

# HEBER VALLEY RAILROAD

Mission

Activities

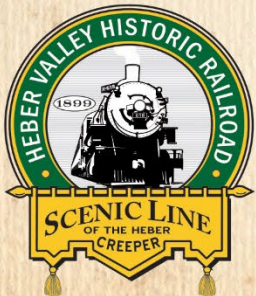
Current assets

Financial Position

Alternative ownership options (from 2021)

June 12, 2023

Mark Nelson, Executive Director

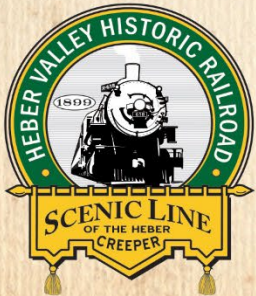


# HEBER VALLEY HISTORIC RAILROAD

## Mission:

### From the enabling legislation:

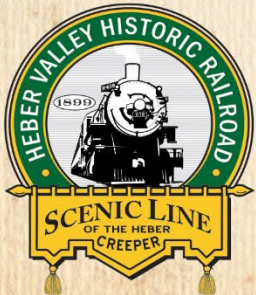
“The authority shall operate and maintain a scenic and historic railroad in and around the Heber Valley.”



# HEBER VALLEY HISTORIC RAILROAD

## Activities (2022):

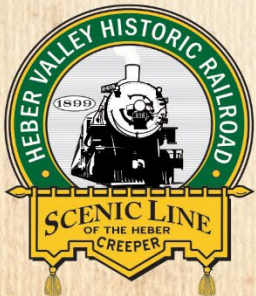
- Ran 549 passenger trains
- Carried 130K passengers
- Employed 8 FT, 50 PT, + >125 students
- Replaced 5000 ties – rehabilitated 4 miles of track (10.5 of our 15.5 miles now in an acceptable condition)
- Hosted a free community summer concert series
- Provided free rides for hundreds of veterans, seniors, and other deserving families and groups



# HEBER VALLEY HISTORIC RAILROAD

## Activities (2022) continued:

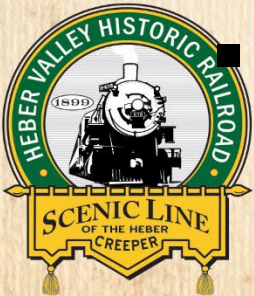
- North Pole Express: 88 sold-out trains with an average of 565 passengers and 50 crew.
- The HVR is the top tourist attraction in, and the “icon” of, the Heber Valley
- Our capable mechanical staff and shop is one of the top in the U.S.
- We have thousands of likes, followers, and a 4.5/5 star rating on social media platforms.



# HEBER VALLEY HISTORIC RAILROAD

## Current Assets:

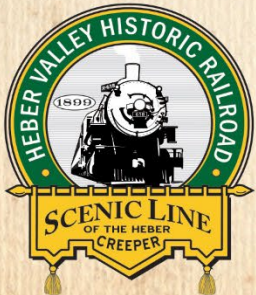
- Approximately 3.5 acres of land including the depot, shop, and recently-built coach storage building
- 5 diesel locomotives (1950's)
- 13 passenger cars in active service. They can carry 650 passengers.
- Another 3 passenger cars being restored which will carry another 140 passengers.
- Train shop with extensive tooling



# HEBER VALLEY HISTORIC RAILROAD

## Current Assets & Debt:

- As of December 31, 2021, HVHR had **\$8,597,102** invested in capital assets. This amount reports a net increase of \$1,530,232 over last year. (audited financials)
- (current) Assets: \$11,030M (unaudited)
- As of December 31, 2021, long term debt outstanding is **\$3,087,222**, of which \$782,077 is due in one year. (audited)
- (current) Debt includes: \$2.1M owed to Wasatch County, and \$800K owed to Zion's Bank. (unaudited)



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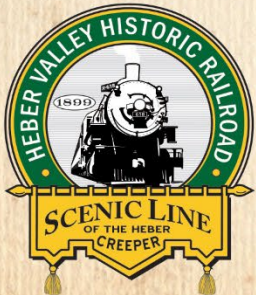
## Legislature Appropriations – Recent Past:

