

PROPOSITION TO BE VOTED ON

TUESDAY, AUGUST 26, 1913

Issued by order of the Board of Election Commissioners in accordance with the provisions of the Charter of the City and County of San Francisco.

BILL NO. 2611. ORDINANCE NO. 2367. (New Series). Calling and providing for a special election to be held in the City and County of San Francisco, on Tuesday, the 26th day of August, 1913, for the purpose of submitting to the electors of said City and County a proposition to incur a bonded indebtedness of said City and County of \$3,500,000 for the purpose of the acquisition or construction of a public utility, to wit: A system of municipal street railways over and along the public streets, or rights of way from The Embarcadero to terminals at the Panama-Pacific International Exposition grounds, and the Presidio Military Reservation; from various points in Market street, and in and through Stockton street to the same terminals; from Market street to a terminal in the Potrero District; on Van Ness avenue, and from such avenue along connecting streets to Church street, and along Church street to convenient terminals; along California street from Thirty-third avenue to First avenue, and over connecting streets to Geary street, and for such extensions and additions to the system as may be deemed necessary, and to include equipment thereof, appurtenances thereto, and purchase of necessary lands.

WHEREAS, The Board of Supervisors did, on the 12th day of May, 1913, finally pass Ordinance No. 2278 (New Series) determining and declaring that the public interest and necessity demand the acquisition or construction of a public utility, to wit: A system of municipal street railways over and along the public streets, or rights of way from The Embarcadero to terminals at the Panama-Pacific International Exposition grounds and the Presidio Military Reservation; from various points in Market street, and in and through Stockton street to the same terminals; from Market street to a terminal in the Potrero District; on Van Ness avenue, and from such avenue along connecting streets to Church street, and along Church street to convenient terminals; along California street from Thirty-third avenue to First avenue, and over connecting streets to Geary street, and for such extensions and additions to the system as may be deemed necessary, and to include equipment thereof, appurtenances thereto, and purchase of necessary lands.

Also by said Ordinance it was directed that the Board of Public Works procure through the City Engineer, and file with the Board of Supervisors, plans and estimates of cost of original construction and completion of the herein described street railways; and

WHEREAS, Pursuant to the direction of Ordinance No. 2278 (New Series), said Board of Public Works did procure and on the 29th day of May, 1913, did file with the Board of Supervisors plans and estimates of cost of original construction and completion of the system of street railways named; therefore

Be it Ordained by the People of the City and County of San Francisco as follows:

Section 1. A special election is hereby called and ordered to be held in the City and County of San Francisco on Tuesday, the 26th of August, 1913, for the purpose of submitting to the electors of said City and County the following proposition, to wit:

Proposition to incur a bonded indebtedness by the City and County of San Francisco to the amount of three million five hundred thousand dollars for the purpose of the acquisition or construction of a public utility, to wit: A system of municipal street railways over and along the public streets or rights of way from The Embarcadero to terminals at the Panama-Pacific International Exposition grounds, and the Presidio Military Reservation; from various points in Market street and in and through Stockton street to the same terminals; from Market street to a terminal in the Potrero District; on Van Ness avenue, and from such avenue along connecting streets to Church street, and along Church street to convenient terminals; along California street from Thirty-third avenue to First avenue and over connecting streets to Geary street, and for such extensions and additions to the system as may be deemed necessary and to include equipment thereof, appurtenances thereto, and purchase of necessary lands.

Section 2. The estimated cost of the acquisition or construction of the system of street railways described in the preceding section is three million five hundred thousand dollars.

Section 3. That the method and manner of payment of the estimated costs of said street railways described in said proposition is by the issuance of bonds of the City and County of San Francisco to the amount of three million five hundred thousand dollars and the application of the proceeds arising from the sale thereof to defray the cost of the acquisition or construction of the system of street railways described in the proposition herein set forth.

Proposition to be voted on Tuesday
August 26, 1913

STATEMENT OF THE REASONS WHY THE BOND ISSUE IS PRESENTED TO THE VOTERS.

Prepared and Issued by the Board of Supervisors.

