



American Passenger Trains



CORRIDOR CAPITAL

Passenger Rail Development,
Finance and Management

First in the nation

In June of 2014 Corridor Capital was selected by the Indiana Department of Transportation as the manager and operator of the *Hoosier State* passenger train route between Indianapolis and Chicago.

This Public-Private Partnership is the first in the nation for the management and operation of an intercity passenger train.

Corridor Capital is dedicated to bringing an entrepreneurial style to the *Hoosier State*, providing cost containment leadership, upgraded passenger train equipment, improved passenger schedules, more train frequencies and seats, route extensions, and a superior passenger experience. The future model for the American passenger train is here.

America's first passenger train development company

A new generation discovers America's passenger trains

Passenger rail service in America is changing fast. Our modest network of trains and stations has been overwhelmed by crowds never anticipated when the nation's passenger train system was designed two generations ago. Americans are demanding a truly modern, high-quality, high-frequency train service.

The leaders are listening

And a new political consensus is emerging to deliver it. Elected officials on both sides of the aisle now agree Americans want and need trains, and decision makers are striving to provide them. They understand that the old passenger-train model is obsolete and that a new one must replace it.

But what kind of new model?

Corridor Capital – passenger train developers

Corridor Capital LLC was formed in 2004 because Chairman James E. Coston foresaw today's crisis and opportunity and designed a company to address them – a new type of business engaged in a new type of work called passenger train development.

What is a passenger train developer?

Just as a real estate developer need not be an architect or a builder, a passenger-train developer need not be a railroad. While the real estate developer assembles and integrates the work of architects, financiers, public sector planners, legal specialists, tax experts and construction contractors, the passenger train developer integrates the work of state and

community transportation planners with the locomotive and railcar builders, train operating companies, maintenance contractors, onboard service vendors, reservations-software designers, WiFi providers and the railroads over which the trains operate.

A true Public-Private Partnership

The Corridor Capital business model is that of a Public-Private Partnership. Corridor Capital is a private business entity. The public partner typically is a state government, multi-state compact or municipal joint-powers authority seeking to sponsor an intercity or commuter passenger rail service.

While these government entities typically have access to funding for a passenger rail service, few are organized, structured or staffed to provide the train service itself. And very few own any cars, locomotives or maintenance shops to service their trains.

That's where Corridor Capital comes in. Our company has experienced personnel both inhouse as well as with our partner firms to make sure public sector sponsors have access to all the expertise, skills and facilities needed to establish and run a successful passenger train program.

Plus, we've got the wheels

Perhaps most important, Corridor Capital controls a fleet of passenger railcars which can be put into service quickly so that public-sector sponsors can start up a new passenger rail service – or take over an existing one – without suffering years of uncertainty while a new appropriation for passenger rolling stock makes its way (or doesn't) through Congress.

Among Corridor Capital's holdings are more than 50 of the indestructible stainless-steel "Hi-Level" fleet of coaches built in the 1950s and '60s for the Santa Fe Railway's luxury overnight services. Built by the legendary Budd Company of Philadelphia for cruising speeds of 110 miles per hour, the Hi-Levels are waiting to be stripped down to their shells and rebuilt to the latest levels of passenger comfort and safety,

with advanced heating and air conditioning, modern ADA rest rooms, WiFi, electronic passenger information systems, reclining seats and contemporary food service and business class appointments.

The Hi-Levels are not just ready to be rebuilt. *They're ready to be new.* By conforming to contemporary engineering standards the Hi-Levels will actually be superior in quality, performance and safety to their state when they first left the Budd factory.

They'll also be different in application. The coach interiors, originally designed to carry 72 passengers in fully reclining sleeper seats on a two-night journey, will be reconfigured as intercity corridor coaches carrying 95 to 100 passengers on daytime itineraries. The denser seating arrangement – which involves no loss of comfort – means higher revenues and lower operating costs for the cars' public sponsors.

Plus, we've got financing

When Corridor Capital acquired the Hi-Level fleet it didn't just buy the cars. We also developed a series of financing models to make sure public-sector sponsors could get access to these cars without enduring the delays and uncertainty of winning an appropriation to cover the cost of a purchase. Our financial advisor, BMO Capital, is ready to arrange financing of the Hi-Level rebuilds so the new cars can be leased or sold to public sponsors under a variety of scenarios and terms including lease-with-option to purchase, low-cost, long-term RRIF financing, and lease with option. BMO Capital also stands ready to arrange financing for maintenance facilities so public-sector sponsors can have their new trains maintained by local private-sector contractors in a location convenient to their respective route. In addition, Corridor Capital can arrange for private capital financing of passenger rail assets and facilities.



**Corridor Capital's
Hi-Level fleet is
North America's only
privately-owned,
uniform fleet of
passenger cars for
sale or lease**



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