

Decision No. 14531

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
PACIFIC ELECTRIC RAILWAY COMPANY for)
authority to abandon service and remove :Application No. 10366
its tracks on certain streets in the)
City of Riverside, California.

ORIGINAL

C. W. Cornell, for Applicant.

S. C. Evans, Mayor, and G. A. French, City
Attorney, for City of Riverside, Protestant.

Henry W. Coil and J. L. Richardson, for residents
of Brockton Avenue, Protestants.

BY THE COMMISSION:

O P I N I O N

Pacific Electric Railway Company, a corporation, has petitioned the Railroad Commission for an order authorizing the abandonment of service and removal of tracks on certain city street car lines heretofore operated in the City of Riverside.

Public hearings on this application were conducted by Examiner Handford at Riverside, the matter was duly submitted following the filing of briefs and is now ready for decision.

The service herein proposed to be suspended and the trackage for which authority to abandon and remove is hereby sought is described as follows:

1. A single track commencing at a point on West Seventh Street near the northerly prolongation of the west line of Rose Way; thence easterly

along West Seventh Street to beginning of double track at a point approximately 150 feet westerly from the westerly line of Market Street, and thereafter a double track line beginning at above mentioned point in West Seventh Street, thence easterly along West Seventh Street and East Seventh Street to the end of said double track at a point approximately 160 feet westerly from the center line of Vine Street; thence easterly along a single track on said East Seventh Street a distance of 90 feet, more or less, to the end of said track.

2. A single track line commencing at the switch point in the single track line on Main Street, distant northerly about 75 feet from the center line of Fourteenth Street; thence southeasterly to Fourteenth Street and along Fourteenth Street to Lime Street; thence southwesterly along Lime Street and across Prospect Avenue to Olivewood Avenue; thence southerly along Olivewood Avenue to Cridge Street; thence southeasterly along Cridge Street to Victoria Avenue; thence southwesterly, southerly and southeasterly along Victoria Avenue to end of track a short distance northerly from Arroyo Drive.

3. A single track line commencing at the switch point in the present constructed single track line on Main Street opposite the northwesterly corner of Fourteenth and Main Streets; thence northwesterly along Fourteenth Street to Brockton Avenue; thence southwesterly along Brockton Avenue to end of track at Jurupa Avenue; including passing track near Bandini Street.

4. A single track line commencing at the switch point in the most westerly track near the north line of First Street a short distance west of the west line of Main Street; thence northwesterly across First Street and private property to Houghton Avenue; thence westerly along Houghton Avenue to Locust Street; thence northerly along Locust Street to the end of track approximately 375 feet northerly from the north line of Houghton Avenue.

All the foregoing as more fully shown in purple color on a blue print map marked "C.E.H. 8034" and filed herein as a portion of the application.

Applicant alleges that there is not sufficient patronage offering on the foregoing street car lines to justify their continued operation; that operation for sometime has been conducted at a loss; that to continue operation will necessitate

large expenditures for maintenance and repairs and for paving and reconstruction necessary to comply with the requirements of the City of Riverside in connection with street work and improvements; that public convenience and necessity does not require the further maintenance and operation of said lines in that there is no prospect of sufficient patronage to justify operation; and that the continued use of the tracks proposed to be abandoned is no longer necessary for the business of the applicant.

The several lines, herein proposed to be abandoned, are known and will hereinafter be referred to as "Seventh Street Line", "Fairmont Park-Victoria Avenue Line" and "Brockton Avenue Line".

Statements showing revenues and operating expenses for the period February 1, 1923 to January 31, 1924 for each of the three lines were filed as exhibits at one of the hearings. The following data has been abstracted from these exhibits:

SEVENTH STREET LINE

Revenue from Transportation	\$1981.32
Railway Operating Expenses.	<u>7137.36</u>
Net Loss-From Operation	\$5156.04
Depreciation	\$271.56
Taxes	104.02
Franchise percent- age of Gross Receipts	<u>144.43</u>
Deductions from Income	<u>520.01</u>
Net Loss	\$5676.05

FAIRMONT PARK - VICTORIA AVENUE LINE

Revenue from Transportation	\$10386.09
Railway operating Expense	<u>15852.01</u>
Net Loss from Operation	5465.92
Depreciation	\$700.06
Taxes	545.27
Franchise percentage of Gross Receipts	<u>673.46</u>
Deductions from Income	<u>1918.79</u>
Net Loss	\$7384.71

BROCKTON AVENUE LINE

Revenue from Transportation	\$8603.08
Railway Operating Expense	<u>9167.91</u>
Net Loss from Operation	564.83
Depreciation	\$393.01
Taxes	451.66
Franchise percentage of Gross Receipts	<u>304.77</u>
Deductions from Income	<u>1149.44</u>
Net Loss	\$1714.27

