Decision No. 13059

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of LOS ANGELES JUNCTION RAILWAY COMPANY to issue and sell \$1,000,000., par value, of its capital stock and to issue promissory notes in the sum of \$250,000.00.

Application Number 9205



Le Roy M. Edwards, for Applicant.

BRUNDIGE, Commissioner:

FIRST SUPPLEMENTAL OPENION

LOS ANGELES JUNCTION RAILWAY COMPANY, in its amended application filed in the above entitled matter on December 6, 1923, asks the Railroad Commission to set aside Decision Number 12584 made on the original application on September 7, 1923, and to make an order on its application as now amended, authorizing it to issue and sell \$500,000.00 of its capital stock.

The record in this proceeding shows that the company was formed primarily for the purpose of constructing and operating a belt line junction railway connecting the lines of the Southern Pacific, Union Pacific, Santa Fe and Pacific Electric, and serving the industries in the new industrial district (Central Manufacturing District) to be developed in San Antonio township, County of Los Angeles, as well as any other industries located along the lines of applicant and including the Los Angeles Stock Yards. At the time the original application was filed, on July 9, 1923, it was the company's intention to acquire 47.3 acres of land in the Central Manufacturing District to be used for switching, yard and other railroad purposes. The Commission's decision, Number 12584, authorized the company to issue \$1,000,000.000 of its stock and sell \$639,800.000 of

such stock for each at not less than par and use the proceeds to acquire the 47.3 acres of lands at \$7,500.00 an acre, to purchase and construct tracks, locomotives, and facilities, to provide working capital and for such other purposes as the Commission might authorize.

Applicant has now advised the Commission that it does not desire to avail itself of the authority granted by Decision Number 12584. It reports that it has modified its plans and does not intend, at this time at least, to acquire the 47.3 acres of land, but intends to lease such land in the Central Manufacturing District as it finds necessary on a basis of a value of \$7,500.00 an acre. Land needed for rights-of-way and terminals outside the district will be purchased by applicant.

Because of the modification of its plans, applicant has decided to file an amended application asking permission to issue only \$500,000.00 of stock. It intends to sell its stock at par for cash and to use the proceeds for the following purposes:-

To pay the cost of tracks constructed prior to
December 1, 1923
To pay the cost of additional tracks to be con-
structed in the immediate future 50,277.78
To cover the cost of handling materials 1,855.95
To pay for materials on hand 10,966.70
To pay the estimated cost of properties as follows :-
Tracks
Filling property 15,000.00
Round house 20,000-00
Machine shop 10,000.00
Locomotives
Machinory 65,400.00
Turn table 15,000.00
Fuel station 2,000.00
Water tank 1,500.00
Electrification of tracks
from Pacific Electric 9,000.00
Interlocking plants 20,000.00
Total estimated cost
For working capital

The company reports that in order to make connections with the Southern Pacific tracks it expects to expend about \$50,000.00 for approximately two acres of land in Vernon. The company did not. however, at the hearing held on December 27, 1923, furnish the Commission with a description of the land to be acquired, nor did it advise the Commission definitely of the exact size and cost. The order herein will therefore provide for the expenditure at this time of only \$450,000.00 of the proceeds from the sale of the stock. Upon the filing by applicant of a description of the land to be acquired, together with a statement of its exact size and cost, the Commission will, by supplemental order, authorize the use of all or a part of the remaining \$50,000.00.

I herewith submit the following form of order :-

FIRST SUPPLEMENTAL ORDER

LOS ANGELES JUNCTION RAILWAY COMPANY, having requested the Railroad Commission to set aside Decision Number 12584, dated September 7, 1923, and to make an order authorizing it to issue and sell \$500,000.00 of stock, a public hearing having been held and the Railroad Commission being of the opinion that the application should be granted as herein provided:-

IT IS HEREBY ORDERED that Decision Number 12584, dated September 7, 1923, be, and it is hereby, vacated and set aside.

IT IS HEREBY FURTHER ORDERED that LOS ANGELES JUNCTION RAIL-WAY COMPANY be, and it is hereby, authorized to issue and sell for cash, at par. \$500,000.00 of its common capital stock.

The authority herein granted is subject to further conditions as follows:-

1. Applicant may use \$450,000.00 of the proceeds from the sale of the stock herein authorized to pay the cost of the tracks, materials, properties and equipment referred to in the foregoing opinion, and to provide applicant with working capital, except that no part of said \$450,000.00 shall be expended for the acquisition of the lands referred

to in such opinion. Upon receiving a description of the land which applicant intends to acquire, the Commission will by supplemental order determine how much applicant may expend for such land. \$50,000.00 obtained from the sale of the stock herein authorized to be issued shall be held by applicant in its treasury, and expended only as authorized by the Commission.

- 2. Applicant shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th. day of each month a verified report, as required by the Railroad Commission's General Order Number 24, which order in so far as applicable, is made a part of this order.
- 3. The authority herein granted to issue stock will become effective upon the date hereof but will expire on August 31, 1924.

The foregoing First Supplemental Opinion and First Supplemental Order are hereby approved.

DATED at San Francisco, California, this __//_ day of Jamery 1924.

Dwing Martin

Commissioners.