$7,500,000 SETTLEMENT

District and Key System Reach Price Agreement; Long Court Fight Avoided

Threats of long delay in the improvement of East Bay public transportation were eliminated this month when the Transit District reached agreement with Key System Transit Lines on a purchase price of $7,500,000 for its complete facilities.

The settlement, which clears away a possible delay of two years in court action, was recommended to the district board of directors by General Manager John R. Worthington.

Worthington, who negotiated the settlement with Glen L. Stanley, Key System president, said that by taking advantage of the agreement, the district could expect to replace Key and be in operation by next October.

An early settlement also should help in avoiding the possibility of a transit shutdown May 31 when the labor contract between Key and the Carmen's Union expires, he added.

Agreement Studied

Both the district board and directors of the privately owned transit company have yet to approve the agreement. However, the transit board was expected to decide on whether to approve the negotiated price before the end of the month.

Initial reaction of the transit directors came from William J. Bettencourt, Alameda and San Leandro representative, who declared the agreement is both "reasonable and fair" to the taxpayers of the district and Key System stockholders.

"This settlement is a far cry from the old allegations that this district was created to bail out the Key System," Bettencourt said.

He cited last year's high earnings of Key System, its increased patronage and revenues, and observed that the district would be "extremely fortunate" to obtain the entire Key holdings for the $7,500,000 price.

Initial Key Price

The negotiated figure is approximately $3,000,000 less than the initial asking price of Key representatives when negotiations began four months ago, Worthington told the board.

The settlement is based on values of Key equipment and real estate as determined by engineers of the State Public Utilities Commission as well as district engineering consultants, he said.

Key System maintenance terminals, storage yards and rolling stock, including 296 gasoline buses not originally sought by the district, are contained in the package agreement.

"By the purchase of all of Key's facilities," Worthington said, "the district will (Continued on Page 3)"
Bids on New Buses

Bids on a maximum of 300 new ultra-modern motor coaches, estimated to cost $8,000,000, will not be opened by the San Leandro Development Committee.

Bettencourt Named to Head
San Leandro Development

William J. Bettencourt, transit district director representing San Leandro and Alameda, and East Bay civic leader, has been named general chairman of the San Leandro Development Committee.

The committee is charged by the City Council with the study of ideas for the revitalization of the San Leandro central business district.

Transit Annexation Up for June Vote

Voting unanimously this month to place the proposed annexation of West Contra Costa to the Transit District on the June 7 ballot were the city councils of Richmond and San Pablo and the transit district board of directors.

The annexation proposal, requested by Richmond, San Pablo and adjacent unincorporated area, requires a simple majority vote for passage.

By joining the district, West Contra Costa would be assured of local transit service when the District replaces the operation of Key System Transit Lines later this year.

The annexation agreement, approved by the various public agencies involved, provides for a maximum tax rate of one cent per $100 of assessed property valuation. West Contra Costa residents would be eligible to vote on three of the seven members on the transit board of directors. The terms of two of the three directors expire this end of the year.

Latest of the many community organizations to lend full support to the annexation proposal are the merchants division of the Richmond Chamber of Commerce, San Pablo Chamber of Commerce, Richmond Development Foundation, Richmond Urban Renewal Committee, East Richmond Heights Improvement Association.

Key System Price Accord Under Study by District Directors; Early Date Seen for Start of Operations

(Continued from Page 1)

have within its control the ability to promptly remove from the streets antiquated equipment and replace it with coaches of superior design and comfort.

"Lengthy court proceedings could delay our operation by as much as two years, prolonging just that much further Key's use of the older equipment," he said.

A total of $550,000 has been allowed by the district for the used gasoline coaches. But their purchase by the district eliminates the possibility of severance damages which could "approach the price paid for the equipment," Worthington said.

"In other words, we are trading the thing of value in return," Worthington said.

Besides providing funds for the purchase of Key System at the price proposed, he said, "that the acquisition of Key System would be an exceedingly fair and equitable solution, and will prove of great and lasting benefit not only to transit riders but also to the taxpayers of the district."

In addition to the modern "Transit Liners," the district plans to improve public transit with a network of fast express lines and more than 300 miles of new or improved local routes in the various East Bay cities.
Exclusive Freeway Lanes for Express Buses Urged for Los Angeles by Traffic Engineer

Rush-hour express lanes for buses have been advocated by Los Angeles' city traffic engineer, S. S. Taylor, as the best method of making "rapid transit" systems really rapid at least expense.

Such a study was urged by Taylor before further consideration of a monorail or other method of bringing thousands of daily commuters in and out of downtown Los Angeles.

These special lanes, on freeways and major streets, would be available for automobile and truck use during non-rush-hour periods.

"A comparable railroad track or monorail lines, on the other hand, would be used largely for some two or three morning and evening hours for only some 250 weekdays," Taylor said. "Each track would be used largely for only about 750 hours out of a total of 8,760 hours in a year.

"A pair of expressway lanes allocated exclusively for inter-urban buses in the morning and afternoon rush hours and available for cars and trucks as well as buses in the remaining hours would thus be utilized far more extensively in the course of a year than would a pair of railroad tracks," he said.

Control Terminal

Also needed to speed up public transportation, in Taylor's view, is a centrally located passenger terminal for these express buses, along with pedestrian conveyor belts from the terminal to major business areas.

