



**NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
("V&T Railway Commission")
Agenda Report**

Date Submitted: 04/20/23

Meeting Date Requested: 04/26/23

Time Requested: 10 Minutes

To: NEVADA COMMISSION for the RECONSTRUCTION of the V&T RAILWAY Commissioners

From: David Peterson

Subject Title: Discussion and possible action regarding responses to a Request for Proposals ("RFP"), RFP 2023-01 Rail Bike Operations.

Staff Summary: *In response to RFP 2023-01 Rail Bike Operations, V&T Commission received one proposal from Mendocino Railway, which has been reviewed by a committee.*

Type of Action Requested:

Resolution

Ordinance

Formal Action/Motion

Other (Specify) Presentation Only

Recommended Board Action:

Applicable Statute, Code, Policy, Rule or Regulation: n/a

Fiscal Impact:

Explanation of Impact:

Funding Source:

Supporting Material/Attachments: 20230426_VT_Item 9_Rail Bike Operations RFP

Prepared By: Allyson Bolton, Atypical Consulting and Events

Mendocino Railway's
Response to the
Nevada Commission for the Reconstruction of the V&T Railway
(V&T Railway Commission)

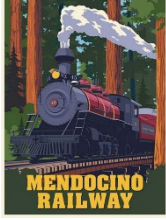
Request for Proposals
for
Rail Bike Operations



April 2023

Submitted By:
Mendocino Railway
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MENDOCINO RAILWAY

Foot of Laurel Street
Fort Bragg, California 95437

April 6, 2023

V&T Railway Commission
4650 Eastgate Siding Road
Carson City, Nevada 89701

Dear Commissioners:

Mendocino Railway is pleased to offer this response to the Nevada Commission for the Reconstruction of the V&T Railway (V&T Railway Commission) request for proposal to operate rail bikes over its track in Carson City, Nevada.

Operating a moving tourist attraction on a daily basis requires dedication to safety for both employees and guests. It also requires a high level of sustained professionalism as to planning, hiring, retention, training, maintenance of equipment, safe operating standards, marketing, financial systems, security, and management. Mendocino Railway has the experience and capability to offer this for a successful 2023 and beyond.

We would welcome the opportunity to engage further with you on rail bikes over these historic tracks.

Thank you,

MENDOCINO RAILWAY

Robert Jason Pinoli
President

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4.2.1 Company History

Mendocino Railway is a Class III short-line railroad that, among other things, conducts tourist operations in several locations in California, carrying over 100,000 guests annually.

Our Skunk Train is a historic train that traverses a 40-mile line through the coastal redwoods between Fort Bragg and Willits, CA, regularly being noted as one of the world's 10 most scenic railroads. We also operate the River Fox Train that is one of the top activities in the Greater Sacramento area, gliding through farmlands along the Sacramento River. On December, 16, 2021, the Ventura County Transportation Commission approved a 35-year agreement with our sister company, Sierra Northern Railway. In March 2023, we launched the Sunburst, a guest-facing operation.

We are one of the nation's pioneers in human-powered railroad activities. We are actively building our own 40-mile hiking trail with a variety of train and trail experiences. We are the only railroad we know of that employs a fulltime trail master and a horticulturist!

We are also one of the nation's rail bike pioneers. Our patent-pending design incorporates an electric assist on every rail bike. That means that even guests who cannot pedal on their own or who have other mobility issues can still ride our rail bikes. Rail bike operations are currently offered at the Skunk Train, River Fox Train and The Sunburst.

While it has been many years, our company is very familiar with the region and lay of the land. In 2006, our company was selected by the Commission to be the operators of the V&T Railway. While waiting three years for the V&T Commission to resolve a legal conflict with the Grey family, we assisted the Commission with fund raising, planning and promotions for the Carson City-based railroad operation. Unfortunately, the legal issue was never resolved, and the V&T Commission determined it necessary to use the Grey family as their rail operator.

Because of Mendocino Railway's long, successful, and safe history in rail operations, we believe that we are uniquely qualified to provide the services of rail bike excursions as described in the RFP on historic V&T route.

4.2.2

Mendocino Railway operates on tracks owned by the Ventura County Transportation Commission, a governmental agency pursuant to an RFP and selection process that was made in 2021. Currently, Mendocino Railway does not operate on other state-owned or federally-owned property.

4.2.3

Mendocino Railway has been providing rail bike tours for five years and started providing tours on a limited basis in 2018 at its Skunk Train operation in Fort Bragg, California.

