

Effective—9-1-55.

Respectfully submitted,  
MARVIN F. KLANG, Secretary.

By Councilman Youngblood:

Resolved, That the Dept. of Purchases & Supplies be and is hereby authorized and directed to enter into contract with the following persons or firms for furnishing the departments mentioned with material, equipment and supplies in amounts, kinds and at prices listed in the foregoing communications:

Photo Reproduction Products, Haloid Co. (City) Sensitized Paper.

Pearlman Cartage Co. Inc. (Election Comm.) Trucking Services.

Siggins & King Co. (City Plan) Printed and Bound Books.

A. J. Marshall Co. Inc. (Health) Garbage Grinders.

General Electric Co. (DeHoCo) Copper Cable.

B. A. Chaplow Lumber Co. (Hsg.) Millwork.

Terminal Sales Corp. (P & R) Fertilizer.

Johnson Plastic Corp. (P & R) Plastic Pipe.

Maurice Harris—Acushnet Process Sales Co. Agent (P & R) Golf Balls.

Control Corp. (PLC) Supervisory Control Equipment.

Gould-National Batteries Inc. (PLC) Storage Batteries.

Graybar Electric Co. Inc., Eagle Signal Corp. (PLC) Traffic Signal Controllers.

Gregory, Mayer & Thom Co. (Rec. Ct.) Office Furniture.

Minnesota Mining & Mfg. Co. (S & T) Reflectorized Paper.

Art Metal Construction Co. (Treas.) Metal Tables and Stands.

Braun Lumber Co. (Water) Lumber.

Coon-DeVisser Co. (Water) Valves; and further

Resolved, That substitution of coal on contract with Sunnybrook Coal Co. covering coal via Lake Vessel for the Public Lighting Commission, be and the same is hereby authorized in accordance with foregoing communication; and further

Resolved, That price increases on contracts with Elgin Sweeper Co. covering repair parts and with J. F. Beyer Coal Co. covering coal, be and the same are hereby approved as set forth in foregoing communication.

Adopted as follows:

Yeas—Councilmen Beck, Connor, Rogell, Smith, Van Antwerp, Wise, Youngblood, and President Miriani—8.

Nays—None.

**Recorder's Court**

October 12, 1955.

Honorable Common Council:

Gentlemen—I respectfully report to your Honorable Body that a jury duly impanelled in the Recorder's Court, in

the matter of acquisition of land for parks and recreational and other municipal purposes, located on the east side of Burns Avenue between Lambert and Medbury Avenues rendered a verdict in favor of said acquisition September 23, 1955, which was confirmed by the Court October 12, 1955.

In accordance with the statute, I herewith transmit a certified copy of said verdict, and of the judgment of confirmation.

Respectfully submitted,  
E. BURKE MONTGOMERY,  
Clerk.

Received and placed on file.

**Recorder's Court**

October 12, 1955.

Honorable Common Council:

Gentlemen—I respectfully report to your Honorable Body that a jury duly impanelled in the Recorder's Court, in the matter of acquisition of land for widening of alley north of Fenkell Avenue west of Archdale, rendered a verdict in favor of said acquisition September 22, 1955, which was confirmed by the Court October 12, 1955.

In accordance with the statute, I herewith transmit a certified copy of said verdict, and of the judgment of confirmation.

Respectfully submitted,  
E. BURKE MONTGOMERY,  
Clerk.

Received and placed on file.

**Department of Street Railways**

October 13, 1955.

Honorable Common Council.

Gentlemen—The Department has had under consideration a proposal from the Transit Authorities of Mexico City, submitted by Mr. Alfonso Sotomayor, Director General, Servicio de Transportes Electricos Del D. F. for the purchase of all but two of the street cars owned by the Department of Street Railways.

The proposal from Mexico City is based on a purchase price of \$6,000.00 per car, or a total of \$1,098,000.00. It provides further for a time payment plan, involving a cash payment of approximately 25% of the purchase price, or \$276,000.00. The balance of the purchase price, or \$822,000.00 is to be paid in eight installments over a four year period at six month intervals. The unpaid balance is to carry an interest rate of 4% and to be secured by notes guaranteed as to payment by the Banco Nacional de Transportes.

