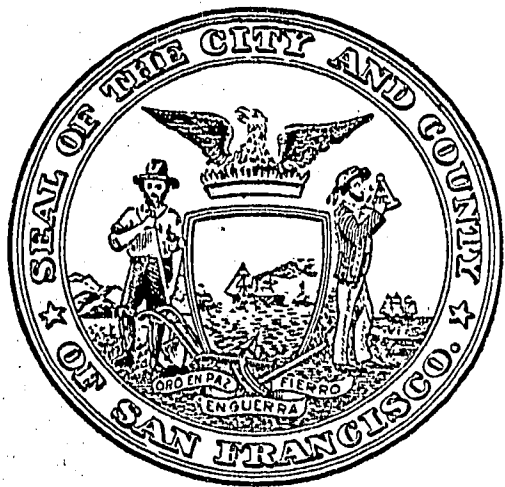


PROPOSED CHARTER AMENDMENT

to be voted on at
Special Municipal Election
April 20, 1943



Published under provisions of Section 183 of the
Charter of the City and County of San Francisco.

CAMERON H. KING
Registrar of Voters.

CHARTER AMENDMENT NO. 1

MARKET STREET RAILWAY PURCHASE — AMENDS
Charter by adding Section 121.1. Provides for purchase of operative properties of Market Street Railway for \$7,950,000, to be financed by issuance of revenue bonds.

CHARTER AMENDMENT NO. 1

REVENUE BONDS—ACQUISITION OF THE MARKET STREET RAILWAY

Describing and setting forth a proposal to the qualified electors of the City and County of San Francisco to amend the Charter of said City and County of San Francisco by adding thereto a new section to be known as Section 121.1 providing an additional and alternative method of financing the cost of the acquisition of the operative properties of the Market Street Railway Company by the issuance of revenue bonds and authorizing the consolidation of said operative properties of said Market Street Railway Company with the present Municipal Railway system of San Francisco and providing for the payment of said bonds solely out of revenues of said Municipal Railway system after the consolidation of the operative properties of the Market Street Railway Company with the said Municipal Railway system and which said bonds shall in no respect be secured by the taxing power of the City and County of San Francisco.

The Board of Supervisors of the City and County of San Francisco hereby submits to the qualified electors of the City and County of San Francisco at an election to be held therein on the 20th day of April, 1943, a proposal to amend, as hereinafter set forth, the Charter of said City and County by adding thereto a new section to be known as Section 121.1 relating to the acquisition of the operative properties of the Market Street Railway Company and providing for the financing of the cost thereof by the issuance of revenue bonds limited in the aggregate principal sum of \$7,950,000.00, both the principal and interest of which shall be payable exclusively from the revenues of the Municipal Railway system of San Francisco after the operative properties of said Market Street Railway Company are consolidated with said system and authorizing the consolidation of the properties of the Market Street Railway Company with the Municipal Railway System of the City and County of San Francisco.

REVENUE BONDS—ACQUISITION OF THE MARKET STREET RAILWAY

Section 121.1.

Subdivision 1. Pursuant to this section, the City and County of San Francisco is authorized, in addition to all other powers conferred upon said City and County pursuant to this charter or by general law, to acquire the operative properties of the Market Street Railway Company for the purpose of supplying said City and County and the inhabitants thereof, as well as the inhabitants of the County of San Mateo, with street railway and other transportation and facilities, provided that the primary purpose of acquiring said operative properties of said Market Street Railway Company shall be to furnish the City and

County of San Francisco and its inhabitants with street railway and other transportation and the furnishing of such transportation to San Mateo County and the inhabitants thereof shall be only such as may be incidental to said main purpose. The said properties to be acquired from said Market Street Railway Company shall include, all and singular, its operative properties now used for the furnishing of street railway and other service transportation to the City and County of San Francisco and to the inhabitants thereof and to the County of San Mateo and to the inhabitants thereof and shall include all street railway cars, buses, rail, ties, trolley wires, lines and poles, machinery, equipment, and real and personal property of every kind and nature including rights of way and permits, franchises, and all other property, real and personal of every kind and nature used by said Market Street Railway Company in connection with the operation of its street railway system in the City and County of San Francisco and in the County of San Mateo. Whenever the term "this section" is used, the same shall mean and include this section 121.1 and each and all of the subdivisions thereof.

Subdivision 2. The adoption of this section shall be deemed to and shall constitute a finding by the people of the City and County of San Francisco that the public interest and necessity demand the acquisition and operation of, all and singular, the operative properties of the Market Street Railway Company hereinbefore referred to, as well as the consolidation of said properties with the properties of the Municipal Railway as the same now exist and are operated.

Subdivision 3. Upon the acquisition of said operative properties of said Market Street Railway Company, all and singular, the said properties shall be consolidated with the present Municipal Railway system and shall become a part thereof and both of said properties as so consolidated shall constitute the Municipal Railway System of the City and County of San Francisco, and all additions and betterments made thereto shall become a part of said system.

Subdivision 4. As soon after the effective date of this amendment as is possible it shall be the duty of the Board of Supervisors to authorize the issuance of revenue bonds in an amount of \$7,950,000.00 for the purpose of obtaining funds to pay for the cost of the acquisition of the said operative properties of the said Market Street Railway Company hereinbefore referred to. All such revenue bonds shall be authorized by the Board of Supervisors by resolution adopted by majority vote of said board and shall contain a recital on their face that neither the payment of the principal, or any part thereof, or interest thereon, constitutes a debt, liability or obligation of the City and County of San Francisco. Such revenue bonds shall be payable exclusively from the revenues of the Municipal Railway system after the addition thereto of the said operative properties of said Market Street Railway Company, and from any funds or interest thereon established as additional security for said revenue bonds from the proceeds thereof or from the revenues of said Municipal Railway system. Reference on the face of such revenue bonds to said resolution by its date of adoption shall be sufficient to incorporate all of the provisions thereof into the body of said revenue bonds and their appurtenant coupons. Each taker and subsequent holder of such revenue bonds or coupons, whether such coupons are attached to or detached from said revenue bonds, shall have recourse to all of the provisions of such resolution and shall be bound thereby.

(a) The aggregate principal amount of all revenue bonds which may be issue pursuant to this section is hereby limited to \$7,950,000.00.

