				
Current method of shipping/Why:	NA				
Preferred method of shipping/Why:	Rail				
Amount spent on shipping annually:	NA				
Number of shipments annually:	NA				
Shipping capacity truck to rail car:	NA				
Has rail been used in past/Cost savings of rail:	NA				
If line was available and reliable would rail be used:	Yes, about 3 cars in and out per day				
Notes:	Paul did not want to divulge information about his potential business opportunities, however the expense of rail shipments as well as not having a rail option have caused him to miss out on business opportunities in the past. He feels that the ability to ship products via rail is absolutely necessary for the future of Tulare County. As he sees movement toward making the rail a viable option for shipping he should be contacted to discuss number of cars he would ship per month/year.				

Rail Customer Profile – Porterville Rock and Recycle

<table>
<tr><td>Customer Name:</td><td colspan="5">Porterville Rock and Recycle</td></tr>
<tr><td>Address:</td><td colspan="5">14200 Rd. 284, Porterville Ca. 93257</td></tr>
<tr><td>Contact /Position:</td><td colspan="5">Mitch Brown / Owner</td></tr>
<tr><td>Phone:</td><td colspan="5">559-781-6389</td></tr>
<tr><td>Number of Employees:</td><td>NA</td><td></td><td>Gross Profit:</td><td>NA</td><td></td></tr>
<tr><td>Business Function:</td><td colspan="5">Base Rock, Boulders, Cobblestone, Fill Dirt, Plaster, Plaster Sand; Recycle, Rock & Stone, Sand, Stone</td></tr>
<tr><td>Current method of shipping/Why:</td><td colspan="5">Truck it is all that is available</td></tr>
<tr><td>Preferred method of shipping/Why:</td><td colspan="5">Rail, cost savings, product is heavy which forces many truck shipments</td></tr>
<tr><td>Amount spent on shipping annually:</td><td colspan="5">NA</td></tr>
<tr><td>Number of shipments annually:</td><td colspan="5">NA</td></tr>
<tr><td>Shipping capacity truck to rail car:</td><td colspan="5">4 trucks for 1 rail car</td></tr>
<tr><td>Has rail been used in past/Cost savings of rail:</td><td colspan="5">No. Current freight rate for trucking is $35 per hour. Costs have been estimated at about $35 per ton trucking where rail would cost about $17 per ton. Factor in it takes 4 trucks to ship the amount of 1 rail car.</td></tr>
<tr><td>If line was available and reliable would rail be used:</td><td colspan="5">Yes</td></tr>
<tr><td>Notes:</td><td colspan="5">Porterville Rock and Recycle is in the final stages of receiving a permit for a new rock quarry that they will control for the next 600 years. It is estimated that when this quarry is being mined they could ship 5,000 rail cars per year conservatively. There are many business opportunities that are surfacing, as well as the potential to open an asphalt plant in Visalia. This will not only grow the business financially but there would be an increase in employees needed as they would look to operate 24 hours a day. Mining the quarry in the day and loading rail cars at night.</td></tr>
</table>

Rail Customer Profile - The Roastery

Customer Name:	The Roastery				
Address:	23489 Divizich Ave, Ducor, CA 93218				
Contact /Position:	Laura Mejia /shipping Manger				
Phone:	(559) 534-2535				
Number of Employees:	20+	Gross Profit:	NA		
Business Function:	Manufacturing Salted and Roasted Nuts and Seeds				
Current method of shipping/Why:	They do not arrange the shipping., each client does his/her own shipping. They only provide the product, and the clients handle the shipping from their side.				
Preferred method of shipping/Why:	From their observation, they have found that most of clients would prefer trucking because they buy products in small bulks, so this method would be cheaper than rail.				
Amount spent on shipping annually:	NA				
Number of shipments annually:	NA				
Shipping capacity truck to rail car:	NA				
Has rail been used in past/Cost savings of rail:	Rail has been used only twice, in a situation where the clients wanted us to handle the shipping for them. Based on their requested, shipping would be done via rail.				
If line was available and reliable would rail be used:	If the clients wanted it then yes				
Notes:					

