

# What is the HVR?

- Official name: Heber Valley Historic Railroad Authority
- An independent state entity (confusing)
- Formed in 1992, renewed in 2010
- A tourist and historic railroad operating on 16 miles of track from



# What is the HVR?

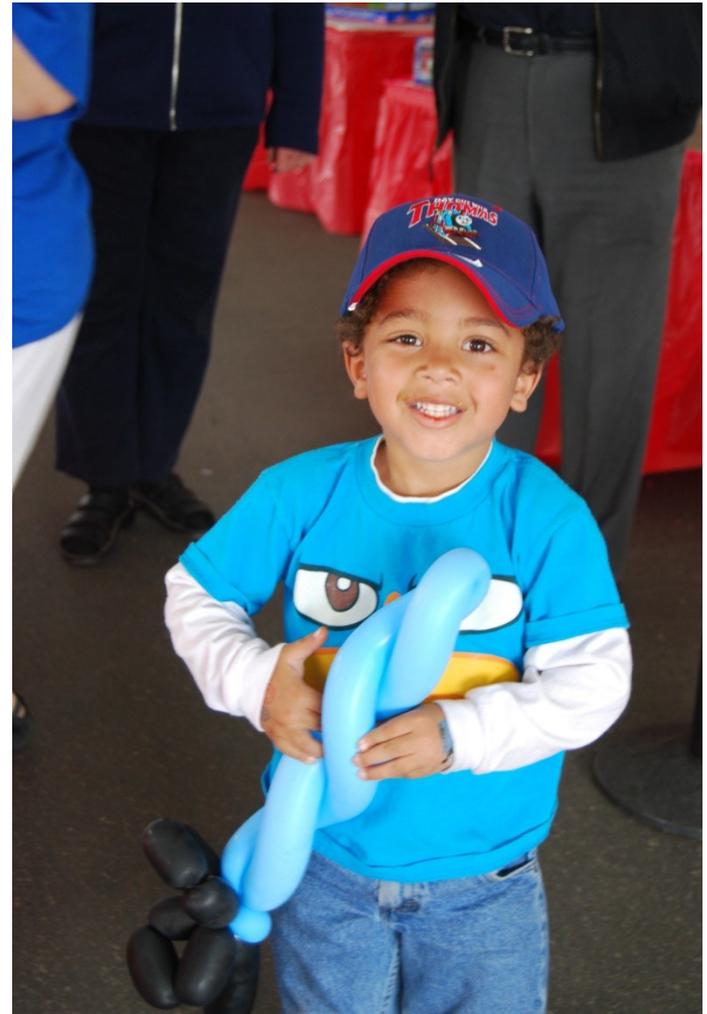
- Sells about 70K tickets per year.
- Has two 1907 Baldwin steam locomotives
- One of only a few shops in the U.S. with the ability to rebuild a steam locomotive
- The only  
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historic/tourist



# The customers and the ride

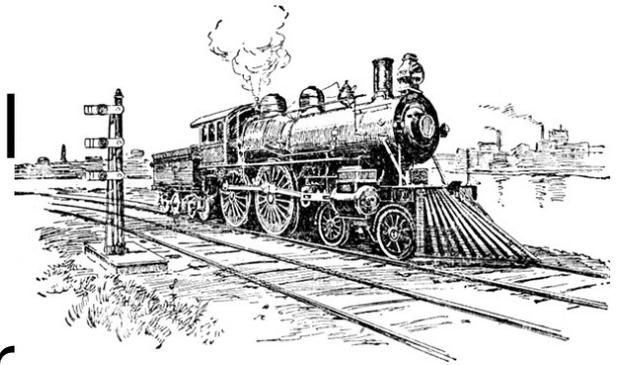
- As mentioned approximately 70K people will ride the train this year
  - About 40% are tourists from out of state
  - About 60% are tourists from in state
- People who ride the train love the

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# HVR History

- The railroad started in the Heber Valley in 1899 (we're 113 years old)
- Then part of the Rio Grande Western Railroad
- Connected to the national rail system in Provo.
- Hauled freight (livestock and passengers).
- Has operated under various ownership as a tourist/historic