(b) The Board of Supervisors shall determine the form and denomination of the revenue bonds and the terms and conditions upon which the same shall be issued, paid and retired. The said board may divide any authorized issue into one or more series or divisions, and may fix different dates of issue and

different maturity dates for such bonds and different rates of interest to be paid thereon, and may prescribe different terms and conditions for revenue bonds of any of the several series or divisions. Such revenue bonds shall bear such dates as may be prescribed by the Board of Supervisors and may be, in whole or in part, serial bonds or sinking fund bonds with such maturities and payable at such times, over such period and in such amounts as the Board of Supervisors may determine.

(c) No revenue bond by its terms shall mature in more than fifteen (15) years from its date. In the event that any authorized issue is divided into two or more series or divisions, the maximum maturity date herein authorized shall be calculated from the date on the face of each revenue bond separately, irrespective of the fact that different dates may be prescribed for the revenue bonds of each separate series or divisions of said authorized issue.

(d) Revenue bonds shall bear interest at a rate of not to exceed five per cent (5%) per annum, payable annually or semi-annually or in part annually and in part semi-annually. It shall not be necessary that all of the revenue bonds of any authorized issue or division or series thereof shall bear the same rate of interest. The Board of Supervisors may fix and determine the definitive interest rate or rates which said revenue bonds shall bear, not exceeding the maximum rate hereinabove specified, and may determine such rate in accordance with the bid of the successful bidder for said revenue bonds on the sale thereof.

(e) Revenue bonds may be issued as coupon bonds or registered bonds, and the Board of Supervisors may provide for the interchange of coupon bonds for registered bonds and registered bonds for coupon bonds, and may provide that bonds shall be registered as to principal only, or as to both principal and interest, and the terms and conditions upon which the same shall be registered and discharged from registration.

(f) Revenue bonds may be made callable prior to maturity at the option of the City and County of San Francisco, upon such terms, conditions, and upon such notice as the Board of Supervisors may determine, but in no event at less than par, and upon the payment of such premium as may be fixed by the Board of Supervisors in the proceedings for the issuance of the said revenue bonds. No revenue bond shall be subject to call or redemption prior to its fixed maturity date unless the right to exercise such call is expressly stated on the face of the said bond.

(g) The Board of Supervisors may provide for the payment of the principal and interest of revenue bonds at any place within or without the State of California, and in lawful money or any specified coin or currency of the United States.

(h) The Board of Supervisors may provide for the execution and authentication of revenue bonds by the manual, lithographed or printed facsimile signatures of any designated officers of the City and County of San Francisco. The Board of Supervisors may also provide for additional authentication of the revenue bonds by a trustee or fiscal agent appointed by the Board of Supervisors. If any of the officers whose signatures or counter-signatures appear upon the revenue bonds or coupons cease to be officers before the delivery of said revenue bonds or coupons, their signatures or counter-signatures shall nevertheless be valid and of the same force and effect as if the officers had remained in office until the delivery of the revenue bonds and coupons.

(i) None of said revenue bonds shall be sold at less than their par or face value and accrued interest thereon to date of delivery.

(j) Pending the actual issuance or delivery of revenue bonds, the Board of Supervisors may issue temporary or interim revenue bonds, certificates or receipts of any denomination whatsoever, and with or without coupons, to be

exchanged for definitive revenue bonds when ready for delivery, and shall prescribe the form of such interim revenue bonds, certificates or receipts and the terms and conditions of exchange.

(k) Upon the written recommendation of the public utilities commission, and with the approval of the controller, the board of supervisors shall provide for the issuance, sale or exchange of refunding bonds for the purpose of redeeming or retiring any revenue bonds issued by the city and county of San Francisco under this section subject, however, to any limitations contained in the resolution providing for the issuance of such revenue bonds. All provisions of this section applicable to the issuance of revenue bonds are applicable to the funding or refunding bonds and to the issuance, sale or exchange thereof. Funding or refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all revenue bonds to be refunded thereby, and in addition for the payment of all expenses incident to the call, retiring or paying of such outstanding revenue bonds, and the issuance of such refunding bonds. Such expenses shall include any amount necessary to be made available for the payment of interest upon such refunding bonds from the date of sale thereof to the date of payment of the revenue bonds to be refunded or to the date upon which the revenue bonds to be refunded will be paid pursuant to the call thereof or agreement with the holders thereof, and also the premium, if any, necessary to be paid in order to call and retire the outstanding revenue bonds and also the interest accruing on such outstanding revenue bonds so called for redemption to the date of the call or retirement provided that such refunding bonds shall be payable as to principal and interest solely out of the revenues of the Municipal Railway system and no refunding bond by its terms shall mature in more than fifteen (15) years from its date. In the event any authorized issue is divided into two or more series or divisions, the maximum maturity date herein authorized shall be calculated from the date on the face of each refunding bond separately, irrespective of the fact that different dates may be prescribed for the refunding bonds of each separate series or division of said authorized issue, and the interest on said refunding bonds shall not exceed five per cent (5%) per annum, payable annually or semi-annually.

(1) All such revenue bonds issued under authority of this section shall be negotiable instruments and shall be deemed to have and possess all of the attributes of negotiability under the laws of the State of California relating to negotiable instruments.

Subdivision 5. Said resolution providing for the issuance of revenue bonds may also, in addition to all other appropriate agreements deemed necessary or advisable by said board of supervisors, contain such covenants and agreements on the part of the city and county of San Francisco as the board of supervisors deems necessary or advisable for the better security of the revenue bonds issued thereunder. The board of supervisors is hereby authorized and empowered in and by the terms of said resolution to covenant and agree, on behalf of the city and county of San Francisco, with the holders of any of said revenue bonds, so long as the same shall be outstanding, as follows:

(a) That the proceeds of the sale of said revenue bonds shall be deposited in a fund separate and apart from all other funds of the city and county of San Francisco and shall, together with any interest earned on such funds, be applied solely and exclusively to the object and purpose for which said revenue bonds are herein authorized to be issued, and that any proceeds of the sale of such revenue bonds remaining unexpended after the object and purpose for which said revenue bonds are herein authorized to be issued have been completed shall be applied to the retirement of revenue bonds then outstanding, by purchase in the open market or by call and redemption if the same are by their terms made callable prior to maturity, as the case may be, and that none

of such moneys shall be transferred to any other fund of the city and county of San Francisco or used for any purpose other than as specified in such resolution.