Rail Customer Profile - Sierra Citrus

Customer Name:	Sierra Citrus				
Address:	715 E Tulare Rd. Lindsay CA				
Contact /Position:	Martin Alvarado & Tommy Florez				
Phone:	(559) 562-2577				
Number of Employees:	100-200 (varying on season)	Gross Profit:			
Business Function:					
Current method of shipping/Why:	Truck only.				
Preferred method of shipping/Why:	Truck – when shipping to east coast, rail cannot guarantee shipment within certain amount of days. The perishable products that they ship require them to ship via truck				
Amount spent on shipping annually:					
Number of shipments annually:	150 trucks /week (depending on season) – about 4,000 – 5000 trucks to the east coast.				
Shipping capacity truck to rail car:					
Has rail been used in past/Cost savings of rail:	No.				
If line was available and reliable would rail be used:	No, due to the perishable nature of their products.				
Notes:					

Rail Customer Profile – Sierra Forrest Products

Customer Name:	Sierra Forrest Products				
Address:	9000 Road 234, Terra Bella, CA 93270				
Contact /Position:	Doug Hanson/Sales Manager				
Phone:	559-535-4893				
Number of Employees:	NA	Gross Profit:	NA		
Business Function:	Manufactures rough, sawed or planed lumber				
Current method of shipping/Why:	Trucks				
Preferred method of shipping/Why:	Rail, weight issues, also opens up markets and business opportunities				
Amount spent on shipping annually:	NA				
Number of shipments annually:	About 180 truck shipments out				
Shipping capacity truck to rail car:	3 trucks to 1 rail car				
Has rail been used in past/Cost savings of rail:	Rail was used in past				
If line was available and reliable would rail be used:	Yes				
Notes:	Based on what the current business is doing they would ship about 5 or 6 rail cars per month. However, rail opens up other business opportunities that are currently not cost effective. Example wood chips could be shipped to Oregon paper mills in the amount of 30 cars per month. There are other similar business opportunities however they are currently not being explored because there is no functional rail line. If there was a functional cost effective rail system the company would be able to grow their business into new markets.				

Rail Customer Profile - Suntreat Packing

Customer Name:	Suntreat Packing				
Address:	391 Oxford Ave, Lindsay CA				
Contact /Position:	Mike Robert/Shipping Manager				
Phone:	(559) 562-4991				
Number of Employees:	150-200	Gross Profit:	50 mill in sales		
Business Function:	Citrus Packing				
Current method of shipping/Why:	Truck. Customer usually pays shipping; the trucking method is usually requested by the receiving party.				
Preferred method of shipping/Why:	Truck				
Amount spent on shipping annually:	$ 200,000				
Number of shipments annually:	1200 tons per year (1 truck = 30tons)				
Shipping capacity truck to rail car:					
Has rail been used in past/Cost savings of rail:	They currently do use Railex about 5-10 times per week, but only at the customer's request.				
If line was available and reliable would rail be used:	No, even if rail went away business wouldn't be affected.				
Notes:					

Rail Customer Profile – Tuff Stuff Products

Customer Name:	Tuff Stuff Products				
Address:	9600 Road 256, Terra Bella, CA 93270				
Contact /Position:	Max Lee / President				
Phone:	559-535-5778				
Number of Employees:	NA	Gross Profit:	NA		
Business Function:	Manufacture industrial supplies/containers				
Current method of shipping/Why:	Truck is the only method available				
Preferred method of shipping/Why:	Combination of truck and rail, some customers cannot be shipped to via rail because they are not near a rail system				
Amount spent on shipping annually:	NA				
Number of shipments annually:	NA				
Shipping capacity truck to rail car:	3 trucks to 1 rail car				
Has rail been used in past/Cost savings of rail:	No has not been available				
If line was available and reliable would rail be used:	Yes				
Notes:	Tuff Stuff moved to their current location because they thought rail would be available to use for shipping. They would take about 3 to 5 rail shipments in and out of finished goods per month. See AGG customer profile as this is a new business being started by Max Lee that will have more rail possibility.				