At the meeting of the Board of Supervisors on February 5, 1913, President C. C. Moore and a group of the Directors of the Panama-Pacific International Exposition Company appeared and demanded that the City provide street railroad transportation to the Exposition grounds. The Exposition Directors present were unanimous in representing that the situation was desperate and that without such transportation the enterprise could not be a success.

In pursuance of this demand the Board of Supervisors instructed the City Engineer to prepare plans for transportation, keeping in mind the needs of the city after the close of the Exposition.

The existing lines are inadequate, only the Polk Street and the Fillmore Street lines running near the grounds. In addition to the transportation needs of the Exposition many districts of the city are checked in their growth for lack of street car service. The street railway corporations will not accept franchises under the conditions imposed by the Charter. Under these circumstances, the city itself must build any necessary additional lines or go without.

Plans have therefore been adopted for the building and acquisition of approximately thirty-five miles of new trackage. This will require an investment of \$3,500,000. The proposition to authorize that investment is placed before the voters of San Francisco in the bond election of August 26th.

The operation of the Geary Street Municipal Railroad has demonstrated that the interest and sinking fund payments, and also a goodly profit, will be met out of the enterprise, and that the building and operation of these municipal railroads will not increase taxes, but will materially lower them.

The City has acquired the Geary Street Railroad. It is now running from the Ferries to the Beach. Its receipts for July, the month when traffic is lightest, were \$46,837.50. Its operating expenses for the month were \$20,400.00. The final figures of expense will probably show a slight variance. This estimate is inclusive of power chargeable by the United Railroads account of lower Market Street and is a maximum.

Even supposing that business is no better for the other months than the dull month of July, the figures for the year would be:

Operating revenue	\$562,050
Operating expenses	244,800
Net revenue	<u>\$317,250</u>

missioners shall, as soon as the said returns and ballots have been received by said Board, canvass said returns and declare the result thereof in the manner provided by law for canvassing returns and declaring results in other elections, and shall also certify said results to the Board of Supervisors.

Section 6. If, at such special election, it shall appear that two-thirds of all the votes cast thereat were in favor of and authorized the incurring of a bonded debt for the purpose set forth in the proposition, then such proposition shall be deemed to have been accepted by the electors and bonds will be issued to defray the cost of the system of street railways specified in such proposition and to the amount stated therein. Such bonds shall be of the form and character known as "serials." All of said bonds shall be dated December 1, 1913, shall bear interest at the rate of five per centum per annum, payable semi-annually, and the principal and interest thereof shall be payable in gold coin of the United States at the office of the Treasurer of said City and County, or at the option of the holder, at the fiscal agency of said City and County in the City and State of New York. Said bonds shall be called "Municipal Street Railway Bonds," and shall be of the following denominations:

Five thousand two hundred and fifty bonds, amounting to five hundred and twenty-five thousand dollars shall be of the denomination of one hundred dollars each, and shall be numbered from one to five thousand two hundred and fifty, both numbers included.

Two thousand one hundred bonds, amounting to one million and fifty thousand dollars shall be of the denomination of five hundred dollars each and shall be numbered from one to two thousand one hundred, both numbers included.

One thousand nine hundred and twenty-five bonds, amounting to one million nine hundred and twenty-five thousand dollars shall be of the denomination of one thousand dollars each and shall be numbered from one to one thousand nine hundred and twenty-five, both numbers included.

Section 7. Said bonds and coupons shall be substantially in the following form:

UNITED STATES OF AMERICA.
State of California.

City and County of San Francisco.

No. \$.....

For value received, the City and County of San Francisco, a municipal corporation organized and existing under the laws of the State of California, hereby acknowledges itself indebted and promises to pay to the bearer on the first day of December, 19...., dollars, with interest thereon at the rate of five per centum per annum, payable semi-annually December 1 and June 1, and on presentation and surrender of the coupons hereto attached as they respectively become due, both principal and interest being payable in gold coin of the United States at the office of the Treasurer of said City and County or at the option of the holder at the fiscal agency of the City and County of San Francisco, in the City and State of New York.