(b) That the city and county of San Francisco will consolidate the operative properties acquired from the Market Street Railway Company and operate the same in conjunction with the Municipal Railway system as the same exists on the effective date of this amendment and will keep said system as consolidated in good repair, working order and condition and will, from time to time, make all needful and proper repairs, renewals and replacements and will continuously operate said Municipal Railway system in an efficient manner

(c) That the city and county of San Francisco will establish and maintain reasonable rates of fare to be charged for transportation on said Municipal Railway system and that such rates shall, at all times, be adequate to yield annual revenue equal to all redemption payments and interest charges on said revenue bonds as the same fall due, together with such additional sums as may be required for any sinking fund, reserve fund or any other special fund provided for the security of such revenue bonds or for the maintenance and operation, depreciation, reserve fund, and other charges in connection with the operation of said Municipal Railway system, together with all costs of maintenance in operation of the said system; and, further, that such rates shall not be reduced below an amount sufficient to provide funds to meet the obligations herein and in said resolution set forth. That no person shall be permitted free transportation or authorized or permitted to make use of the transportation facilities of the Municipal Railway system except upon payment of the regularly established charge therefor with such exception as may be prescribed and defined by rule of the public utilities commission, in the cases of employees of the Municipal Railway system, policemen, firemen and other essential public employees, together with those engaged in charitable and educational work and who serve in said work without compensation therefor, all within the discretion of the public utilities commission. That all such fares shall be paid in such coin or currency as on the date of payment is legal tender for public or private debts or in script or tokens issued only upon payment of the face or commutation value thereof in such coin or currency. Any agreement contained in said resolution shall be binding upon the public utilities commission and upon the city and county of San Francisco and all officers, departments and boards thereof.

(d) That accurate books and records of account, showing all revenues received from the operation of the Municipal Railway system and all expenditures therefrom, will be kept and maintained as provided in section 64 of the charter, and that the controller will audit all accounts of the system as provided in section 66 of the charter. That for the purpose of preparing such audit, the controller is authorized to employ independent public accountants, the cost of whose audits shall be charged to the cost of operation of the Municipal Railway system. That all of the books and records of the Municipal Railway system shall be open at all times during business hours to the inspection of the holders of one or more of the revenue bonds, or of any percentage of such holders, or their duly authorized representatives, while any of the revenue bonds are outstanding and unpaid. That annual or other periodic statements of the condition of the Municipal Railway system will be furnished to the holders of such revenue bonds and that summaries thereof will be published at least annually. That in addition to the audit of said accounts by the controller, additional independent audits shall be furnished to the bondholders annually or at such other times as may be specified in the resolution, which shall also prescribe the manner and method in which such independent

accountants shall be designated and the character of the audits to be prepared or furnished by them. That the cost of all such audits, the cost of printing, distribution or publication thereof or of any summary thereof shall be deemed to constitute a part of the cost of operation of the Municipal Railway system and shall be paid from the revenue thereof.

(e) That if any part of the Municipal Railway system shall be taken from the city and county of San Francisco by eminent domain proceedings, or other proceedings authorized by law, the proceeds received by said city and county of San Francisco shall be applied to rebuild or replace the portion so taken and if not so applied shall be used within such time as may be fixed in said resolution exclusively for the payment of the principal and interest of said revenue bonds until the same shall have been paid in full.

(f) That while any of the revenue bonds are outstanding and unpaid, the city and county of San Francisco will not mortgage or otherwise encumber, sell, or lease or dispose of the Municipal Railway system or any substantial part thereof, or enter into any lease or contract which shall impair the operation of said Municipal Railway system or otherwise impair the right of the holders of any of said revenue bonds to secure payment in full of the principal and interest of said revenue bonds as the same shall mature, except that provision may be made in such resolution for the release of properties and the application of the proceeds of the sale or other disposition of the Municipal Railway system or any part thereof upon such terms and conditions as may be specifically defined in said resolution.

(g) That the city and county of San Francisco shall maintain insurance on said Municipal Railway system of the kind and character and in the amount which is usual and customarily carried by private companies engaged in the operation of street railways and also use and occupancy insurance, the cost of all of which said insurance shall be paid from the revenue of the Municipal Railway system as a part of the cost of the operation thereof.

(h) That the city and county of San Francisco will, prior to the incurring of any obligation against the Municipal Railway system, provide for the payment and discharge of said obligations as the same become due, and will cause to be paid and discharged all amounts of every character which may become due under said obligations, which if left unpaid might become a lien or charge against said Municipal Railway system or against the revenues thereof, or which might otherwise impair the security of said revenue bonds.

(i) That the proceeds from the sale of all revenue bonds authorized under the provisions of this section and all revenues received from the operation of the Municipal Railway system shall be paid into the city treasury and deposited by the treasurer in such depository or depositories as may be authorized by law to receive deposits of funds of the City and County of San Francisco, subject to such conditions as may be set forth in said resolution, which limit, restrict or regulate the holding, deposit and application of moneys derived from the proceeds of the sale of the revenue bonds or from the revenues of the Municipal Railway system, as may be deemed necessary or advisable for the further protection of the holders of said revenue bonds. Notwithstanding anything in this charter contained, the Board of Supervisors may provide in said resolution authorizing the issuance of revenue bonds that the City and County of San Francisco will appoint a bank or trust company qualified to do business in this state and having an office in the City and County of San Francisco to act as fiscal agent or trustee for the City and County of San Francisco and the holders of revenue bonds issued hereunder, and may prescribe the terms and conditions upon which the trustee or fiscal agent shall collect, receive, hold or disburse any and all proceeds of the sale of said revenue bonds and any revenues received from the Municipal Railway system and may prescribe the duties and

powers of the trustee or fiscal agent with respect to the issuance, authentication, sale and delivery of revenue bonds and the payment of principal and interest thereof, the call for redemption of said revenue bonds, the registration and discharge from registration of said revenue bonds, and the management of any sinking fund, reserve fund or other fund provided as security for such revenue bonds and the investment of any moneys in said funds, and also for the exercise on behalf of the holders of such revenue bonds of such rights and limitations as may be available to such holders. The resolution may provide any restriction upon the investment of moneys held by such fiscal agent or trustee deemed necessary or advisable by the Board of Supervisors. Said resolution may further provide for the appointment of paying agents and collection agents for said revenue bonds, within or without said City and County of San Francisco upon such terms and conditions as may be prescribed by the Board of Supervisors. The Board of Supervisors may also provide in and by such resolution that both the principal of and interest on such revenue bonds and the coupons, if any, attached thereto may be paid by such fiscal agent, trustee, paying agent or collection agent from any moneys held by or transmitted to them, or any of them, for that purpose, as such principal and interest fall due and no controller's warrant shall be required for the purpose of enabling the fiscal agent, trustee, paying agent or collection agent, as provided in Section 85 of this charter, or any other provision of this charter, to make such payment. Except in the case of bonds registered in the name of a registered holder on the books of the fiscal agent, or with the treasurer of the City and County, trustee, paying agent, collection agent or registrar, such payment shall be made in the case of interest, only upon surrender of the proper interest coupons attached to said revenue bonds. Payments on account of principal shall be made only upon surrender of the revenue bonds with respect to which such principal payment is made. In the event the Board of Supervisors shall provide for the appointment of a fiscal agent or trustee, said Board of Supervisors may also provide that the accounts of any such fiscal agent or trustee shall be subject to audit by the controller in the same manner as is provided in Section 66 of this charter, or, in lieu thereof, that such accounts shall be subject to audit by independent public accountants appointed as provided in said resolution, whose costs and fees shall be paid as part of the expense of operation of the Municipal Railway system.

