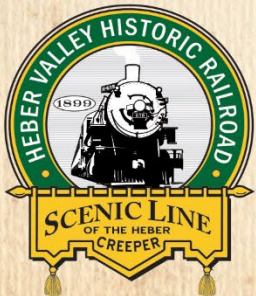


HEBER VALLEY RAILROAD

Advantages of Current Ownership Model

September 11, 2023

Mark Nelson, Executive Director



HEBER VALLEY HISTORIC RAILROAD

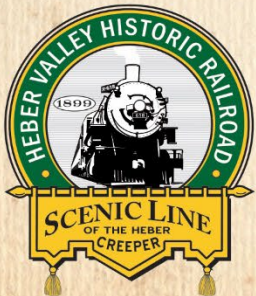
Legislature Appropriations – Recent Past:

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

Why Maintain the Current Model?

A Utah Treasure

A Valuable Asset

A Great Investment

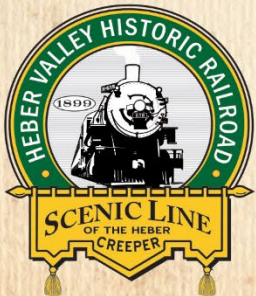
An Economic Driver

Well Run Organization

Historic Weakness will be a Strength

We Have Plans to Grow

Our Unique Business Model Works!



HEBER VALLEY HISTORIC RAILROAD

A Utah Treasure

Utah history:

Transcontinental railroad

Utah's only historic/tourist railroad

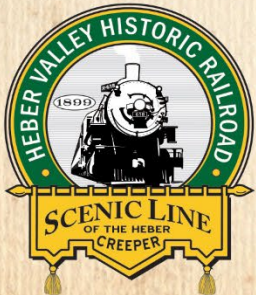
DRG&W route

Historic equipment

2 – 1907 steam locomotives

1913-1930's Era passenger cars

1940's-1950's Era passenger cars



HEBER VALLEY HISTORIC RAILROAD

A Valuable Asset

Right-of-way – owned jointly by UDOT and Parks

Depot/shop – owned by HVR

Historic locomotives

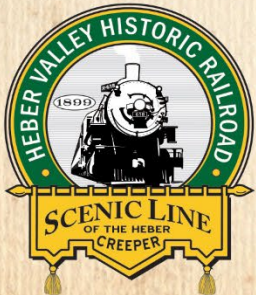
2 steam locomotives

5 diesel locomotives

Historic restored/being restored, passenger car

24 – 1930< cars

4 – 1940> cars



HEBER VALLEY HISTORIC RAILROAD

A Great Investment

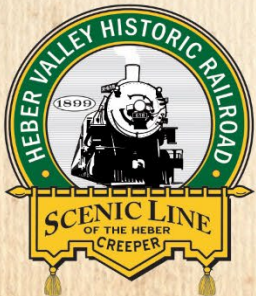
The legislature has “invested” about \$3.5M in the HVR since 1992.

In the last 9 years the HVR has generated \$24.8M in revenues and \$8M in profit (all of it re-invested in the HVR)

In the last 4 years the HVR has generated \$14.5M in revenues and \$5M in profit (all re-invested).

The most recent 4 year average is \$3.6M in revenues, with profit of \$1.4M

That's A Great Investment!



HEBER VALLEY HISTORIC RAILROAD

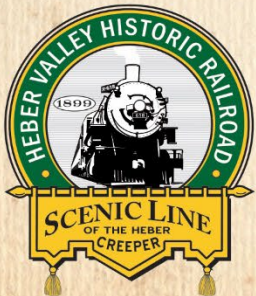
An Economic Driver

The HVR is the #1 tourist attraction in Wasatch County.

Last year carried 130K passengers on 570 trains.

About 50% of riders are tourists/visitors.

The HVR employs >100 teenagers, and uses local vendors for almost all services/supplies



HEBER VALLEY HISTORIC RAILROAD

Well Run Organization

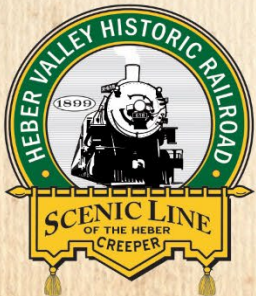
The HVR is has a great safety record.

