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San Diego, CA –The Pacific Imperial Railroad, which plans to revitalize the Desert Line from Imperial County to Mexico-based manufacturing sites, has reached several major milestones in its agreement with the Metropolitan Transit System.

The latest milestone was a \$500,000 lease payment to MTS for freight railroad rights on the 69.9 mile Desert Line between Plaster City, Calif., and the border with Mexico at Tecate.

“We are encouraged by the progress this group has made to transform a historic rail line into a viable economic engine for the region,” said Paul Jablonski, Chief Executive Officer of MTS.

Since the MTS Board of Directors approved the Desert Line operating agreement with PIR in December 2012, PIR has submitted a proprietary business plan and reconstruction plan. The \$500,000 lease payment, which was due July 1, 2013, was submitted on June 11.

PIR will now proceed with its reconstruction plan that includes an assessment of the condition of 57 bridges and performing necessary repairs.

Upcoming milestones are the completion of initial repairs on the rail line (December 2013) and the testing of trains (January 2014). The line is expected to have limited operations within three years and have full scale operations in five years.

MTS is scheduled to receive another \$500,000 lease payment on January 1, 2014, and \$1 million or 15% of gross operating revenue in every year of the lease, which can be up to 99 years.

The Desert Line was originally built by John D. Spreckels beginning in 1906. It was completed in 1919 at a cost of \$18 million.

Once repairs are complete, the Desert Line will provide a much needed link for supply and finished products between the United States and Mexico.

MTS operates more than 90 bus routes and three Trolley lines on 53 miles of double-tracked railway. The system generates about 300,000 daily trips. For more information on how you can use public transportation and save money, go to www.sdmts.com.

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