

LEM

Decision No. 11584.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SACRAMENTO NORTHERN RAILROAD,)
a corporation, and SAN FRANCISCO-)
SACRAMENTO RAILROAD COMPANY, a cor-)
poration, for an order of the Rail-)
road Commission of the State of)
California, (1) authorizing said)
Sacramento Northern Railroad to sell)
an undivided one-third (1/3) inter-)
est in its Union Railroad Passenger)
Station in the City of Sacramento,)
to said San Francisco-Sacramento)
Railroad Company, (2) authorizing)
said San Francisco-Sacramento Rail-)
road Company to execute and deliver)
to Sacramento Northern Railroad two)
promissory notes for a portion of)
the purchase price of said Union)
Railroad Passenger Station; and to)
secure the same by a purchase money)
mortgage on its one-third (1/3) in-)
terest in such Union Railroad Pas-)
senger Station to Sacramento North-)
ern Railroad; and to assume liability)
with respect to certain securities,)
and (3) authorizing Sacramento North-)
ern Railroad to permit San Francisco-)
Sacramento Railroad Company to use)
jointly with it certain of its tracks)
in the City of Sacramento.)

ORIGINAL

Application No. 11636

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION

In the original petition filed in the above entitled matter on August 26, 1925, as amended at the public hearing held on September 18th before Examiner Fankhauser, the Railroad Commission was asked to authorize:-

1. Sacramento Northern Railroad to exercise the rights and privileges granted by Ordinance No. 140, 4th Series, of the City of Sacramento.

2. Sacramento Northern Railroad to transfer to San Francisco-Sacramento Railroad Company an undivided one-third interest in its union railroad passenger station, tracks, overhead and appurtenances in the City of Sacramento.
3. Sacramento Northern Railroad and San Francisco Sacramento-Railroad Company to jointly use the portions of the tracks of Sacramento Northern Railroad on "M", "8th" and "I" Streets in the City of Sacramento, referred to in that certain agreement dated December 26, 1924.
4. Sacramento Northern Railroad and San Francisco-Sacramento Railroad Company to assume the payment of \$90,000. representing the balance due on the land purchased on which to construct said union railroad passenger station.
5. San Francisco-Sacramento Railroad Company to issue notes to pay in part for the undivided one third interest in the said union railroad passenger station, tracks, overhead and appurtenances and to execute a purchase money mortgage to secure the payment of such notes.
6. Sacramento Northern Railroad and San Francisco-Sacramento Railroad Company to carry out and execute the provisions of the agreement filed in this proceeding and marked "Exhibit A."

On September 18, 1925, the Commission made its Opinion and Order, No. 15410, in this matter. Because applicants were not in a position to advise the Commission definitely of the cost of the station and the amount of notes to be issued by San Francisco-Sacramento Railroad Company, the authority was limited to

declaring that public convenience and necessity require and will require the exercise by Sacramento Northern Railroad of the rights and privileges granted to it by Ordinance No. 140, 4th Series, of the City of Sacramento, and authorizing the two companies to carry out the terms and provisions of the agreement, dated December 26, 1924 and marked "Exhibit A", insofar as the terms and provisions of said agreement relate to the joint operation and use of the union passenger railroad station, tracks, overhead, structures and provisions. The Opinion recites that when applicants have advised the Commission in writing of the exact cost of the station and appurtenances and the face value and dates of the notes to be issued, it would consider the entry of a further order in this proceeding.

On October 28, 1925, applicants filed a supplemental petition in the above entitled matter in which they reported the total cost of the land, station, tracks, overhead and structures and the proportion chargeable to the San Francisco-Sacramento Railroad Company as follows:-

	Total Cost	Proportion Chargeable to S.F.-Sacto.RR Co.
Total cost of land.....	\$104,195.08	\$34,731.70
Total cost of union station building, etc.	85,438.77	28,479.58
Cost of tracks, overhead and appurtenances	87,749.67	29,249.89
Total actual cost.....	<u>\$277,383.52</u>	<u>\$92,461.17</u>

Of the total of \$92,461.17 to be paid by San Francisco-Sacramento Railroad Company, \$20,000.00 is to be paid in cash; \$30,000.00 by assumption of the payment of one third of the existing mortgage or deed of trust, now a lien on the properties, and the balance by two promissory notes. The payment of the two notes will be secured by a purchase money mortgage, a copy of which was filed in this proceeding as "Exhibit 2". Both notes will be

dated October 30, 1925, and one will be of the face value of \$29,249.89, payable in twenty-five equal annual installments, with interest at six percent per annum, and the other for \$13,211.28, payable ten years after date, with interest at six percent per annum. The first note is equal to one third of the cost of the tracks, overhead and appurtenances, and the second is equal to one third of the cost of the land, and one third of the cost of the station building less \$20,000., the amount of the cash payment, and \$30,000.00 assumed on account of the existing mortgage. The existing mortgage is for \$90,000.00 and was originally executed between Bisbee Investment Company and Fred W. Kiesel and A. B. Carter and California Trust and Savings Bank.