4.2.4

As a leader in the travel and tourism industry, we firmly believe in partnerships and alliances. We also believe in business growth through offering a good product, proactive marketing, and solid public relations.

Regional knowledge is extremely important to our business model and our desire to work with local chambers of commerce, convention and visitor bureaus, and destination marketing organizations is an integral part of our business philosophy.

Because we were selected as the intended operator of the railway we have done extensive work on visitor demographics as well as the regional nuances that make Northern Nevada so unique. Carson City is located just over the mountain from Lake Tahoe and down valley from Reno an up-and-coming destination for food, travel, and cultural events. California provides a large market share to Northern Nevada's year-round tourism base, we plan to market this experience to the well over 100,000 guests who travel with us annually.

We also are keenly aware that this region of Nevada is an all-season recreational playground, and while rail bikes may not appeal to everyone in the winter, there are those who will brave the elements for an experience regardless.

Annually, we attend sales and marketing missions such as ABA, GoWest, IPW, NTA, and Outlook Forum to name just a few.

4.2.5 Safety

Mendocino Railway is committed to safety and has had no claims or exceptions taken by the California Public Utilities Commission or the Federal Railroad Administration. We have an exceptional safety record.

At each of Mendocino Railway's operations, we run rail bikes in tandem with trains and uses track warrant controls to protect such operations.

An example we've include a copy of Mendocino Railway's - Operations and Safety Plan for rail bikes at the Skunk Train. This is attached as **Exhibit 1**.

4.2.6

Riding a rail bike is like no other experience. The steel rails steer you, so you are free to take in all the sights without having to worry about drifting off course. We understand that in the RFP document you say, "*At a minimum, rail bikes must include 4-seats,...*". All our rail bikes are built for two, though a single rider can pedal just fine on their own. We do not understand the need for the odd requirement as there are no advantages (safety or otherwise) of a 4-seat bike over that of a 2-seat bike.

Key features about our rail bikes include:

- Adjustable seats for maximum comfort and proper securement of feet on pedals.
- Safety belts.
- Ability to accommodate car seats.
- Headlight and taillights for evening operations.
- Electric assist motor with dual batteries.
- Brakes.
- Basket for safe securement of guest belongings.

Our bikes are built inhouse by skilled fabricators and machinist. Our rail bikes are patent pending for various design features and their electrification, something we have been using since our Mark I version were released. Today, while we still operate the Mark I's we're on to the Mark IV's. These new bikes are equipped with dual batteries so that travel is not interrupted (for nearly 25 miles of moderate to heavy use with grade and curvature). Because we build the bikes ourselves, each of our guides are trained in repairing bikes both in the field and back at home base.

While our bikes do not have steel wheels, we did reinvent the wheel as we found all the plastic wheels available on the market to be unsuitable for our operations. In 2020 we did a site visit and rode with your previous operator. We found the ride to be extremely bumpy, not as a result of track conditions rather the bike wheels. We feel that our proprietary blend of composite material coupled with a proprietary steel spoke / hub system gives the necessary amount of rigidity without having the added weight of steel wheels and a smooth ride.

4.2.7

Mendocino Railway believes in purchasing quality materials and products and supports a 'Buy America' first policy when practical.

From a quality of goods perspective and as an example, helmets run the gambit, as such our helmets meet CPSC helmet standards, and our lap belts are durable and suited for automotive use, far exceeding the necessary requirements for rail bikes.

Mendocino Railway employs a variety of ways to charge batteries. At two of our operations we use standard electricity, whereas at another we use 100% solar power and battery banks to charge. If selected, we will determine the best method for charging and work within the parameters of the property to do so.

4.2.8

Mendocino Railway is committed to safety, and we take great pride in our training programs.

Please see a sample of an operations plan that we have used at the Skunk Train (**Exhibit 1**).

At one of our operations during the reservations process each guest receives an email with a safety video link. We show them the same video again at our rail bike launch point on large overhead screens. Our guides then review the instructions with each guest and check each rail bike prior to departure. A link to the safety video can be viewed here <https://vimeo.com/787678158/516560e130>

Since wildfires have become all too common place, we have a company wide Wildfire Smoke Protection Plan that was put into effect July 2021. This plan ensures that our

employees and guests are protected. On days when the AQI crosses a threshold and conditions are severe all non-essential operations stop.

We have observed that many operators of other railroad-based attractions not adhering to the same standards that we consider to be essential. In our opinion it is unacceptable to not follow regulations that are standard within the passenger railroad industry, regardless of how equipment on a rail line is powered.