2014 - \$250K one-time

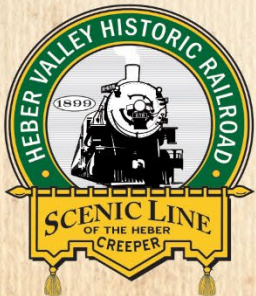
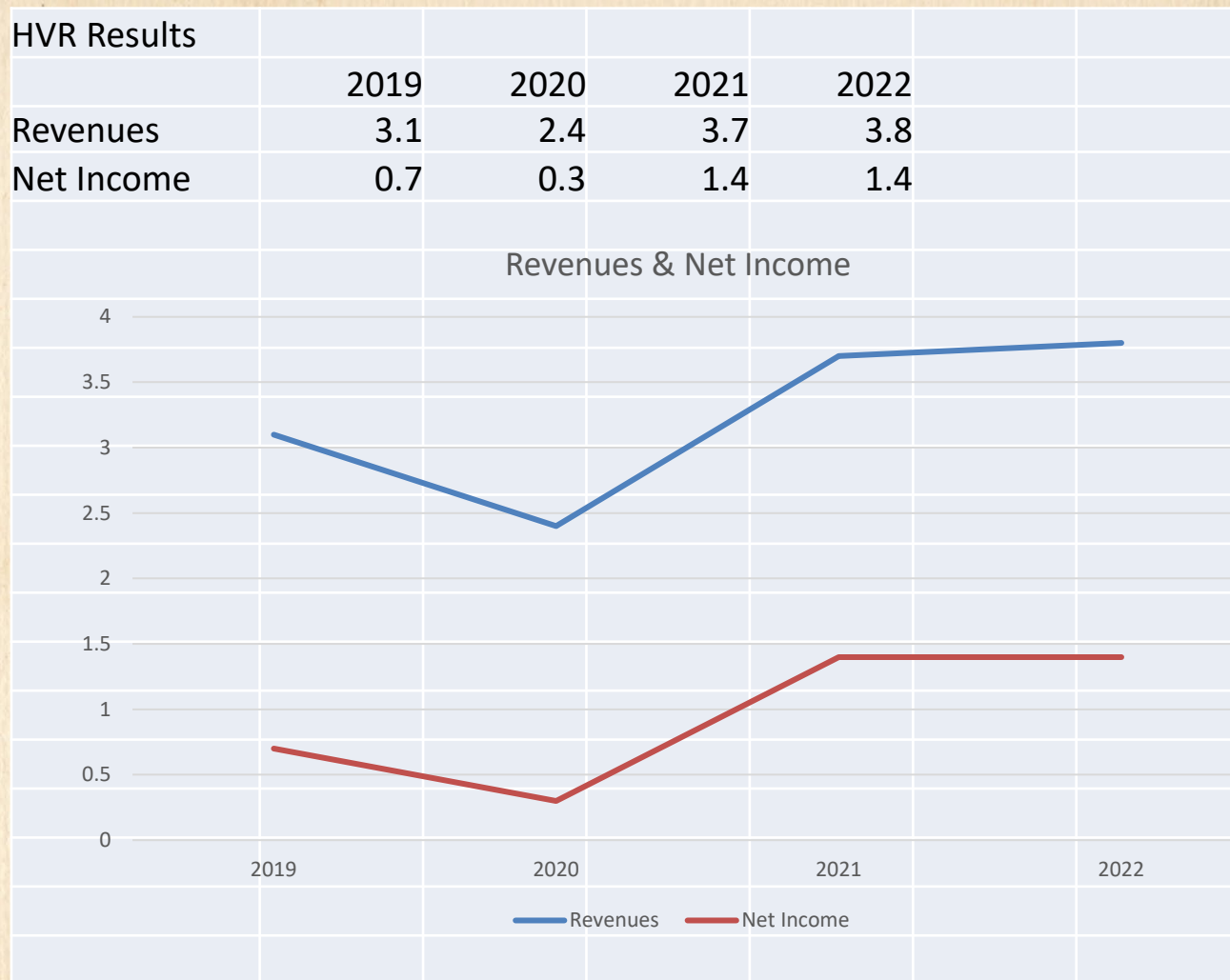
2019 - \$315K one-time

2022 - \$1M one-time + \$600K grant via Wasatch County

2023 - \$1M one-time



# HEBER VALLEY HISTORIC RAILROAD



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## Financial Position:

**Right-of-way maintenance and capital costs are significant**

Required Track Maintenance is \$300K - \$500K per year

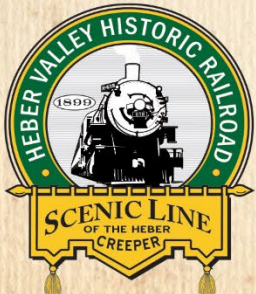
## Recent Capital Investments

Locomotive acquisition & maintenance (\$300K)