This bond is issued under and pursuant to the constitution and statutes of the State of California and the charter of said City and County of San Francisco and amendments thereto, and under and pursuant to ordinances and proceedings of said City and County duly adopted and taken and a vote and assent of more than two-thirds of all the qualified electors of said City and County voting at a special election duly and legally called and held for that purpose.

It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this bond, together with all other indebtedness of said City and County, does not exceed any limit prescribed by the constitution or statutes of said State or charter of said City and County, and that provision has been made as required by the constitution and statutes of said State and the charter of said City and County for the collection of an annual tax sufficient to pay the interest on this bond as it falls due, and also provision to constitute a sinking fund for the payment of the principal of this bond on or before maturity. The full faith and credit of said City and County are hereby pledged for the punctual payment of the principal and interest of this bond.

This bond may be converted into a registered bond upon presentation to the Treasurer of the City and County of San Francisco, in which event such Treasurer shall cut off and cancel the coupons of this bonds, and shall sign a statement stamped, printed or written upon the back or face of the bond in the effect that this bond is registered in the name of the owner and that thereafter the interest and principal of this bond are payable to the registered owner. Thereafter and from time to time this bond may be transferred by such registered owner in person or by attorney duly authorized on presentation of this bond to the Treasurer, and the bond be again registered as before, a similar statement being stamped, printed or written thereon.

This bond is exempt from all taxation within the State of California.

IN WITNESS WHEREOF, said City and County of San Francisco has caused this bond to be executed under its corporate seal, signed by its Mayor and Treasurer and countersigned by its Auditor, and has caused the interest coupons hereto attached to be signed with the engraved or lithographed signature of its Treasurer and this bond to be dated the first day of December, 1913.

Countersigned:

.....
Mayor.

.....
Treasurer.

.....
Auditor.

No. FORM OF COUPON. \$.....
On 1, 19, the City and County of San Francisco
California, will pay to bearer at the office of the Treasurer of said City and County
or at the option of the holder at the fiscal agency of the City and County of San
Francisco, in the City and State of New York
dollars (\$) in gold coin of the United States, being six months' interest
then due on its bond dated December 1, 1913, number

.....
Treasurer.

FORM OF REGISTRATION.

San Francisco, 19
This bond is registered pursuant to Charter of the City and County of San
Francisco, State of California, in the name of
and the interest and principal thereof are hereafter payable to such owner.

.....
Treasurer.

Section 8. Said three million five hundred thousand dollars bonds to be issued
for the purpose stated in the proposition herein set forth shall be payable one
hundred thousand dollars thereof, comprising one hundred and fifty bonds of the
denomination of one hundred dollars, sixty bonds of the denomination of five hun-
dred dollars and fifty-five bonds of the denomination of one thousand dollars, five years
from the date of said bonds, beginning with the lowest numbers of each denomination
of said bonds, and one hundred thousand dollars thereof comprising the same amount
of the next higher numbers of each of said denominations on the same day in each
succeeding year until all of said bonds shall be paid.

Section 9. The amount of tax levy to be made for the payment of said three
million five hundred thousand dollars bonds issued under said proposition shall be
the sum of one hundred and seventy-five thousand dollars each year for the first
five years from the date of said bonds to pay the annual interest on said bonds, and
in season to pay such interest as it becomes due and for the sixth year after the
date of said bonds the sum of one hundred and seventy thousand dollars to pay
and in season to pay the interest on such of said bonds as remain outstanding after
the one hundred thousand dollars thereof due five years from their date have been
paid and for the seventh year after the date of said bonds the sum of one hundred
and sixty-five thousand dollars to pay and in season to pay the interest on such of
said bonds as remain outstanding after the one hundred thousand dollars thereof due
six years from their date have been paid, and so on a sum each year for thirty-three
succeeding years and until said bonds are all paid, sufficient for interest and in season
to pay interest on all of said bonds outstanding, which sum for interest will diminish
each year by the amount of five thousand dollars by reason of the payment each year
beginning five years from the date of said bonds of one hundred thousand dollars of
said bonds, and the sum of one hundred thousand dollars each year beginning four
years from the date of said bonds to pay and in season to pay the principal of such
bonds as they respectively become due, and continuing each succeeding year for thirty-
four years until the principal of all of said bonds has been paid.