(j) That upon the happening of certain events of default to be specified therein, any or all of the revenue bonds may become, or be declared due and payable prior to maturity by the holders thereof or any percentage thereof, directly or through any trustee or fiscal agent. Said resolution shall specify the terms and conditions upon which such declaration and its consequences may be waived.

(k) That the holders of said revenue bonds or any specified percentage thereof shall have and may exercise the rights, limitations, powers and duties prescribed in said resolution in the event of any breach by the City and County of San Francisco or any department, commission, official or agency thereof of any of the covenants, conditions or obligations contained in the resolution.

(l) That the terms, covenants or conditions of the resolution and of the revenue bonds issued thereunder may subsequently be amended or modified in whole or in part with the consent of the Board of Supervisors, acting on behalf of the city and county of San Francisco, and the vote or written assent of the holders of a specified principal amount of the revenue bonds then issued and outstanding. Such resolution may provide for meeting of bondholders or for the manner in which the consent of bondholders may be given and evidenced and may provide that such amendment or modification effected in the manner therein provided shall be binding upon the holders of all of

the revenue bonds and interest coupons appertaining thereto, whether expressly assenting thereto or not, and with respect to such interest coupons whether the same are attached to or detached from any such revenue bonds. Such resolution may further provide that for the purpose of such amendment or modification, bonds held by any department, agency, board, bureau or fund of the city and county of San Francisco, or by any other public corporation, municipality, district or political subdivision, or by the State of California, shall not be counted as outstanding bonds or be entitled to vote or assent, but shall, nevertheless, be subject to such modification or amendment if the same shall otherwise be effected in accordance with said resolution.

The Board of Supervisors, the Public Utilities Commission, and each and every board, department, agency and officer of the city and county of San Francisco are hereby authorized, empowered and directed to carry out and perform their respective powers, duties and obligations imposed upon them, and each of them, by such agreements as may be contained in said resolution authorizing the issuance of revenue bonds, and such provisions of said resolution providing for the issuance of said revenue bonds shall constitute a contract with the holders of said revenue bonds and be binding upon the Board of Supervisors, Public Utilities Commission, and each and every board, department, agency and officer of said city and county of San Francisco, and each thereof is hereby vested with full authority to do and perform all such acts, conditions and things required by them, respectively, under said resolution to be done or performed. Said resolution may also include, and the Board of Supervisors is hereby authorized to agree upon, any other terms and conditions, whether hereinabove referred to or not, necessary, advisable or convenient in order to secure the revenue bonds or to make the revenue bonds more marketable; provided, that nothing in said resolution contained shall abridge the powers and functions of the Public Utilities Commission contained in subdivision 7 of this section, and provided further that none of such covenants, agreement, conditions or terms or anything herein provided shall obligate the City and County of San Francisco to do or perform any of such terms, conditions or covenants by the expenditure of any funds other than those arising from the operation of the Municipal Railway system, and under no circumstances shall the City and County of San Francisco be obligated to levy and collect taxes to provide moneys to perform any of the terms or conditions contained in any such resolution, and all obligations assumed by the city and county of San Francisco pursuant to such resolution which shall require the expenditure of any moneys shall be limited solely and exclusively to the revenues arising from the operation of said Municipal Railway system.

Subdivision 6. The Board of Supervisors shall sell revenue bonds authorized pursuant to this section at such times and in such amounts as may be determined by said board. All such revenue bonds shall be sold on sealed proposals to the highest and best bidder after such advertisement for bids as the Board of Supervisors shall deem proper; provided that notice of sale shall be published at least once in the official newspaper of the city and county of San Francisco at least ten days prior to the date fixed for the receipt of such sealed proposals. The Board of Supervisors may reject any and all bids so submitted and may thereafter re-advertise such revenue bonds for sale upon such terms and conditions as the Board of Supervisors may deem proper. None of said revenue bonds shall be sold otherwise than at public sale, nor for less than the face value thereof together with the accrued interest thereon at date of delivery; except that the Board of Supervisors may also sell said revenue bonds to and may contract loans with and borrow moneys through the sale or pledge of such revenue bonds from the United States of America or any of its departments, agencies or instrumentalities, upon such terms and

conditions as may be agreed to, and such loan, borrowed moneys and revenue bonds shall be subject to all of the provisions of this section, except that such revenue bonds need not be first offered at public sale pursuant to advertisement.

Such loans may be contracted with the United States of America or any of its said departments, agencies or instrumentalities, with or without the issuance of revenue bonds; provided that such loans or borrowed moneys shall be repaid solely and exclusively from the proceeds of sale of revenue bonds or from the revenues of the Municipal Railway system, and such loans, together with the bonds issued pursuant to this section, shall not exceed \$7,950,000.00. No taxes shall be levied upon any of the taxable property in said City and County of San Francisco for the payment of the principal or interest on such loans. If the proceeds of the sale of said revenue bonds shall, pursuant to the resolution providing for their issuance, be paid into the city treasury, the same shall be deposited in a separate fund which shall at all times be kept segregated and set apart from all other city funds and shall be used solely for the purpose of paying the cost of the acquisition of the operative properties of the Market Street Railway Company and its consolidation with the Municipal Railway System, and if such proceeds of the sale of said revenue bonds are deposited with any fiscal agent or trustee under the resolution authorizing the issuance of the revenue bonds, then and in that event the same shall be held, invested and disbursed pursuant to the limitations and conditions contained in said resolution. Out of any money in the general fund of said city and county not otherwise appropriated or out of any existing Municipal Railway funds, the Board of Supervisors shall be and is hereby authorized and directed to pay all costs of advertising said bonds for sale, the cost of preparing, printing and distributing any prospectus or official statement in connection with said bonds, the cost of printing, lithographing or engraving said revenue bonds, the cost of independent audits, engineers' reports or opinions with respect to the revenue bonds deemed necessary or advisable by the Board of Supervisors to effect or assist in effecting the sale of said revenue bonds and also the fees and charges of the superintendent of banks or the State of California, or of any other public official, bureau or department thereof, required to enable said revenue bonds to be certified as legal investments for banks, insurance companies or other institutions, or for the purpose of enabling said bonds to be declared eligible security for the deposit of public funds and also the cost and fees of any public official of any other state in the United States necessary or advisable in the opinion of the Board of Supervisors to enable such revenue bonds to be qualified as legal investments for any purpose under the laws of such states; provided that any moneys advanced from the general fund of said city and county for the payment of such expenses shall be refunded to said city and county from revenues received from the operation of said Municipal Railway system, or from any premium received on the sale of such bonds.