Fun. We provide a diverse range of themed experiences.

Service. We answer the phone. We provide good, old-fashioned customer service.

Profitable. We have been profitable 8 years in a row.

Good partner. We work well with UDOT, State Parks, Wasatch County, MAG, Heber City, Midway City, Tourism & Economic Development, Wasatch County School District, Utah County



HEBER VALLEY HISTORIC RAILROAD

Our Historic Weakness will Soon Be a Strength

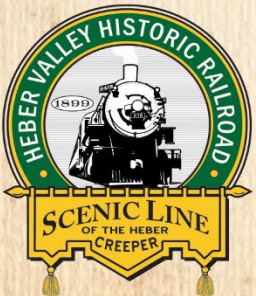
The HVR inherited a badly maintained right-of-way.

We have invested heavily in rehabilitation of the right-of-way.

The State has granted about \$3M to the HVR in the past 10 years.

The HVR has spent more than \$3M on right-of-way maintenance during the same period.

When the Provo Parkway segment is completed (2025), the HVR will have all 15.5 miles of track in “good” shape.
(reasonably easy to maintain from cash flow).



HEBER VALLEY HISTORIC RAILROAD

We Plan To Grow

We have the pieces in place to continue to grow.

Right-of-way

Equipment

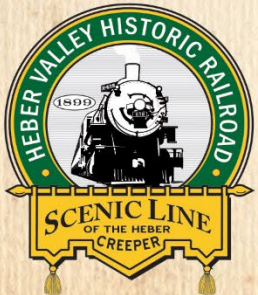
Management team

Facilities

Community support

Trails in work

Dinner train



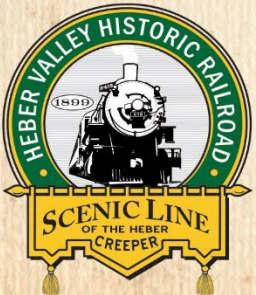
HEBER VALLEY HISTORIC RAILROAD

Our Unique Ownership Model Works!

Quasi-state agency combines government-owned advantages with entrepreneurial “private organization” agility and flexibility

The State provides the right-of-way, employee benefits, and general oversight.

The Board and team drives the business and railroad as a private organization.



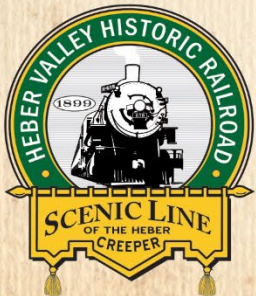
HEBER VALLEY HISTORIC RAILROAD

Keep it the way that it is.

Or transfer it to Wasatch County.

**They can maintain existing relationships with
UDOT, State Parks, Cities, Utah County, MAG,
etc.**

**Under Wasatch County have a similar
board/control structure. It would work.**



HEBER VALLEY HISTORIC RAILROAD

Our Current Board of Directors

Steve Farrell – Wasatch County Council –Chair

Celeste Johnson – Mayor Midway

Heidi Franco – Mayor Heber City

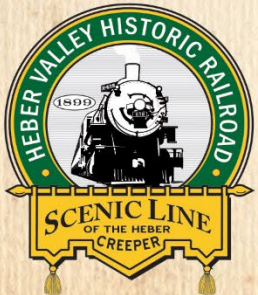
Dallin Koecher – Director Tourism & Econ Dev.

Rob Clayton – Region 3 Director, UDOT

Laurie Backus – Deputy Dir. Of Ops. State Parks

Richard Nielsen – Utah County Parks

Tom Jacobson – DABC – At large member



HEBER VALLEY HISTORIC RAILROAD

Advisory Board

Currently has 22 members

Tom Jacobson – Chair

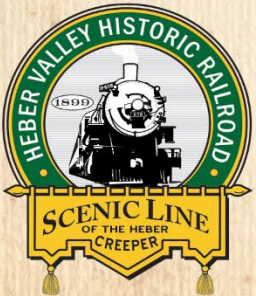
Includes: Craig Lacey – former Exec Director

Jon Brewster – retired Chief Scientist at HP

Scot Lythgoe – local builder

Lane Lythgoe – local architect

Armando Tirado – VP Savage Services



HEBER VALLEY HISTORIC RAILROAD

Questions?