The purpose and intent of the foregoing tax provisions are, and it is hereby ex-
pressly provided, that at the time of levying the municipal tax, and in the manner
provided for such tax levy, the Supervisors shall levy and collect annually a tax
sufficient to pay the annual interest on such bonds and also such part of the
bonded indebtedness as will fall due within the succeeding fiscal year. Such taxes
shall be in addition to all other taxes levied for municipal purposes, and shall be
collected at the same time and in the same manner as other municipal taxes are collected.

Section 10. This Ordinance shall be published for ten days in the Official News-
paper and shall take effect immediately.

Finally Passed—Board of Supervisors, San Francisco, July 14, 1913.

Ayes: Supervisors Caglieri, A. J. Gallagher, Giannini, Hayden, Hilmer, Jennings,
Koshland, Mauzy, McCarthy, Murdock, Murphy, Nolan, Payot.

Absent: Supervisors Bancroft, G. E. Gallagher, Hocks, McLeran, Vogelsang.

JOHN W. ROGERS, Acting Clerk.

Approved, San Francisco, July 16, 1913.

JAMES ROLPH, JR., Mayor.

Section 4. The special election hereby called and ordered to be held shall be held and conducted, and the votes thereat received and canvassed, and the returns thereof made, and the results thereof ascertained, determined and declared as herein provided and according to the laws of the State of California providing for and governing elections in the City and County of San Francisco, and the polls for such election shall be and remain open during the time required by said laws.

The ballots to be used at such special election shall be such as may be required by law to be used thereat, and, in addition to any other matter required by law to be printed thereon, shall appear thereon the following:

MUNICIPAL TICKET.

To vote for the proposition, and thereby authorize the incurring of a bonded indebtedness for the amount of, and for the purpose stated in such proposition, stamp a cross (X) in the blank space to the right of the word "YES."

To vote against the proposition and thereby refuse to authorize the incurring of a bonded indebtedness for the amount of, and for the purpose stated in such proposition, stamp a cross (X) in the blank space to the right of the word "NO."

Also, said ballot shall have printed thereon the following:

Proposition to incur a bonded indebtedness of the City and County of San Francisco to the amount of three million five hundred thousand dollars for the purpose of the acquisition or construction of a public utility, to wit: A system of municipal street railways over and along the public streets or rights of way from The Embarcadero to terminals at the Panama-Pacific International Exposition grounds and the Presidio Military Reservation; from various points in Market street and in and through Stockton street to the same terminals; from Market street to a terminal in the Potrero District; on Van Ness avenue, and from such avenue along connecting streets to Church street, and along Church street to convenient terminals; along California street from Thirty-third avenue to First avenue and over connecting streets to Geary street, and for such extensions and additions to the system as may be deemed necessary, and to include equipment thereof, appurtenances thereto, and purchase of necessary lands.

YES	
NO	

Bonds issued for such purpose shall bear interest at the rate of five per centum per annum, payable semi-annually.

Sample ballots containing the above matter required to be printed thereon shall be supplied to the electors of said City and County by the Board of Election Commissioners, but a failure on the part of any elector to receive such sample ballot shall not be held to invalidate the election or affect in any manner the legality of any bonds that may be authorized thereat.

Section 5. Any qualified elector of the City and County of San Francisco may vote at said special election for or against the proposition herewith submitted. To vote in favor of and authorize the incurring of a bonded debt for the purpose set forth in the proposition herein set forth he shall stamp a cross (X) in the square to the right of the word "Yes" printed opposite to the proposition, and to vote against and refuse to authorize the incurring of a bonded debt for the purpose set forth in the proposition herein set forth, he shall stamp a cross (X) in the square to the right of the word "No" printed opposite the proposition.

Each cross (X) stamped in the square to the right of the word "Yes," shall be counted as a vote in favor of, and to authorize, the incurring of a bonded indebtedness for the purpose set forth in the proposition opposite to which such cross (X) is stamped; and each cross (X) stamped in the square to the right of the word "No" shall be counted as a vote not in favor of, and a refusal to authorize the incurring of a bonded indebtedness for the purpose set forth in the proposition opposite to which such cross (X) is stamped.