Subdivision 7. The Public Utilities Commission shall have charge of the acquisition of the operative properties of the Market Street Railway Company, and shall have the same power and authority as to the management, supervision and extension of said Municipal Railway after the acquisition of the operative properties of said Market Street Railway Company as are now invested in said Public Utilities Commission over the Municipal Railway system of San Francisco except as otherwise provided in this charter. The said operative properties of said Market Street Railway Company shall be acquired by purchase, if possible, and if said purchase is not possible then, in that event, said operative properties of said Market Street Railway Company may be acquired by any other lawful means.

Subdivision 8. The validity of the authorization and issuance of any

revenue bonds shall not be dependent on, or in anywise affected by:

(a) Any proceedings taken by the City and County of San Francisco or the Public Utilities Commission for the acquisition of said operative properties of said Market Street Railway Company;

(b) Any contracts made by the Public Utilities Commission in connection with the acquisition of said operative properties of said Market Street Railway Company.

No purchaser or holder of any revenue bonds authorized or issued pursuant to this charter shall be required to take cognizance of any of the acts of the Public Utilities Commission with respect to the acquisition of the operative properties of said Market Street Railway Company or the performance of any of the conditions or the taking of any of the proceedings herein required by the Board of Supervisors, at, before or after the issuance of said revenue bonds, or with respect to the application of the proceeds derived from the sale of said revenue bonds, and said revenue bonds by their issuance shall conclusively establish the due performance of all conditions precedent to their issue.

Subdivision 9. In accordance with the provisions of section 130 of this charter, rates shall be fixed, established and collected for all transportation service furnished by the Municipal Railway system after the operative properties of the Market Street Railway system have been combined therewith, which will at all times yield revenues at least sufficient with respect to the then immediately ensuing twelve months to pay or provide for:

(a) The principal of and interest on any general obligation bonds of the City and County issued for the purpose of acquiring, constructing and completing the existing municipally owned and operated street railway system of the City and County until all of such bonds now outstanding shall have been paid and retired.

(b) All operating expenses of the Municipal Railway System;

(c) The principal of and interest on all of the revenue bonds then outstanding and unpaid as the same become due, together with any amounts required to be deposited in any sinking fund or reserve fund or other fund established by the resolution for the issuance of such revenue bonds for the further security thereof;

(d) All amounts required for maintenance of and repairs to the Municipal Railway system;

(e) Such sums as may be estimated annually by the Public Utilities Commission in the budget proposed for the Municipal Railway system as the amount necessary to be expended in the ensuing year to pay or provide for the payment of all costs of depreciation, reconstruction, replacements, extensions, improvements and betterments of the said system. Such sums required for said purposes, if payable solely from the revenues of the Municipal Railway system, shall be and are hereby appropriated annually from said revenues and when so appropriated to the Public Utilities Commission shall be applied solely and exclusively to the purposes above designated.

(f) Such sums as may be estimated annually by the Public Utilities Commission in the budget proposed for the Municipal Railway system as the amount required to establish and maintain a surplus operating fund, to be accumulated from the balance of the annual revenues of the said system after such revenues have been first applied to the purposes specified in the subparagraphs (a), (b), (c), (d) and (e), hereinabove set forth. The moneys in said surplus operating fund may be appropriated as provided in section 80 of this charter for the use of the Municipal Railway system, and not otherwise.

The amounts hereinabove required shall be raised exclusively from revenues of the system, except that such amounts or any part thereof may be raised by the issue and sale of general obligation bonds of the City and County of San

Francisco. Such amounts required under subparagraphs (c), (e) and (f) above are hereby appropriated annually in the order above named and shall not be subject to modifications, alteration or amendment by the Board of Supervisors. The amounts hereinabove provided in subparagraphs (b) and (d) shall be estimated by the Public Utilities Commission and approved by the Board of Supervisors at the time and in the manner provided for the approval of the annual budget and appropriation ordinance, and the amount to be appropriated for said purposes specified in subparagraphs (b) and (d) shall be such amount as may be approved in the budget for said purposes. Sections 74, 127 and 128.1 of this charter shall not be applicable to the Municipal Railway system.

The term "operating expenses of the Municipal Railway system," as used herein shall include all salaries, wages, pension charges and proportionate payments to such compensation and other insurance and accident reserve funds as the Public Utilities Commission may establish or as the Board of Supervisors may require and all other expense of every kind and nature incident to the operation of the Municipal Railway system, including the reasonable cost of power furnished by the Hetch Hetchy project as required by the Raker Act, provided that revenue from funds raised by taxation shall not be applied for any of the foregoing purposes except those specified in subparagraph (a) of this subdivision and then only if the revenues of the Municipal Railway system are not available to meet the charges set forth in said subparagraph.

There shall also be paid as a part of the operating expenses of the said Municipal Railway system, the sum of \$200,000.00 annually to the credit of the General Fund of the City, which payment shall be in lieu of the taxes and licenses heretofore paid by the Market Street Railway Company to the city and county.

Subdivision 10. Any revenues of the Municipal Railway system received in any fiscal year in excess of the amounts required for the purposes designated in subdivision 9 hereof shall be disposed of as may be provided in any covenant or condition contained in the resolution providing for the issuance of the revenue bonds, and in the absence of such disposition shall be applied as follows:

(a) The public utilities commission shall undertake a study of rates in January of each year and whenever it finds that the Municipal Railway system has or is likely to yield revenues in excess of the amounts required for the purposes designated in subdivision 9 hereof may propose a schedule of lower rates to the board of supervisors which shall not be less than the rates required to yield revenues for the purposes specified in subdivision 9, but which may be sufficiently lower than the then existing rates in order to prevent said Municipal Railway system from accumulating surpluses from such revenues in excess of the amounts required for the purposes specified in said subdivision 9. Such schedule of revised rates shall be submitted to and approved or rejected by the board of supervisors in accordance with the provisions of section 130 of this charter.

