



HEBER VALLEY HISTORIC RAILROAD AUTHORITY

August 12, 2020

Why the Heber Valley Railroad Should Remain an Independent Entity of the State of Utah (And Potential Alternatives)

In 1992 the Heber Valley Historic Railroad Authority was created by the State Legislature. Its purpose as stated in the enabling legislation: “The authority shall operate and maintain a scenic and historic railroad in and around the Heber Valley.” The HVR has done so since 1992.

The HVR should remain a government entity because:

1. It preserves and protects a unique and important part of Utah and U.S. history for future generations to enjoy.
 - a. It is Utah’s only historic railroad.
 - b. It provides important educational opportunities to Utah’s students, children, and families. Hundreds of Utah students visit the HVR each year, learning about and experiencing Utah and railroad history. Over 100K out-of-state visitors also participate in our historical experience.
 - c. Railroads built the West, and Utah. The HVR is the only place in the state to see, touch, and experience that history firsthand. Visiting the depot/yard is free.
 - d. The HVR is a year-round, fully operating railroad, complete with a variety of passenger, locomotive, and even some freight equipment. It has one of best collections of historic (1920’s) passenger cars anywhere in the U.S.
 - e. The HVR owns many important historic rail cars and locomotives from Union Pacific and Denver Rio Grande Western – the two primary railroads operating in Utah in 1900.
2. It provides a layer of preservation protection against short-term economic downturns, which might (in private ownership) cause the historic railroad to cease.
 - a. Private ownership failed and it closed in 1990 – as the State was trying to buy it.
 - b. In 2015 Wasatch County loaned the HVR funds for track repairs.
 - c. Covid 19 is seriously challenging the HVR this year! Many tourist railroads are closed, others are selling off assets, and may not ever reopen.
3. It operates on a State-owned right of way on an important preserved corridor.
 - a. State Parks and UDOT jointly own the right-of-way and lease it to the HVR.
 - b. There is a trail system being developed next to the tracks in this corridor.
 - c. It is unlikely the State would want to sell the right-of-way, and it is unlikely a private owner would be willing to buy the HVR without a guarantee of right-of-way access.

4. It provides important historical, economic, and iconic benefits to the citizens of Utah, and particularly Wasatch County (the fastest growing county in Utah, and one of the fastest growing in the U.S.) The citizens of Wasatch County, and citizens all over Utah support the HVR.
 - a. The HVR is a significant contributor to the Heber Valley economy (employs 150 students, puts almost \$2M back into the Wasatch County economy annually)
5. It operates on its own and does not receive ongoing operational funding from the State of Utah or any other government source. In the past six years the HVR has doubled the number of passengers carried, trains operated, and revenues. The HVR has operated profitably for the past several years.
6. As stated in the legislation, the State of Utah is not liable for debts or obligations of the HVR.
7. As a government entity the HVR has access to government surplus, which is a source for much of our tooling, vehicles, large machinery, parts, and even train equipment. The HVR is the “poster child” for efficient and wise use of the government surplus system.
8. The State of Utah has infrequently contributed funds to support the HVR and the “public good.” Other entities of different kinds such as orchestras, operas, zoos, aquariums, the State Fair Park, and the This is The Place park frequently receive financial support from the State of Utah.

Alternatives to the present Independent Entity Ownership:

1. Transfer the HVR to Wasatch County. This presents the following challenges:
 - a. The right-of-way issue.
 - b. Less protection long term, in that County Councils or Managers could make local decisions not in the best interest of the State (it is a State historical treasure).
2. Make the HVR a State Park or put it under State Parks. Doesn't really accomplish anything different from the State's ownership perspective, and potentially gives control to a system that doesn't necessarily understand tourist railroading.
3. “Sell” the HVR to a private individual or organization.
 - a. The State loses control of an important historical asset.
 - b. What about the right-of-way with the trail system on it?
 - c. The value/price of the HVR is much higher to the State than what it is “worth” to a potential buyer.

Suggestions for Moving Forward

1. Keep the Independent Entity Status as is for now.
2. Consider investing in the HVR to truly make it a “destination.”
 - a. Annual financial support similar to “This Is The Place.”
3. Further develop the HVR's educational value and programs for Utah's students and families.