Similar statements were filed for the period
February 1 to June 30, 1924, inclusive, which show the following
data:

SEVENTH STREET LINE

Revenue from Transportation	\$ 827.43
Railway Operating Expenses	<u>2494.36</u>
Net Loss from Operation	1666.93
Depreciation	\$ 112.72
Taxes	43.44
Franchise percentage of Gross Receipts	<u>63.34</u>
Deductions from Income	<u>219.50</u>
Net Loss	\$1886.43

FAIRMONT PARK - VICTORIA AVENUE LINE

Revenue from Transportation	\$ 4044.59
Railway Operating Expenses	<u>5242.36</u>
Net Loss from Operation	1197.77
Depreciation	\$ 289.98
Taxes	212.34
Franchise percentage of Gross Receipts	<u>301.48</u>
Deductions from Income	<u>803.80</u>
Net Loss	\$ 2001.57

BROCKTON AVENUE LINE

Revenue from Transportation	\$ 3847.42
Railway Operating Expenses	<u>3021.91</u>
Net Gain from Operation	825.51
Depreciation	\$ 162.89
Taxes	201.98
Franchise percentage of Gross Receipts	<u>137.46</u>
Deductions from Income	<u>502.33</u>
Net Gain	\$ 323.18

The foregoing abstracts from exhibits filed cover all operating expenses, depreciation and taxes but make no allowance for interest return on the value of the property.

Exhibits filed herein and showing the actual net expenses (including taxes, franchise assessments and depreciation) which exclude general and supervisory costs show the following results for the periods mentioned.

SEVENTH STREET LINE

	Year ending <u>Jan. 31, 1924</u>	5 months ending <u>June 30, 1924</u>
Revenue from Transportation	\$1981.32	\$ 827.43
Direct Operating Charges	<u>6265.81</u>	<u>2188.69</u>
Net Operating Loss	4284.49	1361.26
Depreciation, taxes and Franchise Tax.	<u>515.67</u>	<u>218.89</u>
Net Loss	\$4800.16	\$ 1580.15

FAIRMONT PARK-VICTORIA AVENUE LINE

	Year ending Jan. 31, 1924	5 months end- ing June 30, 1924.
Revenue from Transportation	\$10386.09	\$4044.59
Direct Operating Charges	<u>13528.84</u>	<u>4429.78</u>
Net Loss	3142.75	385.19
Depreciation, Taxes and Franchise Taxes.	<u>1907.59</u>	<u>802.82</u>
Net Loss	\$5050.34	\$1188.01

BROCKTON AVENUE LINE

	Year ending Jan. 31, 1924	5 months end- ing June 30, 1924.
Revenue from Transportation	\$8603.08	\$3847.42
Direct Operating Expenses	<u>7823.46</u>	<u>2543.90</u>
Net Gain	\$ 779.62	\$1303.52
Depreciation, Taxes and Franchise Taxes	<u>1143.15</u>	<u>501.68</u>
Net Loss	\$ 363.53	
Net Gain		\$ 801.84

From the above statistics it is evident that the operation of the Seventh Street and the Fairmont Park-Victoria Avenue Lines have been conducted at a substantial loss during both periods shown and that such loss also is applicable to the conditions shown when the direct charges only are considered. The showing as regards the Brockton Avenue line, while not reflecting any material return for interest on the investment shows the line to be returning its operating costs and a slight increase in the average monthly revenue during the later period.

Mr. H. E. De Nyse, a witness for applicant, testified that paving work contemplated by the City of Riverside would require an estimated expenditure on the Fairmont-Park-Victoria

Avenue Line of approximately \$8000.00 and that it was anticipated a considerable sum would in the near future be required to defray the applicant's portion of the expense of rehabilitation of the Victoria Avenue Bridge. This witness also presented figures as to the expense which would be incurred if Brockton Avenue were to be paved. It does not appear, however, that there is any present agitation on the part of the residents on Brockton Avenue or by the City of Riverside relative to the paving of this avenue and until some definite action is taken thereon the anticipated expenditure does not become a factor to be considered in this proceeding.

The granting of the application is protested by the City of Riverside and by property owners and patrons of the various lines herein proposed to be abandoned. Protests were received from 334 signers representing 1068 persons living in the district served by the Brockton Avenue Line and from 247 persons served by the Fairmont Park-Victoria Avenue Line. Evidence was also received from representative protestants as to the inconvenience that would result from the proposed discontinuance of service and abandonment of the respective lines and as to the effect such abandonment would have on the development of new residential tracts which had been established.

