

ORIGINAL

Decision No. 34397

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
LOS ANGELES RAILWAY CORPORATION

for an order pursuant to Sections 51 and 52 of the Public Utilities Act, authorizing the execution and issuance of a contract with the City of Los Angeles providing, among other things, for the payment of the sum of \$145,000.00 in discharge of obligations arising under certain rail franchise agreements and by reason of the abandonment of certain rail services and also providing for a transfer of title to the City of Los Angeles covering certain rails, track structure and property.

Application
No. 24260

Max Eddy Utt, for Applicant,
Ray L. Chesebro, City Attorney,
Gilmore Tillman, Assistant City Attorney,
K. Charles Bean, Chief Engineer, Board of
Public Utilities and Transportation, for
the City of Los Angeles.

BY THE COMMISSION:

O P I N I O N

The Commission by Decision No. 33984, dated March 11, 1941, in Applications No. 23902 and 19179, authorized Los Angeles Railway Corporation, hereinafter some times referred to as applicant, to abandon, subject to the provisions of the order in said Decision No. 33984, about twenty miles

of street railway tracks and facilities described in said Decision No. 33984. The rail services so authorized to be abandoned were operated by applicant under nineteen different franchises (Exhibit No. 1) granted by the City of Los Angeles and the County of Los Angeles. The franchises granted by the latter have been taken over by the City of Los Angeles upon territory annexation. These franchises, in general, provide for the maintenance by applicant of the section of the street occupied by the tracks and for two feet outside thereof during the term of the franchises. Some require annual payments for the occupancy of streets. A number of the franchises call for the approval by the City of Los Angeles for any abandonment thereunder and the removal of the tracks and facilities of applicant and the paving to be put back in the street to conform with the paving on the side of the street.

Applicant has filed in this proceeding as Exhibit No. 2 a copy of Ordinance No. 84958 by the City of Los Angeles incorporating an agreement between applicant and the City of Los Angeles providing for the discharge of applicant's obligations under the provisions of said franchises as such provisions relate to the abandoned rail lines. This agreement, among other things, provides that applicant will pay to the city the sum of \$145,000 in monthly installments as follows: \$7,250 on the first day of the month next succeeding the first abandonment upon any of the routes described in the agreement and \$7,250 upon the first day of each succeeding month until the total sum of \$145,000 has been paid. The agreement further provides that within ten days after any abandonment, applicant

shall execute and deliver to the City of Los Angeles a bill of sale conveying from applicant to the City of Los Angeles all rails and track structures (including special work, frogs, switches, ties, ballast, drainage facilities and appurtenances) installed or maintained pursuant to any of the franchises mentioned in the agreement. Applicant may retain title to any special work (including frogs, switches, crossings, cross-overs, turn-outs and curves), the description and location of which are specifically enumerated in the bill of sale. If it does so, it must, however, remove any special work from the public streets within twelve months after any abandonment and reconstruct the pavement and other street improvements in and adjacent to the location thereof so that said work shall join and be contiguous with the work done in adjoining portions of the street. These provisions, however, do not apply to any property installed or maintained in or upon Hill Street or Venice Boulevard. The agreement liquidates applicant's obligation with reference to surfacing the streets, with reference to the maintenance of the streets, and with reference to franchise payments as the same relate to the abandoned rail lines.

It contains other provisions but we do not deem it necessary to call attention to them.

No one protested the granting of this application.

In Exhibit No. 6 applicant estimates its capital investment, as of May 31, 1941, in the street railway tracks and track facilities which it proposes to abandon at \$1,802,155.

It has not yet prepared an estimate of its investment in street railway cars which may be abandoned by it. The order herein will require applicant to file with the Commission for approval a copy of its journal entries under which it proposes to record and will record the retirement of railway tracks and track facilities and railway equipment because of the exercise of the authority granted in said Decision No. 33984, dated March 11, 1941.

O R D E R

Los Angeles Railway Corporation having asked permission to enter into an agreement similar in terms to the agreement filed in this proceeding as Exhibit No. 2 for the purpose of discharging its obligations under franchises listed in said Exhibit No. 2, a public hearing having been held on this matter before Examiner Fankhauser and the Commission being of the opinion that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that Los Angeles Railway Corporation be, and it is hereby, authorized to execute an agreement substantially in the same form as the agreement filed in this proceeding as Exhibit No. 2 and to execute bills of sale conveying to the City of Los Angeles title to the railway tracks and track facilities, which by the terms of said agreement it has agreed to transfer to the City of Los Angeles, and to pay the City of Los Angeles \$145,000 at the time and in the manner specified in said agreement, and to perform

such other acts as may be necessary to carry said agreement into effect.

IT IS HEREBY FURTHER ORDERED that Los Angeles Railway Corporation shall file with the Railroad Commission for approval its journal entries whereby it proposes to record and will record the retirement of any of its street railway properties because of the exercise of the authority granted by Decision No. 33984, dated March 11, 1941.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Los Angeles Railway Corporation has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred and Forty-five (\$145.00) Dollars.

Dated at San Francisco, California, this 8th day of July, 1941.

[Signature]
Justice J. C. ...
Francis D. Havenner
Richard ...
Commissioners.

51250
RAILROAD COMMISSION
STATE OF CALIFORNIA
PAID
JUL 12 1941
By [Signature]
SECRETARY