

UNITED RAILROAD HISTORICAL SOCIETY of NEW JERSEY

www.URHS.org

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Business Plan for a Perth Amboy Transportation Heritage Park

Executive Summary

The United Railroad Historical Society of NJ is a historic preservation group tasked with restoring a collection of railway equipment for the Future NJ Transportation Heritage Center, Park or Museum. The organization was formed in 1987 and is governed by delegates from 15 NJ-based rail groups. In the absence of a permanent museum site, the URHS preserves railway history by leasing operational equipment to short-line railroads, running excursions with Amtrak-certified rail cars, and restoring locomotives and cars at the Boonton Restoration Facility.

The URHS collection contains a wide variety of passenger and freight equipment, including two GG1, four E8, four F7, and many other locomotives, several of which are operational. The collection showcases representatives from all four major diesel locomotive builders in the US. Also in the collection are several freight cars and passenger cars, including the luxury tail cars from the famous *Blue Comet* and *20th Century Limited* trains. More than two dozen items in the collection operated through Perth Amboy.

The URHS is based at the West Boonton Yard in Boonton, NJ. This restoration facility houses a shop complex which is shared with StarTrak, Inc. and is fully equipped to do paint, metal work, restoration, and maintenance on locomotives and cars. The URHS is an all-volunteer operation and is qualified as a non-profit, public benefit organization by the Internal Revenue Service.

The URHS accomplishments over the past 27 years include: Preservation of over 80 pieces of rail equipment including locomotives, passenger and freight cars and service equipment; Restoration of dozens of rail cars and locomotives through success with grants and donations totaling millions of dollars; Establishment of the Boonton Restoration Facility and improvements including \$80,000 of fencing, construction of a \$200,000 shop building, paving, electrical system installation, etc.; Operation of : Numerous public excursion trains in cooperation with NJ Transit; Luxury Rail Vacations in cooperation with Amtrak all across the US; and Festivals & Multimedia Presentations attracting thousands of patrons.

The preservation, restoration and operation activities of URHS are supplemented by the accomplishments of several other groups focusing on historic motor coaches, trucks, trolley cars, etc. in addition to railroad equipment. With the establishment of a location with protective structures and where vehicle operations would be possible, the above described equipment could provide attractive ride experiences and displays.

The Market

Perth Amboy is ideally located in relation to the geographic and population center of NJ. It has outstanding access via major interstate highways, the Garden State Parkway, local arterial routes, as well as both rail and bus public transit lines. Plus, NY City, Trenton, and the Jersey Shore are all within a one hour travel distance of Perth Amboy. Numerous urban centers with high density population are within a half hour travel.

The Business Model

The operating entity would initially be a non-profit organization and staffing would be volunteers. Costs would be tightly controlled. It is expected that restored equipment for display and operation would be loaned or donated by the many NJ groups or individuals which have such rail and / or road vehicles. Rail and other construction materials, as well as artifacts, would be available from the Friends of the NJ Transportation Heritage Center. Funding for building and track construction has been pledged by individuals and organizations. Additional donations and grants will be vigorously pursued. It is anticipated that much of the lesser construction and maintenance work would be performed by volunteers. A small business office / mini-museum / store could be established in available space in the Perth Amboy railroad station which has been offered by the city.

Management Team

URHS presently has an effective management team, including Treasurer, VPs of Operations, Equipment, Legal, etc. A General Manager of the new Perth Amboy location would need to be established along with a staff of nearby and local volunteers.

Objectives

Initially, operations would begin with Sundays and expand with Saturdays from Memorial Day to Labor day. Special Santa and Easter Bunny trips would be added as soon as such operations are possible as they are popular and attractive. Eventually, operations could become near year-round. Numerous special events, charters and dinner trains could also be hosted for increased income.

Mission / Keys to Success

The focus would be to attract visitors from the large, nearby populations as well as international tourists from the NYC area. This would be accomplished with internet promotion; an attractive brochure; and signage directed at passengers passing by on the 40 to 60 daily NJ Transit trains.

The uniqueness and attractiveness of the vehicles used for operations would attract ridership.

Competitive Edge / Attractiveness

NJ Transit and freight trains operating in parallel, adjacent to the Transportation Heritage Park.
Pleasant views of the Raritan River and vessel traffic.
Nearby recreational boating and dinner cruises.
Ease of access via highway and public transit.
Outstanding local historic sites and facilities

Initial Construction Cost Estimates

Survey & Monumenting of Property:	\$ 10,000
Fencing:	\$150,000
Trucking of Materials / Equipment Rental:	\$ 15,000
Initial Car barn:	\$250,000
Track Construction In Excess of Volunteer Work:	\$200,000
Movement of Rail Vehicles to Site:	\$100,000
Miscellaneous:	\$100,000
Total (this funding has been pledged) :	\$825,000

Pricing Strategy / Income Projections

Bargain pricing of \$5 adult and \$2.50 child per admission / round trip ride is suggested.
A family group price of \$10 would be desirable and attractive.
Three round trip ride experiences per hour could be provided for a total average of 150 individuals.
This could be expected to produce an average of \$700 per hour or about \$4,000 per 6 hour day.
To be fair, inclement weather would reduce the above estimates.
Initial Sunday operations could produce \$50,000+ per season (15 x \$4,000).
Advanced Sat. / Sun. Operations could produce \$100,000+ per season.

Anticipated Expenses

Fuel: \$50 per operating day: Initial \$ 750.	Advanced: \$ 1,500.
Electricity: \$100 / month x 12 = per year:	\$ 1,200.
Telephone and Internet Expenses per year:	\$ 1,300.
Insurance: Annual Estimate Property & Casualty:	\$10,000.
Maintenance: Annual Estimate:	\$10,000.
Annual Improvements to Property:	\$76,000

Total Annual Expenses equal Advanced Sat. / Sun. Income of: \$100,000

Strategic Alliances

Reduced admissions / fares could be offered to members of URHS component organizations.
Tours of Perth Amboy historic sites could be an extension of the Transportation Heritage Park.
Alliances could be established between local historic, civic, and social organizations.
Cooperation could be established with antique truck and military vehicle organizations.
The NJ State Fire Museum could become a future part of the Transportation Heritage Park.
A transit connection between the Perth Amboy RR Station, the Transportation Heritage Park, and Cornicopia Cruise Line could be established.

Personnel Plan

When operations exceed Summer weekend volunteer staffing supplemental paid staffing will need to be implemented.

Financial Plan

Initial constructions costs have been pledged by individuals and organizations.