The Mexican transit authorities have also agreed to pay in cash for the following:

1. Cost of outside repainting and inside touch-up \$400.00 per car.
2. Cost of changing brown upholstery to green upholstery on 77 of the 1947 cars—\$350.00 per car.

3. Cost of loading on railroad cars and making ready for shipment—\$50.00 per car.

The above three items involve a cash expenditure of \$109,300.00, which added to the cash payment of approximately 25% of the purchase price, makes a total initial cash payment of \$385,300.00.

The details of the above proposal have been more fully outlined in a draft of a contract submitted by the Mexican Authorities. The proposed draft of this contract has been reviewed by Mr. James Shields, DSR Principal Attorney, Mr. Walter E. Vashak, Office of the Corporation Counsel, and Mr. Richard D. Rohr, Legal Counsel for the Manufacturers National Bank of Detroit. As a result of this review the proposed draft has been rewritten in order to clarify some of the language appearing in the copy of the contract received from the Mexican Transit Authorities. A copy of the revised draft of the contract is herewith attached.

In view of the fact that the offer made by the Mexican Transit Authorities provides for a time payment plan, the Department has explored with the National Bank of Detroit and the Manufacturers National Bank of Detroit the possibility of working out a financing plan which would enable the Department to receive, upon the conclusion of present negotiations, the entire proceeds from the sale of the street cars.

As a result of contacts made with these two banking institutions, proposals for financing such a transaction have been received from both banks, copies of which are herewith attached. While there is considerable similarity between the two financing proposals, the interest rate of 2% submitted by the Manufacturers National Bank of Detroit appears to offer the most attractive financing terms.

The Board of Street Railway Commissioners at a special meeting held on Wednesday, October 12th, which was attended by Mayor Cobo, approved the acceptance of the purchase offer submitted by the Mexican Transit Authorities. Subject to the approval of the Common Council the Board also authorized the Department to advise the Mexican Transit Authorities that their offer to purchase 183 street cars has been accepted, and further authorized the Department of Street Railways to proceed with the necessary financing plans as may be further directed by the City Controller and the Corporation Counsel.

In compliance with the action taken by the Board of Street Railway Commissioners, the proposal of the Mexican Transit Authorities for

the purchase of 183 street cars owned by the Department of Street Railways is herewith submitted for your approval.

Respectfully submitted,  
LEO J. NOWICKI,  
General Manager.

Department of Street Railways  
October 13, 1955.

Honorable Common Council:  
Gentlemen—Your attention is invited to the attached exhibit of pertinent data applying to the three different types of street cars owned by the DSR.

You will please note that the book value as of June 30, 1956 of the two street cars purchased in 1945 is \$18,714.28. The book value as of June 30, 1956 of the 78 street cars purchased in 1947 is \$980,968.56. The book value as of June 30, 1956 of the 106 street cars purchased in 1949 is \$2,122,533.08, representing a total book value as of June 30, 1956 for the 186 street cars of \$3,221,553.08.

The Department expects to realize from the proposed sale of 183 of the 186 street cars to Mexico City, \$1,098,000.00, leaving an undepreciated balance as of June 30, 1956 of \$2,122,553.08.

This undepreciated balance of \$2,122,553.08 for accounting purposes is charged to the Department surplus or so-called City Equity which on September 30, 1955 was carried on the books as \$2,933,197.01. While the City Equity account will be reduced by the amount of the undepreciated balance referred to above, it should be pointed out that a complete liquidation of street car operations during the current fiscal year will enable the Department to reduce operating costs by approximately \$400,000.00 a year. This large saving in operating costs will not only enable the Department to provide better transit service, but will also help to liquidate this undepreciated balance.

Respectfully submitted,  
LEO J. NOWICKI,  
General Manager.

CITY OF DETROIT  
DEPARTMENT OF STREET  
RAILWAYS

Number of Cars—Group 1 2, Group 2 78, Group 3 106.  
Date Purchased—Group 1 1945, Group 2 1947, Group 3 1949.  
Purchased From—Group 1 St. Louis Car Co., Group 2 St. Louis Car Co., Group 3 St. Louis Car Co.  
Seating Capacity—Group 1 54, Group 2 50, Group 3 54.  
Length Overall—Group 1 46 ft. 6 in., Group 2 46 ft. 5 in., Group 3 49 ft. 5 in.  
Width Overall—Group 1 8 ft. 3 3/4