Rail Customer Profile – Tulare Frozen Foods

Customer Name:	Tulare Frozen Foods				
Address:	650 W. Tulare Rd. , Lindsay, Ca. 93247-1433				
Contact /Position:	Jim Fikkert				
Phone:	559- 853-8776 – email: jfikkert@tularefoods.com				
Number of Employees:	NA	Gross Profit:	NA		
Business Function:	Sanitary Food Containers, Except Folding				
Current method of shipping/Why:	Truck				
Preferred method of shipping/Why:	NA				
Amount spent on shipping annually:	NA				
Number of shipments annually:	NA				
Shipping capacity truck to rail car:	NA				
Has rail been used in past/Cost savings of rail:	NA				
If line was available and reliable would rail be used:	Yes				
Notes:	Were not able to have informative conversation with Jim. The rail has the potential to create new business opportunities for TFF and for them to grow their business, size of facility, employees, and increase sales. They do want the possibility to use rail but a number of rail cars shipped per year was not given. A previous study done by Chuck Littlefield projected them to use 300 carloads per year				

Rail Customer Profile - Viking Ready Mix Co Inc

Customer Name:	Viking Ready Mix Co Inc				
Address:	11099 Old Friant Rd, Fresno, CA 93730-0808				
Contact /Position:	Christina/ Receptionist				
Phone:	(559) 434-1550				
Number of Employees:	300+	Gross Profit: NA			
Business Function:	Ready-Mixed Concrete				
Current method of shipping/Why:	The company has multiple locations across the San Joaquin Valley. They only deliver the ready mix concrete by cars/trucks to the customers whether individuals or companies in the same area. They do not use any type of rail shipping because they deliver their products to customer in the same city/town.				
Preferred method of shipping/Why:	cars/trucks				
Amount spent on shipping annually:	NA				
Number of shipments annually:	NA				
Shipping capacity truck to rail car:					
Has rail been used in past/Cost savings of rail:	No. this option does not apply to the business.				
If line was available and reliable would rail be used:	No				
Notes:					

Appendix C – 2002 SJVR Shippers List

SJVR Shippers

Exeter Subdivision (8-05-2002)

There are several bright spots on the Exeter Sub. The City of Sanger is aggressively soliciting new business due to high unemployment and the recent closing of a Super Kmart. They have set aside land with utilities already installed designed for industrial development. We were successful in relocating MC Truss from Fresno onto a part of this property. They have broken ground and we have already installed an 850-ft industrial track. Operations are expected to begin about June 2002. We expect to receive about 10 car loads per month to begin with. Also located in Ivory on a cleared timber mill site, we have relocated Richard Best Trucking who receives small lots of grain products which are used to feed the extensive dairy business in the Tulare/Kings County area. Growth is expected with better than 300 car loads this year with property available to grow this business and has potential for cross-docking too. Fresh perishable business lost to BNSF and UP cross-docking operations due to our only operator shutting down will soon reopen at a new location with a competitor taking over the original cross-dock facility. There are some vacant citrus packing sheds along our right of way with little potential here due to their age and suitability for potential industry. However with favorable federal and state grant money available for rural areas and unemployment, there is some opportunity based on local city or county support. The GBC works against us from Fresno out to Sanger and should be eliminated.