We have given careful consideration to all the evidence and exhibits as presented in this proceeding. We are of the opinion and hereby find as a fact that sufficient justification has not been made to support the applicant's prayer for the abandonment of service and removal of tracks on the so-called Brockton Avenue Line. Exhibits as presented herein and as briefly analysed above show this line to be meeting its operating expenses and making a slight return on the investment. Further the traffic, according to exhibits filed herein, shows a slight

average monthly increase and while the claim was made by applicant that this line has not been maintained at a proper standard as regards track and equipment, there appears no substantial complaint as regards its condition. Further the anticipated expense by reason of paving appears to be one for future consideration there being nothing before the Commission indicating that proceedings initiating a paving program on Brockton Avenue are contemplated by the abutting property owners on such avenue or by the City of Riverside. The portion of the application requesting authority for the suspension of operation and removal of tracks on Brockton Avenue, Riverside, will therefore be denied.

The situation presented in the Seventh Street and Fairmont Park-Victoria Avenue Lines shows that both of these lines are being operated at a return in revenue which is considerably less than the direct operating costs, and there is no evidence in this proceeding which indicates that there is any additional traffic which might be developed in volume sufficient to justify their continued maintenance and operation and to return any interest on the value of the property. It also appears that an expense of approximately \$8000.00 must be made immediately on the Fairmont Park-Victoria Avenue line in connection with the street improvements now in progress. We are of the opinion and hereby find as facts from the record herein that the public convenience and necessity do not require the further continued maintenance and operation of the street car lines of the applicant known as the "Seventh Street Line" and the "Fairmont Park-Victoria Avenue Line" in the City of Riverside; that the volume of business transacted on each of said lines does not return revenue sufficient to meet the bare operating expenses, depreciation and taxes; and that there is

no prospect of sufficient additional business being handled to meet the costs of operation, depreciation, taxes and a reasonable return on the investment in property used and useful in the operation of said lines.

O R D E R

Public hearings having been held in the above entitled proceeding, the matter having been duly submitted following the filing of briefs, the Commission being now fully advised and basing its order on the findings of fact which are set forth in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicant, Pacific Electric Railway Company, a corporation, be and the same hereby is authorized to discontinue its street car service and to abandon and remove its tracks in the City of Riverside on what are commonly known as the "Seventh Street Line" and the "Fairmont Park-Victoria Avenue Line" and operating over the following described routes:

"1. A single track commencing at a point on West Seventh Street near the northerly prolongation of the west line of Rose Way; thence easterly along West Seventh Street to beginning of double track at a point approximately 150 feet westerly from the westerly line of Market Street, and thereafter a double track line beginning at above mentioned point in West Seventh Street; thence easterly along West Seventh Street and East Seventh Street to the end of said double track at a point approximately 160 feet westerly from the center line of Vine Street; thence easterly along a single track on said East Seventh Street a distance of 90 feet, more or less, to the end of said track.

2. A single track line commencing at the switch point in the single track line on Main Street, distant northerly about 75 feet from the center line of Fourteenth Street; thence southeasterly to Fourteenth

Street and along Fourteenth Street to Lime Street; thence southwesterly along Lime Street and across Prospect Avenue to Olivewood Avenue; thence southerly along Olivewood Avenue to Cridge Street; thence southeasterly along Cridge Street to Victoria Avenue; thence southwesterly, southerly and southeasterly along Victoria Avenue to end of track at a point a short distance northerly from Arroyo Drive.

3. A single track line commencing at the switch point in the most westerly track near the north line of First Street a short distance west of the west line of Main Street; thence northwesterly across First Street and private property to Houghton Avenue; thence westerly along Houghton Avenue to Locust Street; thence northerly along Locust Street to the end of track approximately 375 feet northerly from the north line of Houghton Avenue. "

IT IS HEREBY FURTHER ORDERED that the suspension of operation and abandonment and removal of tracks as hereinabove authorized shall not be made until at least ten (10) days notice shall have been given the traveling public by posting notices in all cars operated on the lines herein authorized to be abandoned; also by posting notice in the station of the applicant at Riverside; and filing similar notice with this Commission together with cancellation of tariffs applicable to said lines, said cancellation to be made in accordance with the rules and regulations of this Commission.

IT IS HEREBY FURTHER ORDERED that the portion of the application herein requesting authority to suspend service, abandon and remove trackage and appurtenances thereto on the so-called "Brockton Avenue Line" be and the same hereby is denied.

Dated at San Francisco, California, this 5th day of February, 1925.

H. H. Brundage
J. S. Weaver
George D. Squires
Ernest C. Edwards
COMMISSIONERS

STATE OF CALIFORNIA
DEPARTMENT OF CORRECTIONS
PRISON INDUSTRY AUTHORITY

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