The election precincts, and the numbers, names and boundaries thereof for said special election, and the places of voting, and the officers to conduct such election, and all other necessary proceedings in that behalf, shall be respectively defined, designated, selected, appointed and had by the Board of Election Commissioners of the City and County of San Francisco, and said Board is hereby authorized and directed to procure and provide all supplies that may be necessary to properly and lawfully conduct said special election.

When the polls are closed the officers of election shall count the ballots cast at such election, and canvass the votes cast respectively for and against the proposition herein set forth, make return thereof in time, form and manner required for the counting, canvassing and returning of votes cast at other municipal elec-

This net revenue is sufficient to meet all interest and sinking fund payments on the bonds after setting aside all allowances for replacements, deterioration, etc. Remember that the Geary Street Railroad has been operated from the Ferries to the Beach only since June 27th.

THE UNION STREET LINE

In December, 1913, the Union Street Railroad franchise expires. Here is the statement of revenues and expenditures filed with the State Railroad Commission for 1912:

Operating revenue	\$309,978.10
Operating expenses	167,524.00
	<hr/>
Net revenue	\$142,454.10

This road has paid off its bonded debt and the heavy cost of reconstruction after the fire. It is worth while taking over. To do this we must buy the present tracks and equipment or build new. A part of the \$3,500,000 bond issue is for this purpose. This road will pay all interest and sinking fund requirements on its cost and leave a handsome surplus. What will become of this road if you do not vote to take it? IT IS A PAYING PROJECT.

THE STOCKTON STREET LINE

Property owners are spending \$612,000 to build the Stockton Street tunnel. It will be of little use unless it has a railroad running through it.

The \$3,500,000 bond issue provides for a road from Stockton and Market Streets, through this tunnel, and by way of Columbus Avenue and North Point Street to the Fort Mason entrance to the Exposition Grounds.

This road will run through a well settled district very poorly supplied with transportation. It would pay as well as the California, Geary or Union Street lines if in operation to-day. It offers the shortest possible road from the heart of the retail and hotel district to the Exposition Grounds. And it is necessary to form the connecting link between the Geary and Union Street lines. This will become a valuable feeder to both, and means increased revenue for both lines.

THE VAN NESS AVENUE LINE

Here is the greatest cross-town business street of the future city. It will be to the city of 1,000,000 inhabitants what Kearny Street is to the city of 500,000.

Furthermore, it is the only approach to the Exposition Grounds on a safe grade for the southern part of the city. It is needed for the Exposition. Without it thousands of people cannot get there.

POTRERO AND NOE VALLEY

The Eleventh Street and Potrero Avenue line, and the Church Street line, will run into a territory practically without transportation facilities. The people of these districts must now walk long distances to cars. These roads will create highly desirable residence districts.

RICHMOND DISTRICT

The Fifth Avenue and California Street line is needed to preserve transportation on California Street to 33rd Avenue, where the United Railroads franchise has expired. Also, it will improve car service to Richmond.

If you doubt the value of any of these lines go over the routes yourself. **THEY WILL PAY.** And they **WILL** build up the vacant spaces in the Potrero, Noe Valley, North Beach and Harbor View districts, besides **SAVING THE EXPOSITION.**

GOOD MANAGEMENT ASSURED

The entire force of the road except the Superintendent is selected under the Civil Service rules. The accounts are kept separate, by Charter requirement, to show exact receipts and expenditures. No high priced presidents, directors or legal bureau are hired. Every citizen is a stockholder and every voter is an inspector. And the stockholders can, by recall, remove the entire management if it fails to satisfy.

PROFITS—NOT TAXES

You have a chance to get these roads WITHOUT PUTTING UP A DOLLAR of your own money. You can borrow the cost on the credit of the city and the roads will pay the interest and the entire sinking fund out of the earnings WITHOUT calling on the property owners for one cent of taxes. They will give a profit which will build more lines.

If you were a stockholder in a corporation and such a chance for investment was offered you, you would jump at it without hesitating a minute.

You are a stockholder in the Municipal Corporation of San Francisco. **VOTE YES** when the question of this investment is put to you at the great stockholders' election of August 26th.

