

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
the OCEAN SHORE RAILROAD COMPANY
for permission to discontinue the
maintenance of an agent at its station
of SALADA.

ORIGINAL

Application No. 1642.

Decision No. 2268

I. N. Randall, for applicant.
D. E. Besecker, for protestants.

GORDON, Commissioner.

OPINION.

This is an application of the Ocean Shore Railroad Company for permission to discontinue the maintenance of an agent at its station of Salada, it being alleged that the revenue derived from the station does not justify the expense involved, and that the present financial condition of the applicant is such that the most stringent economy is necessary. A public hearing was held on August 3, 1915, and the matter is now ready for decision.

The station of Salada is located 14.5 miles from San Francisco and is the first station out of San Francisco at which an agent is maintained. A considerable amount of subdivision has been made in the territory immediately adjacent to the station and town lots have been on the market for sometime, it having been the intention to make a beach and summer resort at this point, same being conveniently reached from San Francisco and but forty-five to fifty minutes being required to make the journey. The development of Salada as a resort and a community of seashore homes has not materialized to the extent anticipated by those interested in the property. The country adjacent to the Town is farmed and vegetables and garden truck are the principal products.

The carload business at this station is very light, there having been no carloads forwarded during the six months ending June 30, 1915. During the same period there were seven carloads received, two of lumber, three of manure, and two of crushed rock for highway purposes. An analysis of the revenue derived from Salada Station for the six months period ending June 30, 1915, shows same to have originated from the following sources:

Passenger			\$323.95
Freight:			
	<u>Tonnage</u>	<u>Revenue</u>	
Less than carload received	436,100	\$419.69	
Less than carload forwarded	841,580	929.65	
Carloads received - 7 cars	518,080	127.55	
Carloads forwarded - none	-	-	
Total Freight	1,795,760	\$1,476.89	<u>1,476.89</u>
	Total Revenue		<u>\$1,800.84</u>

The salary paid to the agent at this point is \$70.00 per month, or a total of \$420.00 for the six months period. This indicates that 23.3 per cent of the earnings from this station has been necessary to meet the salary of the agent at Salada for the period above mentioned.

It appears that the station of Salada was originally established shortly after the construction of the Ocean Shore Railway, predecessor in interest of the applicant, Ocean Shore Railroad Company, and that a station building costing some \$3,775.00 was erected and placed on four town lots valued at \$2,200.00, a total investment of about \$5,975.00. This station was erected by the Ocean Shore Land Company, and together with the lots upon which it was located, was to become the property of the railroad under the terms of a certain agreement between the Ocean Shore Land Company and the Ocean Shore Railway Company, dated August 27, 1907,

which agreement provided that the Railway Company should continuously maintain an agency station at this point. It was developed at the hearing that the deed to the station building and land upon which located had never passed to the Railway Company, it being alleged that the deed contained conditions to be imposed upon the Railway Company that were not contemplated or imposed in the agreement which was in effect prior to the preparation of the deed for execution. It appears that, notwithstanding the fact that the Railway Company had not taken title to the station building and ground upon which it was located, an agent had been maintained at Salada and had occupied the building as his office and agency.

The applicant, Ocean Shore Railroad Company, presented a financial statement in support of its application which shows a very heavy loss for the six months period ending June 30, 1915, and which is convincing that the efforts of the officials are properly being directed toward the conservation of every possible source of revenue and against the expenditure of any money that is not absolutely necessary in the proper operation and maintenance of the railroad. The amount necessary for the maintenance of an agent at Salada is not justified in comparison with the revenue received.

The protestants, while admitting that the revenue earned at this station was not large, were of the opinion that the withdrawal of an agent would seriously hamper their efforts to build up the section and would injure their standing as a live and growing community. The secretary of the Ocean Shore Land Company, as a witness for the protestants, testified that his company had an investment in Salada of approximately \$130,000 to \$140,000, covering their purchases of property for subdivision, street work, sewer construction, water system, etc. Their holdings originally consisted of some 94 acres, which were subdivided into town lots, and 60 acres which have not yet been laid out for subdivision. This land originally cost approximately \$350.00 per acre.

This Company has sold to date property to the value of \$400,000, although some has been sold on a basis of deferred payments; it has unsold 60 acres not subdivided and from one-quarter to one-third of the town lots. There has been little movement or activity in the sale of property during the past year, although fair success has been in evidence in the collection of deferred payments on existing contracts.

There are two other real estate subdivisions which are served by the station of Salada, known as the Brighton Beach Land and Development Company and the Brighton Beach Amusement Company. These companies were not represented at the hearing.

It would appear that the interests in the territory surrounding and tributary to Salada are opposed to closing of the agency at this point, but as the showing does not justify the continuance of the agent heretofore maintained, such interests whose holdings would suffer by the discontinuance of the agency should together with the applicant agree on some arrangement whereby the expense of the agent's salary can be cared for, and thus all parties concerned can enjoy the benefits which they claim would be lost were the discontinuance of the agency permitted.

A suggestion was made at the hearing that an endeavor be made by all parties interested in the continuance of an agent at the applicant's station of Salada to arrive at an agreement whereby the amount of the agent's salary would be cared for by a proportionate amount being met by the applicant and the remainder by the other parties interested, but the Commission is advised that such arrangement could not be perfected.

I am of the opinion, therefore, that the application should be granted and suggest the following form of order:

O R D E R

The Ocean Shore Railroad Company having made application

to this Commission for permission to discontinue the maintenance of an agent at its station of Salada, alleging that the amount of business transacted does not justify the maintenance of an agent and that the financial condition of the applicant is such that the utmost economy is necessary in the operation of its railroad, a public hearing having been held and the Commission being fully advised in the premises,

IT IS HEREBY ORDERED, that the applicant, Ocean Shore Railroad Company, be permitted to discontinue the maintenance of an agent at its station of Salada. The Commission reserves the right, upon proper showing or upon its own initiative, to change or modify this order as it may seem right and proper, and as future developments may warrant.

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 18th day of September, 1915.

Max Thelen
Alexander
Edwin D. Edgerton
Francis R. Devlin
Commissioners.