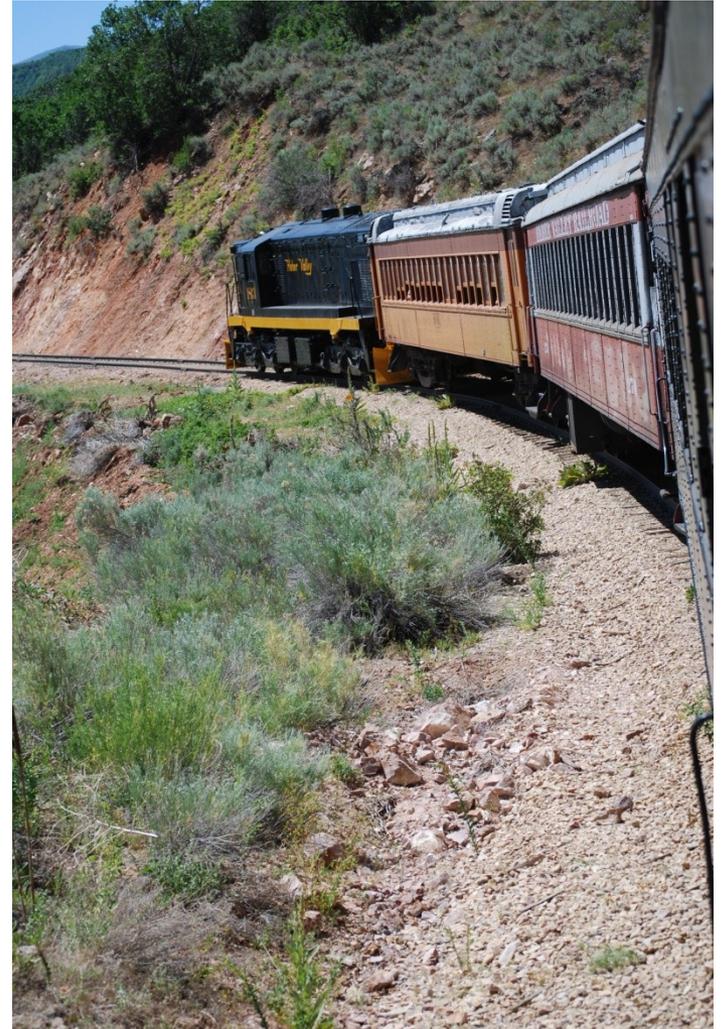
# Assets



- The HVR's assets include 3 diesel and 2 steam locomotives, and a variety of passenger cars and other "rolling stock".

# Regulatory

- The HVR is regulated by the Federal Railroad Administration.
- Significant regulatory changes have impacted the HVR over recent years.
  - i.e. passenger cars, signals, bridges, training



# Financial

- The HVR has averaged about \$2M in revenue over the past five years, and break-even net income.
- Ridership and revenue has declined almost 40% during the past 5 years.



# Financial

- The HVR has ~\$750K in debt.
- We are actively seeking outside financing to:
  - Acquire better passenger equipment
  - Fund steam locomotive restoration



# Plans

- Secure financing for recapitalization
- Run trains year round
- Improve product & service levels
  - 1st class car(s)
  - Dining car(s)

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Open air car(s)



# State of Utah

- The HVR received \$1M in 1992 at our formation.
- We plan to seek one-time recapitalization funding in 2013 (\$3M).
  - One time purchase of restored passenger cars
  - Refurbish/restore existing passenger cars

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Get the steam locomotive(s)