Taylor predicated several major steps that will be undertaken during the next five years to solve Los Angeles' transit dilemma, including:

1. A planned, integrated mass rapid transit system.
2. A transportation master plan combined with a pedestrian-vehicle separation in order to get commuters in and out of the downtown area quickly and efficiently.
3. An increase in the quantity of mass transportation, regardless of its quality.

Key System Patronage, Revenues Gain

Passenger revenues collected last year by Key System Transit Lines increased more than 6 per cent on East Bay lines and 4 per cent on transbay service as compared to 1958.

The higher revenues, reported in the company's annual report issued this month, provided Key with an operating profit of $1,428,510.

Deductions of $116,948 for track removal and $783,000 for federal income taxes, plus other minor adjustments, left the company with a net income of $753,961.

The number of passengers carried by Key increased for the first time since the end of World War II.

East Bay patronage increased nearly 2 per cent—from 37,812,000 in 1958 to 38,500,000 last year. Riders on Key's transbay lines increased 1 per cent, from 7,072,000 to 7,091,000.

In his report to stockholders, Key President Glen L. Stanley attributed the increased transbay patronage to faster service, occasioned by the substitution of motor coaches on the former bridge rail lines.

"When the bridge rebuilding project is completed, and we are able to keep entirely off San Francisco city streets, we anticipated still further savings in schedule times," Stanley added.

The high earnings for the year were attributed in large measure to the important economies effected by the complete motorization of the bridge railway service.
Bridge Terminal Renovation Moves Ahead

Remodeled Transbay Transit Terminal to Become One of Nation's Finest; Escalators Among Many Innovations

Another major project soon will begin in the remodeling of the Bay Bridge terminal into one of the nation's top facilities for accommodating interurban transit passengers.

The entire granite and concrete exterior of the huge structure, more than 20 years old, is about to undergo a complete face scrubbing and painting, according to Norman Raab, State project engineer.

Faster Service

By the time all of the remodeling work is completed next year, Raab said, the terminal should be one of the finest in the country—both from the standpoint of passenger comfort and convenience as well as rapid movement of motor coaches in and out of the facility.

The new improvements and faster transit service to the East Bay should induce larger numbers of persons to use public transportation, he added.

“With buses transporting an average of 22 passengers per trip, compared with less than two persons per car, the traffic congestion on the bridge, particularly during the peak periods, would be somewhat relieved.”

More than 54,000 transit riders pass through the terminal each day. Last year, the number of transbay passengers carried by Key System Transit Lines totaled 8,051,800.

The terminal facilities will be used by the Alameda-Contra Costa Transit District and its fleet of streamlined “Transit Liners” when the District replaces Key System later this year.

Work on the terminal building, to convert it from train to bus use, began nearly two years ago, with a number of major improvements already finished.

The elevated track area from the San Francisco bridge anchorage, around the terminal loop and through the building, has now been repaved and the 14 motor coach lines of Key System operate in and out of the terminal, thus speeding up service and relieving city street traffic.

New indicator lights have been installed at various points in the building, which clearly show waiting passengers the lines that are loading and upon which ramps.

New, brighter lighting and a coat of paint are planned throughout the interior of the terminal, including the passenger loading deck. At night, the outside of the terminal will be brightened with a system of floodlight illumination.

A program providing for the general rearrangement and refurbishing of restaurant and other services of the building also is underway.

Bright Illumination

In addition to Key System, the terminal is being used by Greyhound Lines for commuters traveling to Central Contra Costa County.

Raab said the terminal is so constructed that it can be expanded to accommodate another 10 loading stations, increasing the present 30 loading points to 40.

Recent improvements include the installation of fluorescent lights in the main waiting room and on the mezzanine floor, the opening of various previously closed areas for freer movement of pedestrian traffic throughout the building, the construction of a new ticket office, and the installation of a new stairway flanked on both sides by escalators, leading from the lobby to the mezzanine level.

Transit Improvements—Fourteen transbay motor coach lines carrying 54,000 riders a day now use fast, elevated transit loop between Bay Bridge anchorage in San Francisco and the Transbay Transit Terminal. Repaving of the former bridge rail area plus installation of modern passenger escalators and convenient loading indicators are part of a $2,500,000 remodeling program of the transit terminal due to be completed next year.
At an adjourned regular meeting April 20, 1960, the Board of Directors:

• Approved agreements for annexation of cities of Richmond, San Pablo and adjacent unincorporated area to the Transit District, on motion of Director Coburn. (Details, Page 3.)

• Called special annexation election to be held in unincorporated area in consolidation with June 7 primary election, on motion of Director Copeland.

• Authorized three members of the Board to inspect plants of major bus manufacturers together with transit operations in other communities, on motion of Director Copeland.

• Authorized directors and staff to attend a regional meeting of the American Transit Association in Sacramento May 9-11, on motion of Director McDonnell.

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At the regular meeting May 4, 1960, the Board of Directors:

• Referred to Committee on Finance for study a recommendation of the General Manager that a proposed agreement for purchase of Key System Transit Lines be approved, on motion of Director McDonnell. (Details, Page 1.)

• Declared intention as to terms and conditions for annexation of Richmond and San Pablo to Special Transit Service District No. 1 providing voters of the area approve annexation to the overall district June 7, on motion of Director McDonnell.

• Adjourned meeting to May 25 at 8 p.m. in supervisors chambers of Alameda County Court House for purposes of acting on recommended Key System purchase agreement, on motion of Director Copeland.