(b) Section 129 of this charter shall not be applicable to any revenue received from the Municipal Railway system and after the payment of the several amounts provided for in subsections (a), (b), (c), (d), (e) and (f) of subdivision 9, any surplus existing shall not be subject to appropriation to the general fund of the city, but shall be held for the benefit of the Municipal Railway system.

Subdivision 11. The public utilities commission is hereby vested with full power and authority to collect the revenues of the Municipal Railway system and to cause the same to be paid into the treasury of the city and county of San Francisco daily, or to be deposited with any fiscal agent or trustee appointed by the board of supervisors in the resolution providing for

the issuance of said revenue bonds, and in the time, manner and form therein provided. Subject to the agreements, covenants and conditions contained in the resolution providing for the issuance of the revenue bonds, all such revenues of the Municipal Railway system shall be applied exclusively to the purposes specified in subdivisions 9 and 10, and in the order therein set forth.

The controller and the treasurer of the city and county of San Francisco are hereby authorized and directed to establish separate funds into which shall be deposited all revenues of the Municipal Railway system for each of the several purposes specified in subparagraphs (a), (b), (c), (d), (e) and (f) of subdivision 9, and with respect to surplus revenues as provided in subdivision 10, and such funds will be so established irrespective of whether the revenues shall be held in the city treasury or with any fiscal agent or trustee appointed in the resolution providing for the issuance of the revenue bonds. Said controller and treasurer shall transfer to each of such funds respectively all moneys held in the corresponding respective separate funds established for the existing Municipal Railway department of said city and county, which existing funds shall be closed and such transfer shall take effect as of the date of issuance and delivery of said revenue bonds. The term "revenues of the Municipal Railway system" shall include all revenues derived directly or indirectly from the use and operation of the Municipal Railway system, from and after the date of issuance and delivery of revenue bonds herein authorized, including interest allowed or received in respect of moneys or securities in any of the respective funds into which such revenues are deposited.

Subdivision 12. Said revenue bonds, and the interest thereon and any reserve fund, sinking fund or other fund created for the further protection of said revenue bonds shall constitute a first and exclusive lien and charge upon all of the income and revenue of the Municipal Railway system, subject only to the prior charge set forth in subparagraph (a) of subdivision 9 hereof, and if at any time the revenues of said system are not sufficient to permit the payment of said sums, the deficiency shall be made good from any moneys in the surplus operating funds.

Subdivision 13. The Municipal Railway system shall be considered a separate utility and none of the revenues of the said system shall be transferred to any other utility except that as provided in subdivision 9 hereof, such portion of the revenues as may be used to pay the reasonable cost as fixed by the public utilities commission of services rendered to said Municipal Railway system by any other municipally owned utility.

Subdivision 14. Notwithstanding any other provision of this charter which may be in conflict with the provisions of this section, the provisions of this section shall prevail insofar as the same shall pertain to the issuance of revenue bonds and for the acquisition of the operative properties of the Market Street Railway Company. Nothing herein contained shall prevent the financing or the acquisition of the operative properties of the Market Street Railway Company from other funds legally available for that purpose. Nothing in this section contained shall in any way abridge, control, limit, restrict or revoke the power of the electors of the city and county of San Francisco to vote for and cause to be authorized and issued general obligation bonds of the city and county of San Francisco for the acquisition of said operative properties of said Market Street Railway Company, irrespective of whether revenue bonds are issued hereunder or not; and the method provided in this section for such acquisition of said operative properties shall be deemed to be an additional method of providing funds for said purpose and for providing for such acquisition of said operative properties. Revenue bonds authorized and issued under authority of this section shall not be subject to the charter limitations as to the amount of bonded indebtedness of the city and county

of San Francisco, nor be taken into consideration in determining the amount of bonded indebtedness which the city and county of San Francisco is authorized to incur pursuant to section 104 of the charter.

Subdivision 15. The Board of Supervisors may by ordinance or resolution confer upon said public utilities commission such additional powers not in conflict with this section as may be necessary to carry out the purposes of this section.

Subdivision 16. Upon the taking effect of this amendment, the board of supervisors and the public utilities commission shall proceed immediately to perform all acts required hereunder for the acquisition of the said operative properties of the said Market Street Railway Company for the purposes herein specified, and to provide for the cost thereof by the issuance and sale of revenue bonds payable exclusively from the revenues of the Municipal Railway system.

Ordered submitted—Board of Supervisors, San Francisco, February 8, 1943.

Ayes: Supervisors Brown, Colman, Gartland, Green, MacPhee, Meyer, Roncovieri.

Noes: Supervisors Gallagher, Mead, Shannon, Uhl.

I hereby certify that the foregoing Charter amendment was ordered submitted by the Board of Supervisors of the City and County of San Francisco.

DAVID A. BARRY,
Clerk.

Rotary Colorprint, Inc.

590 Folsom Street, San Francisco



SECOND CLASS TRANSPORTATION SYSTEM

WHAT DOES PURCHASE OF THE MARKET STREET RAILWAY SYSTEM MEAN? IT MEANS CONTINUED OPERATION OF A SECOND-CLASS TROLLEY SYSTEM. AN UP-TO-DATE TRANSPORTATION SYSTEM IS BY MEANS OF BUSES.

FRANCHISES

Franchises held by the Market Street Railway Company do not exclude the city from operating buses on the same street on which the Market Street Railway Company has a franchise—positive fact.

COMPETITION

Competition means improved service; following is an example:

The Market Street Railway Company has placed in operation a bus route from Castro and 25th via Castro, Divisadero, Jackson, Steiner, Fillmore to Marina Boulevard. The Market Street Railway Company has indicated it will, if given a permit, operate a bus route on "one-way" Bush and Pine Streets, from Market Street to 25th and Lake.

NO BUSES, CARS OR PARTS ARE AVAILABLE FOR THE DURATION!

MODERN TRANSPORTATION SYSTEM

A modern transportation system is by buses. Express service is possible by the bus, inasmuch as one bus can pass another bus. Flexibility of the bus permits rerouting. Buttons can be removed. Buses load at curb. Substituting buses on Van Ness Avenue will make it one of the show boulevards in the United States.