Thank you

Mark Nelson

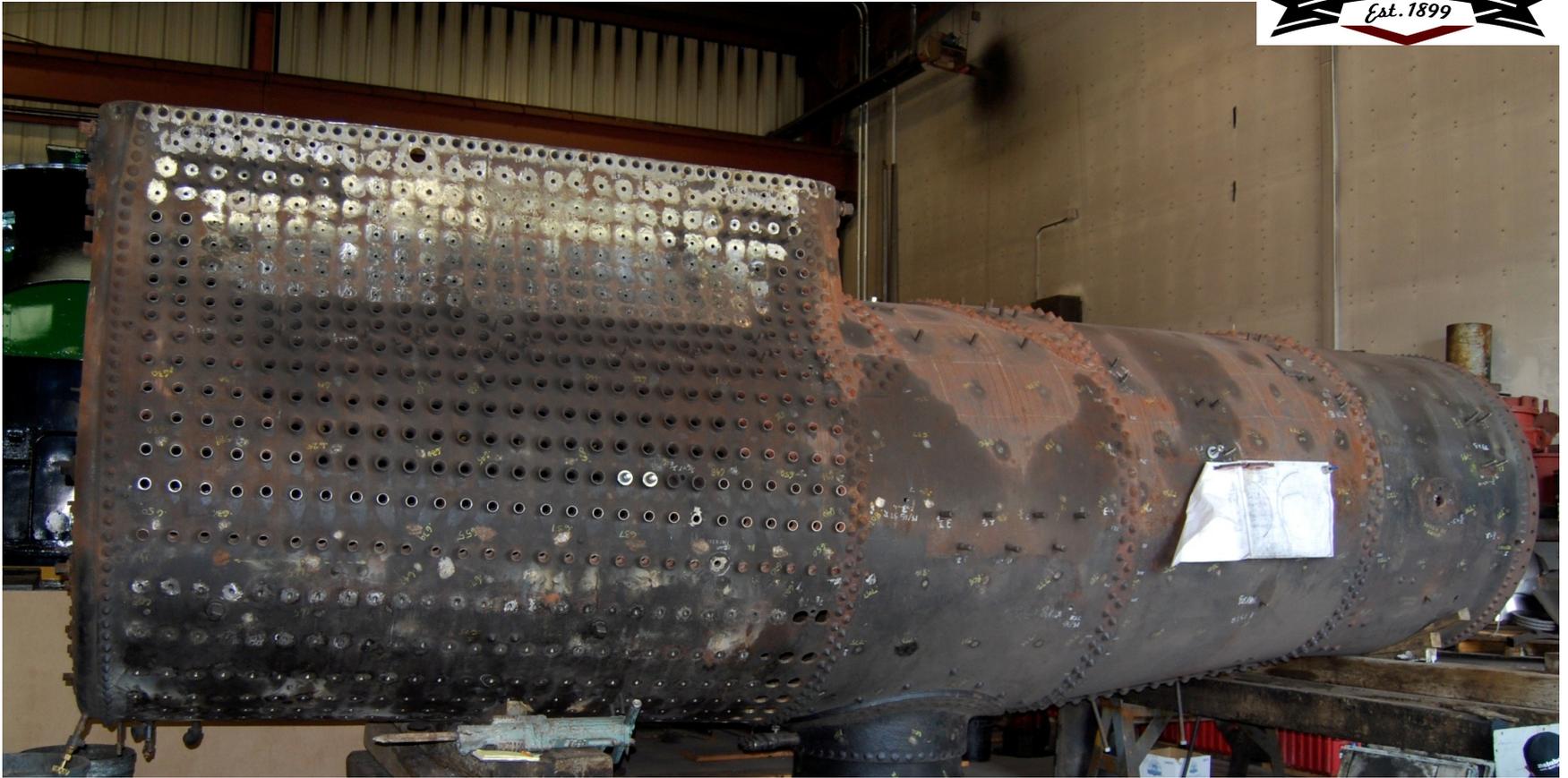
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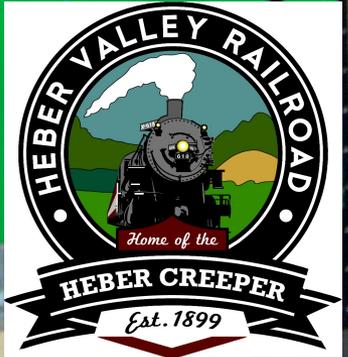


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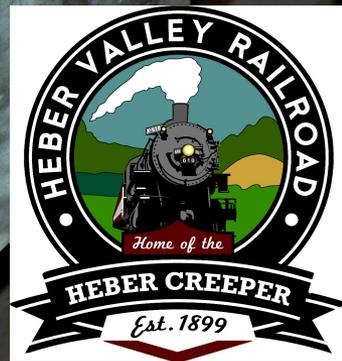
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