The Porterville Sub carries the lowest tons per mile of any of lthe subdivision and covers one of the longest runs from any SJVR yard. We had initiated a surcharge of $900 per car to cover cost due to a lack of business in June of 2000. The main reasons for business to decline was poor inconsistent service some due to the loss of Sierra Forest business during Pacific Rim economic collapse in 1999 and a devastating frees to the citrus crop. We rescinded this surcharge on January 31, 2002 in an effort to renew enthusiasm for rail service due to an interest expressed by Sierra Forest Products and Cannella Chemical. Since that time there have been some queries as to loading ballast and other rock products at Ultra using the property owned by Cannella. Potential for this new business could be anywhere between zero to 500 car loads per year at this time. There are two rock quarries to access from and cross-dock to the rail. Cross-docking is a very viable option in securing this business

Company Name	Station	Commodity	GBC	C/L's
Smurfit-Stone Container Div	Fresno	Paper	200	407
Vopac	Fresno	Chemicals	200	138
Allan Company	Fresno	Waste	200	85
Anderson Clayton	Fresno	Cotton	200	0
Cribari Vineyards	Fresno	Alcohol	200	33
Hodges Building Material	Fresno	Roofing	200	26
Holt Lumber	Fresno	Lumber	200	73
Lyons Magnus	Fresno	Juice	200	0
Pitt DesMoines	Fresno	Steel	200	170
Silvas Oil Co.	Fresno	Chemicals	200	7
Williamette Industries	Sanger	Paper	200	743
Toter Industries	Sanger	Resins	200	100
M. C. Truss	Sanger	Lumber 200	New	start-up
J. R. Wood	Sanger	FzFruit	200	16
GK Tech (General Cable)	Sanger	Resins	200	1
Golden State Vintners	Lac Jac	Juice		1
Golden State Feed	Reedley	Grain		51
Tom Cypress	Dinuba	Logs		1
Tony Guerrero cold Storage	Clotho	Grapes	200	0
Sun Pacific	Neil	Citrus		2
RBT	Ivory	Grain		285
Cal By-Products	Ivory	Grain		0
Best Agri Marketing	Ivory	Grain		0
Sequoia Orange	Exeter	Citrus		0
Waterman Industries	Exeter	Coke		17
Mayflower Fruit	Exeter	Citrus		158
Keith Brown Lumber	Exeter	Lumber		12
Gardengate Foods	Exeter	Citrus		143
Covenant Convoy	Exeter	Autos		0
Central Valley Cartage	Exeter	Autos		16
Bowsmith	Exeter	Resins		15
Amigo Foods	Exeter	Citrus		5
A&K	Exeter	Steel		5
Cal Citrus Packing	Lindsay	Citrus		0
Cal Citrus Products	Lindsay	Juice		0
Cal Citrus Pulp	Lindsay	Food Prods		3
Harvest Container	Lindsay	Paper		74
HIT Products	Lindsay	Resin		0
Lindsay Fruit	Lindsay	Citrus		0
LoBue Brothers	Lindsay	Citrus		0
NDS	Lindsay	Resin		53
Sierra Citrus	Lindsay	Citrus		0
Suntreat Growers	Lindsay	Citrus		2
Valley Foods	Lindsay	Food Prods		2
Copeland Lumber	Porterville	Lumber		0
Sierra Forest	Terra Bella	Lumber	290	0
Cannella Chemical	Ultra	Fertilizers		21
Cal Valley Citrus	Vance	Citrus		0
Pavich Family Farms	Elmco	Citrus		0
JR Simplot –J	Jovista	Fertilizers		0
Total Car Loads				2665

Appendix D - Tulare County GIS Terms of Use

RESOURCE MANAGEMENT AGENCY

5961 South Mooney Blvd.
Visalia, CA. 93277
Phone (559) 733-6291
Fax (559) 730-2653

Britt L. Fussel	Engineering
William Hayter	Comm. & Dev. Services
Jean P. Brou	Transportation
George Finney	Planning
Hal Cypert	Support Services
Roger Hunt	Administrative Services

Henry Hash, Director

Michael D. Ellzey, Associate Director

May 13, 2009

To whom it may concern:

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Acceptance and use of this data implies agreement with these terms.