While our rail bikes have limits, we work with guests to make every reasonable accommodation and have found that many with mobility issues enjoy the ride just fine. As the operator, designer, and manufacturer of our rail bikes, we are continually making improvements to improve accessibility. For example, we recently added a trailer that can accommodate guests with dogs or other companion animals. And we're working on a canopy to offer protection from weather.

Every rail bike excursion is guide-assisted with a lead guide in front, a tail guide in the rear, and the guest rail bikes between. Guides are trained in CPR, first aid (standard and wilderness), as well as in safe railroad operations. Our guides also travel with redundant communication devices. They are also trained to deal with issues that may arise in the field for the respective areas they are passing through.

Additionally, at all our operations where active crossings are in place, we've upgraded the signal houses to include Dual Tone Multi-Frequency (DTMF) technology that can activate the lights, bells, and gates from a railroad approved radio. While this is a significant investment it allows our guides to safely activate the warning devices before entering a crossing to ensure all traffic is stopped.

Prior to each departure we ensure that bike seats are properly adjusted so that feet rest comfortably on the pedals. Our guides conduct a full safety briefing including the use of hand signals so that bikers can pass the signals back if a slowdown or stop needs to be made. If selected we will integrate with the 'rules of the road' specific to the operations of the V&T.

Regardless of whether you select our company, we ask that you prioritize this issue in your selection process. As one of the few railroads that are also a railbike operator, we are greatly concerned by the standards of some non-railroad operators. This issue is also why we have turned down every request to purchase or rent our equipment since we do not want our equipment associated with an operation's subpar standards.

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4.2.9

Mendocino Railway's oldest operation was founded in 1885 and has been continuously operating ever since, Mendocino's parent company Sierra Railroad Company was founded in 1897 and safety is not something we talk about occasionally, its daily culture.

Safety goes hand in hand with security. As a Class III common carrier railroad, we work together with the FRA, TSA, and the PUC.

At the start of each tour of duty, our crews hold a job briefing which reviews the lineup and track warrants, along with a 'rule of the day', from the GCOR or timetable, and address other factors such as weather or environmental concerns that may affect both the health and safety of staff and guests. Our rail bike guides are trained and certified in AED, CPR, standard first-aid, and wilderness first-aid where applicable. Additionally, each guide must meet the minimum standards to be a railroad conductor, are required to attend annual training classes, and successfully pass a pre-employment background and drug screen. All employees are subject to random testing throughout the course of their employment.

Our commitment to providing guests with an enjoyable experience includes having them aware of the environment and natural resources specific to an area, while rail bikes are fun, we find ways to tell stories, and incorporate good stewardship practices in everything we do.

4.2.10 Business Operations

If selected, Mendocino Railway, as a lessee/guest on the property we would work hand-in-hand with the V&T Railway Commission to ensure that we too embrace the mission, *“Keeping the historic V&T Railway alive by offering unique visitor experiences while creating positive economic impacts for the region.”* Again, working together we will find ways to partner, cross market, and promote the existing rail operations and ongoing preservation efforts.

Additionally, we believe in pricing our experiences based on many factors, uniqueness is key among them. While some on the outside have commented on how much more we charge for our experiences, we also have decades of experience running railroads and railroad attractions. We know the financial challenges. With this in mind, we charge what we feel is necessary to have a sustainable, financially viable business.

4.2.11

Much like safety being culture, referring to our customers as guests is culture too. Treating every guest with care and respect while staying true to our operations and mission is key.

In the excursion side of our business, we exist solely because of our guests, through hiring locals and providing proper training, we feel the best way to entertain is to tell stories.

Inevitably issues arise and matters need resolution. Guests do not want to be put in queue they want to be heard in a timely manner. Our staff and on-site managers are empowered to make decisions that result in favorable outcomes with people walking away feeling as if they have been heard and the matter having been resolved. Trip wise when something goes wrong, it is customary for us to issue a refund and extend tickets for those guests to return and experience the operations as they should have been.

There are occasions when a situation arises, and the actions or behavior of a guest has crossed the line. In these situations, our staff work quickly to isolate and neutralize the issue working with outside agencies if necessary.

4.2.12

Mendocino Railway its sister companies and parent company all share common company resources. Accuracy and precision in everything we do is paramount. For our reservations system we partner with FareHarbor, a leader in experience-based bookings. Our retail operations are powered by both VEND and Square. Our skilled accounting team uses QuickBooks and Cashflow360, while our HR team uses UKG for the management of payroll and all HR related items. We use other software for asset tracking and management.