The Southern Pacific Railroad's Coast Line had its origin in the San Francisco & San Jose Railroad, which was opened between those two cities on January 16, 1864. Some of the founders of the SF&SJ then organized the Southern Pacific Railroad Company, which was incorporated on December 2, 1865, and authorized by Congress to build south through the San Joaquin Valley to the Arizona state line at Needles, California. The original organizers did no construction, but in 1868 sold the SP along with the SF&SJ to the Big Four of the Central Pacific. Early in 1868, the SP started its first construction south from San Jose on what would become its Coast Line; on March 13, 1869, the line was opened to Gilroy (30 miles south of San Jose), to Pajaro (Watsonvllle Junction) on November 27, 1871, to Salinas on November 1, 1872, and to Soledad, 90 miles south of San Jose, on August 12, 1873. There the terminus remained for 13 years while construction forces concentrated on completing the SP (1876) and SP Sunset Route (1883).

In early 1886, work finally resumed south from Soledad through King City, Metz (this location 8 miles south of Soledad), and Paso Robles to Templeton on November 16, 1886, extending the line now 170 miles south of San Jose. During 1887, the line was continued another 15 miles south through the high valleys of Atascadero to Santa Margarita, where further progress involved heavy construction on the crossing of the Santa Lucia Mountains, the most formidable obstacle on the Coast Line. It is 8 miles as the crow flies from Santa Margarita across the Santa Lucia Mountains to San Luis Obispo, but to traverse that distance took six tunnels, a spectacular horseshoe curve, 15 miles of grade and trackage, and 7 years before the line was opened to San Luis Obispo on May 5, 1894. Then came 7 more years of construction along the Pacific shore, providing a scenic route but offering many engineering difficulties in completing the line to Santa Barbara in 1901, where it met the SP Santa Barbara Branch (1887), thus opening the SP Coast Line from San Francisco to LA.

Northward view of the SP (1886) at the small agricultural center of Metz. The grade is cut into the soft alluvial sediments that form the banks of the Salinas River floodplain and in the distance a 1,300-foot tunnel keeps the alignment straight through a promontory. The trees to the left (west) of the promontory is riparian growth in the channel of the Salinas River. The rich soils of the floodplain, including these green fields, make the Salinas Valley a world class agricultural area.

Southward view of the SP (1886) at the same location as previous. Riparian growth in the channel of the Salinas River is visible to the far left.