Passenger Car acquisition & restoration (\$2.0M)

Coach Storage Building (\$1M)

Track & right-of-way rehabilitation (\$2.5M)



# HEBER VALLEY HISTORIC RAILROAD

## Future plans:

“Below the dam” Provo Parkway project

Vivian Park train platform (est. \$500K)

‘Whistle Stop’ in Midway

Utah history education programming (field trips)

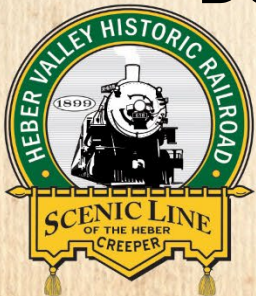
Turntable at Vivian Park (est. \$1M+)

Turntable near depot (est. \$1M+)

Shop extension (est. \$1-2M)

Launch ‘Dinner Train’ service (est. \$1-2M)

Depot area improvements (\$1-5M)



# HEBER VALLEY HISTORIC RAILROAD

## Ownership Alternatives:

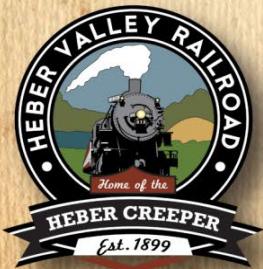
**Current – Independent State Agency**

Hybrid Concessionaire

State Park managed

Wasatch County managed

Privatize



HEBER VALLEY HISTORIC RAILROAD

# HEBER VALLEY HISTORIC RAILROAD

## Ownership Alternatives:

### Current – Independent State Agency - Advantages

Financially viable

A Utah treasure and a Wasatch County icon

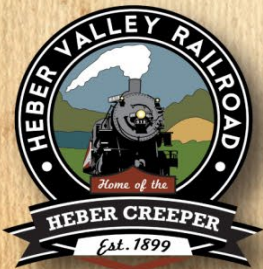
Historic

Great local employer & tourist attraction

Has a bright future and growth path

Trails, bicycles, dining, events, gathering place

Works well with local entities (Wasatch County, Heber City, State Parks, etc.)



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## Ownership Alternatives:

**A State of Utah Independent Entity is the Best Option for the HVR!**

Arms-length oversight by the Legislature

Direct oversight by the Board of Directors

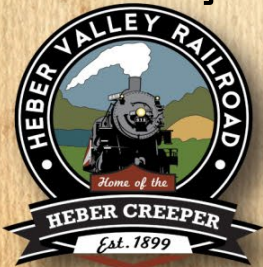
Access to State of Utah service and networking

Legislature, PEHP, URS, UDOT, Risk Management,

Great relationship with local entities

Consistent safety, profitability, and great customer experiences

We just need a little help with right-of-way maintenance



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## Ownership Alternatives:

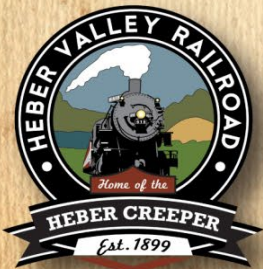
**Hybrid Concessionaire**

Right-of-way maintenance

Property, buildings, equipment relationship

Liability

Management challenge



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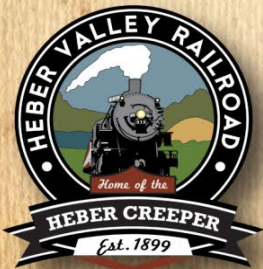
## Ownership Alternatives:

### State Park managed

They wouldn't want it – or love it

Railroad management expertise

“Lumped in” with other parks – potential bad fit/decisions



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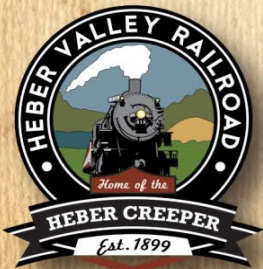
## Ownership Alternatives:

### Wasatch County managed

Might work well right now, but future councils could easily "undo" it

Relationships with UDOT/State/Entities could work

Might have less clout with the legislature?



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## Ownership Alternatives:

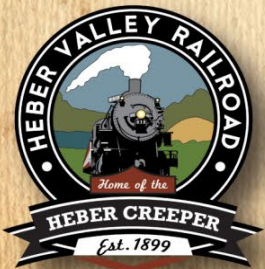
### Privatize

Probably wouldn't sell the right-of-way?

Sell the rolling stock/equipment/buildings/land?

Would it go a direction the State & County didn't agree with?

Late-night trains, alcohol problems, inappropriate content



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Questions?

