

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

CHARLES D. HAMMOND et al.,

vs.

SANTA BARBARA AND SUBURBAN
RAILWAY COMPANY

ORIGINAL

CASE 888.

Decision No. 3153

A. G. Balaam, for Complainants.
William G. Griffith, for Defendant.

BY THE COMMISSION.

O P I N I O N.

The complaint alleges that defendant operates a system of street railways in the City of Santa Barbara and that an extension of its Haley Street line should be made from its present terminus at Haley and Milpas Streets to Santa Barbara Cemetery to accommodate the residents of the eastern portion of the City and those having occasion to visit the cemetery; and alleging that the population to be served is sufficient to justify the extension. The answer denies that the population to be served by such an extension is sufficient to justify its construction.

The present Haley Street line of the Santa Barbara and Suburban Railway is operated from the intersection of State and Haley Streets along Haley Street to its intersection with Milpas Street, a distance of nine blocks, in connection with its other lines, to and from which transfers are issued. The proposed extension of the Haley Street line to the Cemetery would serve, beside the cemetery, a district bounded on the north by Salinas Street and the Coast Highway; on the east by Pitos Street; on the south by Nopal Street; and on the west by Montecito Street; also the County Hospital, located at the corner of Cacique and Salinas Streets; and territory about one mile square lying east of the city and beyond the cemetery.

Witnesses

for complainants estimated that the total population to be served by the desired extension would be 1518, made up as follows: 1100 residents of the easterly portion of the City of Santa Barbara; 168 persons living in the said territory one mile square who would patronize the street car line; 250 mechanics, artisans and laborers residing in other portions of the city and who would use the proposed extension in going to and from their daily work. They estimated the gross annual revenue from the extension at \$5,000. to \$6,000. based on 1300 patrons at an average of \$4.50 per annum each. The average they base on gross revenue of defendant for 1914 of over \$66,000. from Santa Barbara, with an estimated population of 15,000.

The complainants did not specify any particular route that should be followed by the requested extension to the cemetery. The distance by any of several routes would be approximately 2.23 miles.

Defendant presented a statement of the estimated cost of construction of the proposed line as follows:

2.23 miles Track and Overhead Construction @ \$23,320.70 per mile	\$52,005.16
Special work - 2 turnouts at \$1000.00 ea.	2,000.00
Clearing and grubbing along Coast Highway	500.00
Feeder Line	2,445.60
Paving Cacique Street Crossing 600 sq. ft. @ 30¢ per sq. ft.	180.00
Moving present poles along Coast Highway	380.00
Bridge over Allisos Creek	500.00
Undergrade crossings at Southern Pacific Railroad and Coast Highway	10,000.00
2 Cars, complete, at \$4000.00 ea.	<u>8,000.00</u>
	76,010.76
10% additional for Engineering	<u>7,601.07</u>
	<u>83,611.83</u>

Brought Forward	\$83,611.83
10% additional for Contingencies	<u>8,361.18</u>
T o t a l	\$91,973.01

The unit costs have been carefully checked by the Commission and are not found to be unreasonable for the items comprising the cost per mile of track and overhead. The allowance of ten per cent. for engineering is not justified for the purpose of this estimate and a basis of five per cent. will be used in this connection. The two cars estimated are not necessary for the operation of the proposed extension and have been eliminated. The revised figures showing estimate of proposed cost of the extension desired, appear as follows:

2.23 miles Track and Overhead Construction @ \$23,320.70 per mile	\$52,005.16
Special Work - 2 turnouts @ \$1000.00 ea.	2,000.00
Clearing and grubbing along Coast Highway	500.00
Feeder Line	2,445.60
Paving, Cacique Street Crossing 600 sq. ft. at 30¢ per sq. ft.	180.00
Moving Present Poles along Coast Highway	380.00
Bridge over Alisos Creek	500.00
Undergrade crossing at Southern Pacific Railroad and Coast Highway	<u>10,000.00</u>
	68,010.76
5% additional for Engineering	<u>3,400.54</u>
	71,411.30
10% additional for Contingencies	<u>7,141.13</u>
T o t a l	\$78,552.43