Sincerely,

Mark Clark
GIS Coordinator
Tulare County RMA

Appendix E - Businesses from GIS Search

SUM_AREA	APN_Dash	sTLCCS3	CODE_AND_D	M1_OWNER
136943.32290000000	338-040-011	Urb:Indy:Storage Yard	3500 Warehouse StorageYard LumberYard	AGRI CEL INC
419297.45690000000	141-080-005	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	AMARILLO GEAR COMPANY
1428950.79440000000	269-050-037	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	BECKMAN COULTER INC
63856.80000000000	017-201-004	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	BOB J BARKER COMPANY INC
215031.90980000000	338-270-013	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	CALPINE CONTAINERS
788616.76420000000	199-040-032	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	CHAMPION HOME BUILDERS CO
848651.51740000000	012-250-016	Urb:Industrial (Ag Related)	4500 Canneries Wineries Saw_Mills	COMMUNITY RENEWABLE ENERGY SERVICES
235426.86570000000	205-200-030	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	CORDUA PAUL M (Hit Products Corporation of California)
1023110.52640000000	012-260-067	Urb:Industrial (Ag Related)	4500 Canneries Wineries Saw_Mills	DINUBA TIMBER INDUSTRIES
113706.32800000000	012-250-056	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	DURAND-WAYLAND MACHINERY INC
15148.67670000000	247-160-033	Urb:Indy:Storage Yard	3500 Warehouse StorageYard LumberYard	ENNIS COMMERCIAL PROPERTIES LLC
156862.83870000000	260-300-013	Urb:Indy:Storage Yard	3500 Warehouse StorageYard LumberYard	GILMAR ENTERPRISES
1071350.93530000000	133-040-025	Urb:Indy:Storage Yard	3500 Warehouse StorageYard LumberYard	INTERNATIONAL PAPER COMPANY
34339.60620000000	302-210-029	Urb:Indy:Storage Yard	3500 Warehouse StorageYard LumberYard	LEFFINGWELL AG SALES & CHEMICAL CO
29130.95930000000	205-220-013	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	LO BUE BROS INC
1154267.50130000000	338-030-010	Urb:Industrial (Ag Related)	4500 Canneries Wineries Saw_Mills	MUNGER KEWEL & JANIE
219909.24360000000	030-120-080	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	NUTRIENT TECHNOLOGIES INC
319602.98950000000	141-080-023	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	ORANGE BELT SUPPLY COMPANY
487579.22960000000	017-030-010	Urb:Indy:Storage Yard	3500 Warehouse StorageYard LumberYard	PATTERSON LOGISTICS SERVICES INC
224101.94940000000	339-070-018	Urb:Industrial (Ag Related)	4800 Dehydrating Plant	RICHGROVE ALMOND INC
830687.57220000000	017-030-005	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	RUIZ FOODS PRODUCTS INC
559892.84840000000	320-122-016	Urb:Industrial (Ag Related)	4500 Canneries Wineries Saw_Mills	SIERRA FOREST PRODUCTS
254170.84020000000	138-010-036	Urb:Industrial (Storage Yard)	3800 Batch_Plant Sand&Gravel Concrete	SOUTH VALLEY MATERIALS INC
856884.78250000000	338-070-069	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	STYROTEK INC
427276.81340000000	129-010-016	Urb:Industrial (Ag Related)	4800 Dehydrating Plant	SUNSHINE RAISIN CORP
33837.47520000000	205-134-019	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	SUNTREAT INVESTMENT INC
1033478.14010000000	135-200-042	Urb:Industrial (non-Ag)	4100 Light_Mfg. General_Mfg.	SVENHARDS PARTNERSHIP
885324.42320000000	321-160-031	Urb:Industrial (Ag Related)	4800 Dehydrating Plant	THE ROASTERY
5805070.60130000000	047-040-026	Urb:Industrial (Ag Related)	4500 Canneries Wineries Saw_Mills	VENTURA COASTAL LLC
220457.70400000000	243-210-051	Urb:Industrial (Storage Yard)	3800 Batch_Plant Sand&Gravel Concrete	VIKING READY MIX CO INC
1869811.44110000000	269-130-008	Urb:Indy:Storage Yard	3500 Warehouse StorageYard LumberYard	WAL-MART STORES EAST LP