

Decision No. 19179.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the LOS ANGELES RAILWAY CORPORATION for an in lieu certificate for its motor coach lines.	} Twentieth Supplemental Application No. 19179.
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S. M. Haskins, General Counsel, and Woodward M.  
Taylor, for applicant.

Ray L. Chesebro and E. J. Burns, for the City of  
Los Angeles, Interested Party.

W. R. Williams, for Cyril V. Bennett, (Inglewood  
Transit Lines), Interested Party.

BY THE COMMISSION:

O P I N I O N

In the above numbered supplemental application, Los Angeles Railway Corporation asks for a certificate to conduct a motor coach service along Arbor Vitae Avenue from a connection with its No. 5 rail line to the Hollywood Turf Club located approximately three-quarters of a mile to the east. The entire operation will be within the city limits of the City of Inglewood.

A public hearing was conducted on this proceeding by Examiner Ager on April 12th, 1938, at which time the matter was duly submitted.

The Hollywood Turf Club is capitalized at \$2,250,000, none of the stock of which is for sale, and owns a three hundred and fourteen acre tract in the City of Inglewood, bounded on the west by Prairie Avenue, on the south by Century Boulevard and on the north and east by the property of the Potrero Country Club. This concern has been issued a horse racing permit to conduct races

during the period June 10th to July 23rd, both dates inclusive. They are now engaged in constructing the track, stables and grandstand, the latter being a structure some nine hundred fifty feet long, seating fourteen thousand persons and with standing terraces for fifty thousand additional people. Provision has been made for the parking of twenty-two thousand automobiles on the grounds and it is anticipated, based upon estimates made by traffic experts, that the average daily attendance during the racing meet will be in excess of thirty thousand and that, for the entire period, the attendance will be in excess of one million persons.

There will be required approximately fifteen hundred permanent employees during the racing season and a large number of these employees will be required to be present for approximately ten days prior to the beginning of the season and approximately ten days after its completion. It is expected that the same approximate dates will be awarded this club for its racing season each year; therefore, in the instant application applicant proposes to operate service annually from the 1st day of June to the 31st day of July, both dates inclusive. It is proposed that a five-cent fare will be charged, with no transfer privileges, and the testimony indicates that applicant expects to provide service with an approximate headway of twelve minutes, with the expectation that additional coaches will be provided to handle any traffic that may present itself. Initially, it is proposed that small coaches will be used until the business develops, at which time double-deck coaches, seating fifty-eight persons, will be placed in the service.

The Prairie Avenue Transit Lines operate a service between the Cities of Inglewood and Hawthorne and its certificated operations are over Prairie Avenue, which is within approximately one-quarter mile of the main entrance to the club. Strenuous objections were offered to the granting of a certificate as sought

herein, on the grounds that the present operator, just referred to, should be given an opportunity to provide the service. Further than this, testimony was introduced showing that the Prairie Avenue Transit Lines has asked for and received from the City of Inglewood a permit to operate along Arbor Vitae Avenue from a connection with the Los Angeles Railway at La Brea Avenue to the race track. This operation would be wholly within the City of Inglewood and there is no intention on the part of the Prairie Avenue Transit Lines to file application with this Commission for a certificate for this operation. The testimony shows that this operator does not have sufficient equipment to conduct the service but that arrangements have been made with the Bay Cities Transit Lines for the rental of such equipment (up to 30 or 40 coaches), together with the necessary operators, as may be needed.

Although a copy of the application and formal notice of the hearing were furnished the City of Inglewood, no one appeared in its behalf; neither has the Commission received any indication through other means that the city had any intention of opposing the granting of the certificate herein sought. It therefore is assumed that it has no objections to offer and that the only opposition is that advanced by the Prairie Avenue Transit Lines.

A representative of the Hollywood Turf Club testified that permission had been granted to the applicant to turn its coaches on the grounds near the main entrance and that similar permission would be granted, if asked, to the Prairie Avenue Transit Lines and any other public transportation company desiring to provide service to the track, for the reason that their principal concern is to provide a ready means of access for persons desiring to patronize the races.

By Decision No. 30666, dated February 28th, 1938, on Applications Nos. 21579 and 21606, Tanner Motor Tours, Ltd. and

Pasadena-Ocean Park Stage Line, Inc. were granted certificates to conduct service of a restricted nature to the track. While the certificated route of the Prairie Avenue Transit Lines operates within approximately one-quarter mile of the main entrance to the track and, in all probability, would carry some patrons, careful consideration leads the Commission to the conclusion that public convenience and necessity require the operation by applicant of a motor coach route from a connection with its rail line directly to the track as proposed in this application.

A careful consideration of the record leads to the conclusion that the service proposed herein will meet a public need and demand and that such service will be a financial success. The following form of Order is recommended.

Los Angeles Railway Corporation is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State which is not in any respect limited as to the number of rights which may be given.

#### O R D E R

The Railroad Commission of the State of California Hereby Declares that public convenience and necessity require the establishment by Los Angeles Railway Corporation of an automotive service for the transportation of passengers, only, entirely within the City of Inglewood, to be known as the Hollywood Turf Club Line, such

service to be operated annually during the racing season approximately from the 1st day of June to the 31st day of July, inclusive, over and along the following route:

From the intersection of La Brea Avenue and Arbor Vitae Street, thence via Arbor Vitae Street to and across Prairie Avenue to the Hollywood Turf Club, and return via the same route to point of commencement.

The certificate herein granted is to be considered as a part of the in lieu certificate granted by Decision No. 27052, dated May 14th, 1934, on Application No. 19179.

IT IS HEREBY ORDERED that Los Angeles Railway Corporation be granted a certificate of public convenience and necessity, subject to the following conditions:

- (1) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from the date hereof.
- (2) Applicant shall commence the service ten (10) days prior to the opening of the racing season at Hollywood Turf Club, Inglewood, and shall file in triplicate and concurrently make effective, on not less than ten (10) days' notice to the Railroad Commission and the public, a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the application, in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.
- (3) Applicant shall file, in duplicate, and make effective ten (10) days prior to the opening of the racing season at the Hollywood Turf Club, Inglewood, on not less than five (5) days' notice to the Railroad Commission and the public, time schedule or time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.
- (4) The rights and privileges herein authorized may not be discontinued, sold, leased, transferred

nor assigned, unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been obtained.

- (5) No vehicle may be operated by applicant herein, unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.

The effective date of this Order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 2<sup>nd</sup> day of May, 1938.

M. J. [Signature]  
Leon [Signature]  
Frank [Signature]  
Harold [Signature]  
Ray L. [Signature]  
Commissioners.