The number of houses in the district to be served by the proposed extension, and comprising all those contained in the district north of Nopal Street and east of Montecito Street total one hundred and four. Assuming five persons to reside in each house there would be a total of 520 persons to be served by the proposed new extension. Adding 168 persons residing east of ^{the} city

limits of the City of Santa Barbara a total of 688 persons would be served. Allowing an average of \$7.50 per capita per annum (as frequently used by traction experts) as the revenue to be derived from the population served, an annual revenue of \$5160.00 would be obtained, to which could be added an estimated amount of \$1000.00 for the annual traffic to and from the County Hospital and the Cemetery. A total amount of \$6160.00 could reasonably be expected as the probable revenue provided all the residents and other occasional patrons used the proposed extension to the exclusion of any other method of transportation.

Assuming the service to be given to be on the basis of a twenty minute headway, such schedule being at present effective on the Haley Street line, the annual car mileage would aggregate 79767 miles. The operating expense per car mile of the Santa Barbara and Suburban Railway Company for the fiscal year ending June 30, 1915 was 18.404 cents. This figure does not include taxes or interest on funded and floating indebtedness or other overhead expense.

The annual expense of operating the proposed extension would be approximately as follows, based on a service of a twenty minute headway between the hours of 7.00 a. m. and 11.00 p.m. and a cost per car mile as shown to have been incurred during the previous fiscal year:

79767 car miles at 18.404 cents	\$14,680.31
State taxes 5-1/4 % on estimated annual revenue of \$6160.00	323.40
Municipal franchise tax 2% on estimated annual revenue of \$6160.00	123.20
Interest on investment 5% on \$78552.43	<u>3,927.52</u>
Total operating expense	\$19,054.53
Total operating revenue	<u>6,160.00</u>
Estimated annual loss in operation	\$12,894.53

The above estimate does not include depreciation or any proportion of overhead expense. Defendant estimates the annual

loss at \$19,606.54, allowing for depreciation, and figuring interest at 6% on a larger investment than we have estimated. It reports that it operates its entire system at a loss. It operates the Haley Street line at a loss, which loss was 27½% greater in 1915 than in 1914, due largely to jitney bus competition.

One of the owners of an automobile bus line operating in Santa Barbara testified that his line had been operating for 13 months and that they are about to put two 25 passenger busses in service. For three weeks they have been operating an extension to Santa Barbara Cemetery along the route of the Haley Street line of defendant, and the proposed extension. The line is giving a 15 minute service for a 5 cent fare from the end of the car line to the cemetery, and a 10 cent fare from points west of Haley and Milpas Streets. He stated that about 4/5 of the patrons assured the owners that they would patronize the bus line in preference to a new carline. Residents of the east side to the number of 175 have advised the Commission in writing that with the arrival and operation of larger automobile busses they anticipate service as good or better than would be given by the construction and operation of the desired extension.

There is not a unanimous desire for the proposed extension among the residents of the territory to be served. The entire patronage of all such residents would not enable the proposed extension to earn even the cost of operation. The undisputed testimony is that the entire system is operated at a loss. The earnings of the system in its entirety are not sufficient in this instance to justify a loss in operating the proposed extension. For these reasons we consider the construction of the proposed extension by defendant is not warranted under present conditions.

O R D E R.

Complaint having been made that Santa Barbara and Suburban Railway Company has refused to extend its line of street railway on Haley Street from the present terminus at the

intersection of Haley and Milpas Streets to the Santa Barbara Cemetery, all within the corporate limits of the City of Santa Barbara, and a public hearing having been held thereon and the Commission finding that it would not be reasonable to order defendant to construct and operate said line for the reasons appearing in the foregoing opinion,

IT IS HEREBY ORDERED that the complaint be and the same is hereby dismissed.

Dated at San Francisco, California, this 11th day of March, 1916.

Max Shelen
H. D. ...
...
Edwin C. Edgerton
Staus R. ...

Commissioners.