As directors of your municipal corporation we append a complete statement of the finances of the municipal railway for the first seven months of its operation and an estimate of the profits for the present fiscal year based on the month of July, which is the dullest month of the year in street railroad transportation:

INCOME STATEMENT FOR THE SEVEN MONTHS ENDING JULY 31, 1913:

Revenues	\$181,760.45
Actual expenses	92,749.27
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Gross operating profit.....	\$ 89,011.18
Deduct depreciation sinking fund, being 18% of passenger revenues	32,679.65
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	\$ 56,331.53
Deduct interest on bonds.....	36,967.79
	<hr/>
NET PROFIT, 7 months ending July 31, 1913.....	\$ 19,363.74

From December 28, 1912, to June 24, 1913, the road was operated, but only to a partial extent, between Kearny Street and 33rd Avenue. Since last-mentioned date the road has been in full operation from the Ferry to the Beach.

INCOME STATEMENT FOR THE MONTH ENDING JULY 31, 1913:

Revenues	\$ 46,836.50
Actual expenses	19,966.95
	<hr/>
Gross operating profit.....	\$ 26,869.55
Deduct depreciation sinking fund, being 18% of passenger revenues	8,419.93
	<hr/>
	\$ 18,449.62
Deduct interest on \$1,969,000—bonds sold.....	7,383.75
	<hr/>
NET PROFIT, month ending July 31, 1913.....	\$ 11,065.87

**STATEMENT OF ESTIMATED INCOME FOR YEAR ENDING JUNE
30, 1914.**

Based upon income statement for July, 1913:

Estimated revenues, average \$45,900 a month.....	\$550,800.00
Estimated expenses, average \$21,000 a month.....	252,000.00
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Gross operating profit.....	\$298,800.00
Deduct depreciation sinking fund, 18% of gross income.....	109,144.00
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	\$139,656.00
Deduct interest on \$1,969,000—bonds sold.....	88,605.00
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Estimated NET PROFIT, year ending June 30, 1914.....	\$101,051.00

INCOME STATEMENT FOR YEAR ENDING JUNE 30, 1914.

including all charges a privately owned utility would have to meet.

Based on July, 1913, statement:

Estimated revenues, average \$45,900 a month.....	*\$550,800.00
Estimated expenses	300,472.59
Operating \$21,000 a month.....	.\$252,000.00
Taxes—State, Federal, franchise, license.....	43,812.59
Attorney's services, insurance, etc.....	4,660.00
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Estimated gross operating profit.....	\$250,327.41
Deduct depreciation sinking fund, being 18% of passenger revenues	109,144.00
	<hr/>
	\$141,183.41
Deduct interest on \$1,969,000—bonds sold.....	88,605.00
	<hr/>
NET PROFIT, year ending June 30, 1914, after inclusion of all comparison charges.....	\$ 52,578.41
	<hr/> <hr/>
Estimated net profit, as above.....	\$ 52,578.41
ADD comparison charges (saved under municipal operation).	
Taxes—State, Federal, franchise, etc.....	43,812.59
Attorney's services, insurance, etc.....	4,660.00
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ACTUAL NET PROFIT, year ending June 30, 1914.....	\$101,051.00

* The gross receipts for the first eleven days of August were \$17,712.40, averaging \$1,610.22 a day. On this basis, instead of on the basis of the July average, the gross receipts for the fiscal year ending June 30, 1914, would be \$584,649.98, instead of \$550,800, as above.

PAUL BANCROFT,
GUIDO E. CAGLIERI,
ANDREW J. GALLAGHER,
GEORGE E. GALLAGHER,
A. H. GIANNINI,
J. EMMET HAYDEN,
FRED L. HILMER,
OSCAR HOCKS,
THOMAS JENNINGS,

JAS. ROLPH, JR., Mayor.
ADOLF KOSHLAND,
BYRON MAUZY,
WILLIAM H. McCARTHY,
RALPH McLERAN,
CHARLES A. MURDOCK,
DANIEL C. MURPHY,
EDWARD L. NOLAN,
HENRY PAYOT,
ALEXANDER T. VOGELSANG,
Supervisors.