IN PLACE OF PURCHASING THE OUTMODED MARKET STREET RAILWAY SYSTEM FOR \$7,950,000, LET'S BEND OUR ENERGIES FOR A MODERN TRANSPORTATION SYSTEM—BUSES. FIVE HUNDRED BUSES WOULD COST BUT \$5,000,000. THE MUNICIPAL RAILWAY HAS A CASH SURPLUS OF \$2,000,000; ALSO \$446,758 ALREADY ALLOCATED FOR BUSES; THEREFORE, A BOND ISSUE OF ONLY \$2,500,000 WILL BE NECESSARY TO BE ON OUR WAY FOR AN UP-TO-DATE TRANSPORTATION SYSTEM AS SOON AS BUSES ARE AVAILABLE; THEREFORE

Vote "No"

On the Purchase of the Market Street Railway System

UHL - GALLAGHER - MEAD - SHANNON

(Over)

BONDS - BONDS - BONDS

TO PAY FOR JUNK

Vote "No"

UHL - GALLAGHER - MEAD - SHANNON

VOTE "NO" ON THE BOND ISSUE OF \$7,950,000 FOR PURCHASE OF THE MARKET STREET RAILWAY SYSTEM. NEITHER THE MAYOR NOR MR. CAHILL HAVE TOLD YOU ADDITIONAL BONDS MUST BE VOTED IN NEAR FUTURE FOR TRACK RECONSTRUCTION AND PURCHASE OF NEW CARS. FOLLOWING BOND ISSUES WILL BE NECESSARY:

Bond issue for purchase of Market Street Railway.....	\$ 7,950,000
Bond issue for purchase of 481 trolley cars.....	8,658,000
Bond issue for rehabilitating the system.....	12,000,000

Grand Total.....	<u>\$28,608,000</u>
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In September, 1938, Mr. Cahill advocated purchase of the Market Street Railway System. He then stated: It will cost \$11,980,000 to rehabilitate the Market Street Railway System.

Mr. Cahill intends operating the old dilapidated trolley cars; merely patching and repainting the cars—an outrage. Two years ago Mr. Cahill said he would not take the Market Street Railway as a gift. Strange that he advocates purchasing the system now.

CAR FARE

The Mayor and Mr. Cahill propose a six cent car fare. When asked by the Supervisors, "WILL YOU GUARANTEE A SIX-CENT FARE?" the answer was "NO!" A six-cent fare is based on a bond issue of \$7,950,000. Additional bond issues which will positively be necessary, will boost the car fare to 7, 8 or even ten cents if a six-cent fare does not pay for the bonds.

MARKET STREET BOTTLENECK

Mr. Cahill contends that more municipal cars cannot operate on the outer tracks on Market Street. He therefore insists upon the purchase of the Market Street Railway system so that municipal cars can be operated over the inner tracks of the Market Street Railway on Market Street. Mr. Cahill, Section 499 of the Civil Code provides "that any city and county can operate street railways over the same street or tracks occupied by any street railway, for any number of blocks, provided the city pays part of construction cost". Years ago, Mr. Cahill, you should have asked the City Attorney as to what steps would be necessary to enable you to run municipal cars over the inner tracks on Market Street, as provided in Section 499.

(Over)

Let's **ALL** Ride

WE WILL IF WE
VOTE YES

TUESDAY, APRIL 20

EVERY street car and bus rider in San Francisco knows that the job of getting to and from work and shopping is almost unbearable. We are ALL agreed on that.

★ ★ ★

EVERY one of us knows that the situation is getting worse day by day and that a solution must be found or the transportation systems will break down. We are ALL agreed on that.

★ ★ ★

EVERY competent authority, every private and public engineering agency, every regulatory body that has studied the situation has agreed that the city's two large street railway systems must be unified. And they agree that this is the ONLY solution and that it is the ONLY way to obtain adequate relief.

★ ★ ★

It is only sound, common sense for us to accept the verdict of the authorities, all of whom agree on the solution. It is the reverse of that to accept the judgment of misinformed opponents who cannot even agree among themselves and cannot offer a solution.

★ ★ ★

YOU are personally affected, whether or not you ride street cars or busses. Every person who lives in this city we all love is personally affected. When the City suffers, WE suffer.

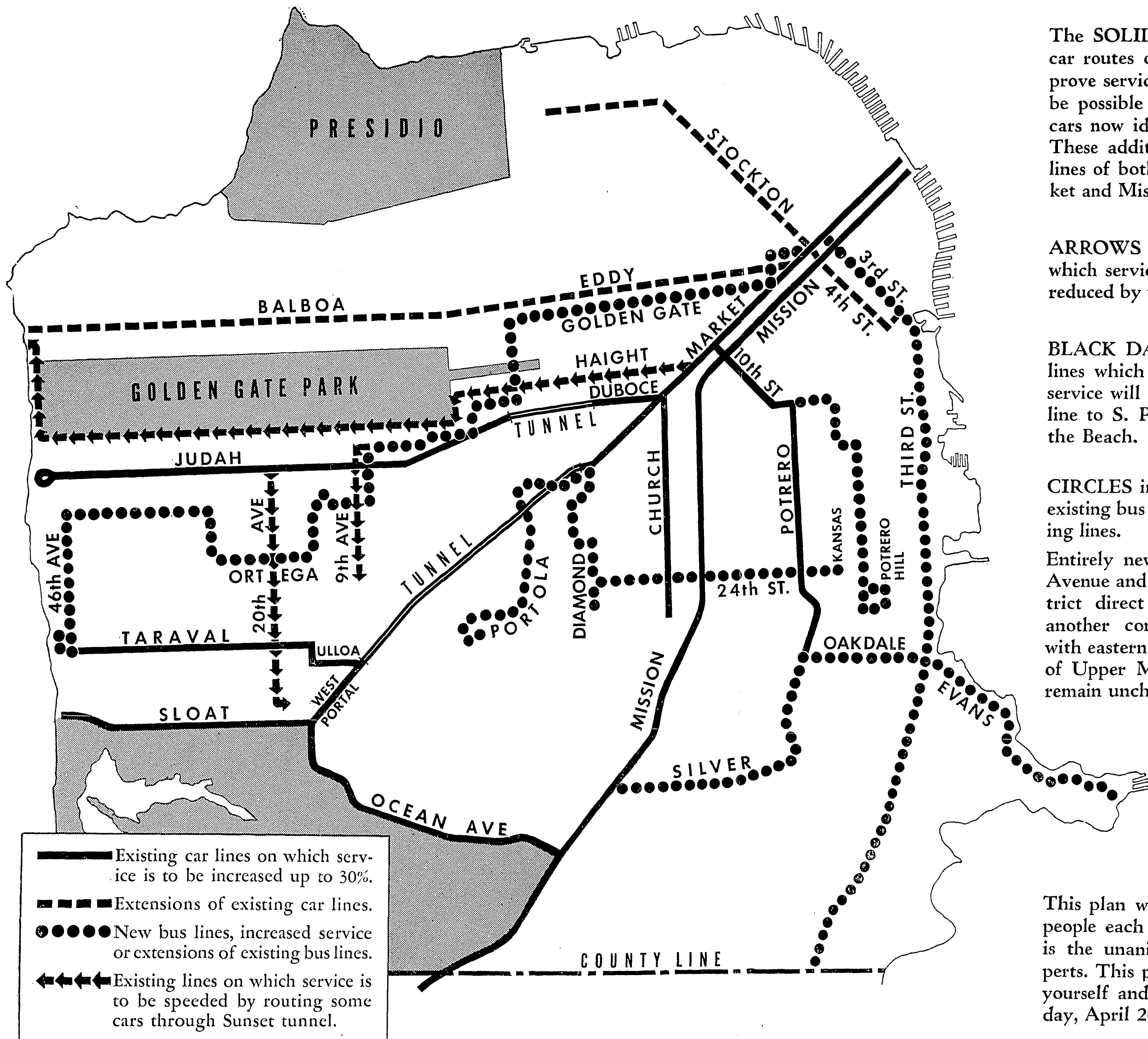
LET'S DO SOMETHING FOR SAN FRANCISCO.

