

Decision No. 16313

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SACRAMENTO NORTHERN RAILROAD, a cor-
poration, and SAN FRANCISCO-SACRAMENTO
RAILROAD COMPANY, a corporation, for
an order of the Railroad Commission of
the State of California, (1) authoriz-
ing said Sacramento Northern Railroad
to sell an undivided one-third (1/3)
interest in its Union Railroad Passen-
ger Station in the City of Sacramento,
to said San Francisco-Sacramento Rail-
road Company, (2) authorizing said San
Francisco-Sacramento Railroad Company to
execute and deliver to Sacramento Nor-
thern Railroad two promissory notes for
a portion of the purchase price of said
Union Railroad Passenger Station, and to
secure the same by a purchase money mort-
gage on its one-third (1/3) interest in
such Union Railroad Passenger Station
to Sacramento Northern Railroad, and to
assume liability with respect to certain
securities, and (3) authorizing Sacra-
mento Northern Railroad to permit San
Francisco-Sacramento Railroad Company to
use jointly with it certain of its tracks
in the City of Sacramento.

ORIGINAL

Application No. 11636.
(Second Supplemental).

F. M. Angellotti, for Sacramento Northern Railway.

Young & Hudson, for Central California Traction Company.

BRUNDIGE, COMMISSIONER:

SECOND SUPPLEMENTAL OPINION

The Commission is asked in this second supplemental ap-
plication to approve and authorize a contract between applicants,
Sacramento Northern Railway and Central California Traction Company,
under which the Traction Company will occupy jointly with the Sac-
ramento Northern and San Francisco-Sacramento Railroad Company, the
newly constructed union passenger station, trackage and appurtenances

at Sacramento, together with certain trackage of the Sacramento Northern on "I" Street and Eighth Street. The Commission is also asked to authorize the Traction Company to exercise the rights and privileges specified in Ordinance No. 273, 4th Series of the City of Sacramento, upon the taking effect of that ordinance and in the interim to exercise all such rights and privileges under a temporary permit granted by the City of Sacramento on March 11th, 1926.

A public hearing was held in San Francisco on March 26th, 1926, at which time evidence was offered and the matter was submitted.

On May 19th, 1923, the Sacramento Chamber of Commerce filed a complaint (Case No. 1912) against Sacramento Northern Railroad, Central California Traction Company and San Francisco-Sacramento Railroad Company in which the complainant asked the Railroad Commission to make an order directing, among other things, that the defendants be required to establish in the City of Sacramento a union railroad passenger station. Following the filing of the complaint, conferences were held with the result that the defendant companies entered into an agreement to construct a union railroad passenger station. Thereafter Case No. 1912 was dismissed upon the request of the complainant. The evidence shows that the Sacramento Northern Railroad purchased the land necessary to construct the station, and constructed the station, tracks, overhead and appurtenances, with the understanding that it would transfer at cost an undivided one-third ($1/3$) interest to the San Francisco-Sacramento Railroad Company and that it might lease or convey not to exceed one-half ($1/2$) of its undivided two-thirds ($2/3$) interest to the Traction Company.

In Decision No. 15410 and Decision No. 15584 in this matter the Commission authorized applicants, Sacramento Northern Railroad and San Francisco-Sacramento Railroad Company, to carry out terms and provisions of an agreement whereby the former transferred to the latter, at cost, an undivided one-third ($1/3$) interest in the Union Station and

permitted joint operation on certain of former's tracks on "I" Street, Eighth Street and "M" Street. Permission to exercise rights and privileges of Ordinance No. 140 and Ordinance No. 181, 4th Series of the City of Sacramento, was also authorized.

In this instance the applicant, Central California Traction Company, now desires to occupy the Union Passenger Station jointly with the Sacramento Northern and San Francisco-Sacramento Railroad Company and to that end has entered into an agreement with the Sacramento Northern for the lease of an undivided one-third ($1/3$) interest in all of the Union Passenger Station property for a period of ten (10) years. This agreement provides also for the joint use of certain tracks of Sacramento Northern on Eighth Street and "I" Street, shown in red on Exhibit "A", attached to the agreement. In return the Traction Company is obligated to pay six (6) per cent annually on one-third ($1/3$) of the capital cost of the station or \$465.07 monthly, together with an annual rental of \$1,412.19 for the joint use of tracks on Eighth Street and "I" Street. In addition, provision is made for payment of operating costs incurred on jointly used property. This supplemental application, it appears, is merely one of the steps necessary in carrying into use a Union Passenger Station for the three interurban railroads entering Sacramento. The record in this proceeding sets forth the advantages of a Union Station, which consist mainly of relief to traffic congestion, caused by trains standing in busy city streets, increase in convenience and safety of railroad patrons, and better facilities for interchange of through passengers between the interested carriers.

Ordinance No. 273, 4th Series of the City of Sacramento, which was filed at the hearing, provides for joint use of the tracks of Sacramento Northern Railway by the Traction Company. This ordinance does not become effective until May 3rd, 1926, and as it is desired by applicants to place the proposed arrangement into effect

on March 28th, 1926, a temporary permit was passed by the City Council, granting the right forthwith to exercise the rights specified in Ordinance No. 273, 4th Series, pending the taking effect of that ordinance.

I am of the opinion that public convenience and necessity and public safety require the joint use of the union passenger station by the Traction Company and that the agreement herein referred to should be approved. The Traction Company should also be authorized to exercise the rights and privileges of Ordinance No. 273 and of the temporary permit.

The following form of order is recommended:

SECOND SUPPLEMENTAL ORDER

Second Supplemental Application having been filed with this Commission in this proceeding, as indicated in the second supplemental opinion which precedes this order, a public hearing having been held, the matter being under submission and ready for decision, therefore,

IT IS HEREBY ORDERED that applicant, Sacramento Northern Railway be, and it is hereby authorized to lease to applicant, Central California Traction Company, an undivided one-third (1/3) interest in the Union Railroad Passenger Station, tracks, overhead structure and appurtenances in the City of Sacramento, referred to in this proceeding, for a term of ten (10) years, in accordance with terms of an agreement between the applicants, attached to said second supplemental application.

IT IS HEREBY FURTHER ORDERED, that applicants, Sacramento Northern Railway and Central California Traction Company, be and they are hereby authorized to carry out the terms and provisions of the agreement attached to and filed with the second supplemental application in this proceeding, insofar as the terms and provisions of said

agreement relate to the joint operation and use of the union passenger railroad station, tracks, overhead structures and appurtenances and joint trackage on Eighth Street and "I" Street, referred to in the agreement.

IT IS HEREBY DECLARED that the public convenience and necessity require the Central California Traction Company to exercise the rights and privileges granted to it by Ordinance No. 273, 4th Series of the City of Sacramento, and pending the taking effect of such ordinance, by the temporary permit granted March 11th, 1926, by the City Council of said City and on file in this proceeding.

IT IS HEREBY FURTHER ORDERED, that the orders in Decision No. 15410, dated September 18th, 1925, and Decision No. 15584, dated October 29th, 1925, shall remain in full force and effect.

The authority herein granted is subject to the condition that applicant, Sacramento Northern Railway, file with this Commission, within sixty (60) days from the date hereof, a certified copy of the agreement between Sacramento Northern Railway and Central California Traction Company, referred to herein, duly executed by the parties thereto.

The authority herein granted shall become effective on the date hereof.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 26th day of March, 1926.

H. B. Brundage

C. L. Seary

Leon O. Whitsett