LET'S HELP OURSELVES!

LET'S ALL RIDE!

(Turn this page and study the map. See what this solution does for you and for San Francisco.)

STUDY THIS MAP—NEW OR IMPROVED SERVICE FOR EVERY DISTRICT!



The **SOLID BLACK** lines are existing street car routes on which cars will be added to improve service as much as 30 per cent. This will be possible by full use of tracks and of street cars now idle in Market Street Railway barns. These additions will be concentrated on trunk lines of both present systems which enter Market and Mission Streets.

★ ★ ★

ARROWS indicate existing street car lines on which service will be improved and travel time reduced by use of Sunset Tunnel.

★ ★ ★

BLACK DASHES indicate existing street car lines which are to be extended and on which service will be speeded. Extensions include "F" line to S. P. Depot and Balboa Street line to the Beach.

★ ★ ★

CIRCLES indicate new bus lines, extensions of existing bus lines or additions of busses to existing lines.

Entirely new bus lines include one from 46th Avenue and Taraval Street through Sunset District direct to Fourth and Market Streets; another connecting Miraloma Park District with eastern end of Twin Peaks Tunnel by way of Upper Market. Present Miraloma line will remain unchanged.

Present No. 6 Municipal Railway bus line to be extended to 24th and Kansas Streets.

Other routes as indicated on map to get additional busses and Bayview District to get express service downtown.

★ ★ ★

This plan will handle more than 20,000 more people each day during rush hours. This plan is the unanimous recommendation of the experts. This plan is **YOUR** plan. You owe it to yourself and to your city to support it, Tuesday, April 20.

How It's To Be Done

WE must have ONE system, ONE management and ONE fare ANYWHERE and a free transfer EVERYWHERE to bring order out of chaos. The Federal government has stated that we will receive no consideration for new equipment until we make maximum use of what we now have by UNIFIED USE OF TRACKS AND EQUIPMENT.

★ ★ ★

THAT IS WHY we must consolidate the systems and the only way that can be done is by purchase of the Market Street Railway. To accomplish this, the voters must authorize the sale of \$7,950,000 of revenue bonds. These will be paid out of railway revenues, *only*. This means that the fares we pay will be used to service and retire the bonds, which cannot become a burden on the taxpayer. NO TAXES! NO MORTGAGES! NO LIENS! NO LOANS!

★ ★ ★

HERE'S WHAT WE GET FOR \$7,950,000:

124 motor coaches . . . 30 trucks . . . 9 trolley coaches . . . 442 electric street cars . . . 39 cable cars . . . 18 trailers . . . 6 passenger cars . . . 25 parcels of land . . . 237 miles of trackage and overhead structures . . . 6 substations . . . 9 shops and carhouses . . . transmission system . . . machinery, tools, work cars, cranes . . . signal and telephone lines . . . equipment, supplies and materials.

★ ★ ★

FAILURE to purchase the private company's operative properties means continuation of the present intolerable service for 13 more years—the length of its franchises.

★ ★ ★

REMEMBER—No COST to taxpayers and no LOSS to taxpayers! The unified system will pay \$200,000 each year into the city treasury in lieu of taxes Market Street Railway has been paying. This plan will put the whole transportation setup on a business basis and guarantee fare payers SERVICE AT COST.

★ ★ ★

LET'S DO SOMETHING FOR SAN FRANCISCO!

LET'S DO SOMETHING FOR OURSELVES!

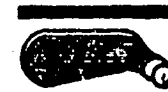
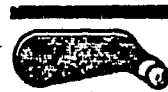
Vote YES ★ TUESDAY, APRIL 20

Authorized by Board of Supervisors, David A. Barry, Clerk.

Submission approved by

Supervisors Brown, Colman, Gartland, Green, MacPhee, Meyer and Roncovieri.

SAMPLE BALLOT • SPECIAL ELECTION APRIL 20, 1943



CHARTER AMENDMENT

YES 1 NO

MARKET STREET RAILWAY PURCHASE—AMENDS
Charter by adding Section 121.1. Provides for purchase of operative properties of Market Street Railway for \$7,950,000, to be financed by issuance of revenue bonds.



DIRECTIONS FOR VOTING

1st. Move RED HANDLE lever of the VOTING MACHINE to the RIGHT as far as it will go and LEAVE IT THERE.

2nd. TO VOTE FOR OR AGAINST CHARTER AMENDMENT, pull down the POINTER from this position



to this position



over the word YES or NO as you desire to vote, and LEAVE IT DOWN.

3rd. LEAVING the pointer as you have placed it (DOWN in the voting position) move the RED HANDLE lever of the VOTING MACHINE to the LEFT as far as it will go and you have voted and your vote registered.

Study this Sample Ballot CAREFULLY, so that when you go to vote you can VOTE WITHOUT DELAY. Polls Open 7 a. m.—Close 8 p. m. VOTE EARLY. Do not wait until the last minute.