There has been filed with the supplemental petition a copy of Ordinance No. 181, 4th Series, of the City of Sacramento, granted to San Francisco-Sacramento Railroad Company permitting the operation over certain streets in connection with the use of the union station, subject to the terms and conditions set forth in the ordinance. The Commission is asked to authorize the company to exercise the rights and privileges granted by the ordinance.

FIRST SUPPLEMENTAL ORDER

Application having been made to the Railroad Commission for a further order in this proceeding, as indicated in the foregoing supplemental opinion, and the Commission being of the opinion that a further hearing is unnecessary and that the supplemental application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that Sacramento Northern Railroad be, and it hereby is, authorized to transfer to San Francisco-Sacramento Railroad Company an undivided one third interest in its union railroad passenger station, tracks, overhead, structures and appurtenances in the City of Sacramento, referred to in this proceeding, for the total purchase price of one third of the cost to

Sacramento Northern Railroad of said union railroad passenger station, tracks, overhead, structures and appurtenances.

IT IS HEREBY FURTHER ORDERED that San Francisco-Sacramento Railroad Company be, and it hereby is, authorized to purchase from Sacramento Northern Railroad an undivided one third interest in said properties and to pay therefor a purchase price equal to one third of the total cost to Sacramento Northern Railroad of such properties, and in carrying out the provisions of the agreement dated December 26, 1924, between the two companies to assume the payment of one third of the note for \$90,000.00 secured by mortgage or trust deed on the land on which the station is erected, including all interest thereon from October 1, 1924, and to pay in cash on account of such purchase price \$20,000.00 and to execute and deliver to Sacramento Northern Railroad two promissory notes, each dated October 30, 1925, substantially in the form set forth in the purchase money mortgage, a copy of which is filed as "Exhibit 2": one note to be in the face amount of \$29,249.89, payable in twenty-five equal annual installments, the first installment to be made one year from date of the note, with interest at six percent per annum; and the other note to be in the face amount of \$13,211.28, payable on or before ten years after date of issue, with interest at not exceeding six percent per annum, and to execute and deliver to Sacramento Northern Railroad a purchase money mortgage on its undivided one third interest it is herein authorized to acquire, such purchase money mortgage to be dated October 30, 1925, and to secure the payment of said notes.

IT IS HEREBY FURTHER ORDERED that San Francisco-Sacramento Railroad Company and Sacramento Northern Railroad be, and they hereby are, authorized to assume the payment of the \$90,000.00 note which is secured by a mortgage or deed of trust on the land on which the union passenger station is erected, which mortgage or deed of trust is hereby approved.

IT IS HEREBY FURTHER ORDERED that Sacramento Northern Railroad and San Francisco-Sacramento Railroad Company be, and they hereby are, authorized to carry out and execute the provisions of the agreement dated December 26, 1924, filed in this proceeding as "Exhibit A" and use jointly the portion of the tracks of Sacramento Northern Railroad on "M" "8th" and "I" Streets in the City of Sacramento, shown in red on said "Exhibit A".

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 15410, dated September 18, 1925, shall remain in full force and effect.

The Railroad Commission of the State of California hereby declares that present and future public convenience and necessity require and will require San Francisco-Sacramento Railroad Company to exercise the rights and privileges granted to it by Ordinance No. 181, 4th Series, of the City of Sacramento.

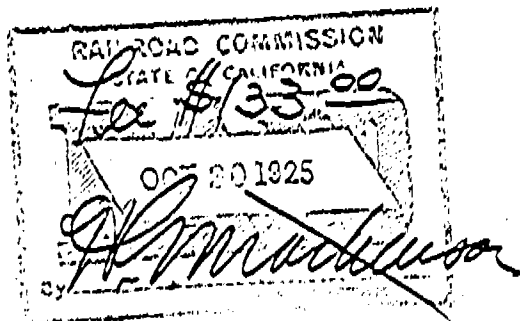
The authority herein granted is subject to the following conditions:-

1. The authority herein granted to San Francisco-Sacramento Railroad Company to execute a purchase money mortgage, and the approval of the mortgage or trust deed securing the \$90,000. note, is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the Public Utilities Act and is not intended as an approval of such purchase money mortgage, or mortgage or deed of trust as to such other legal requirements to which said instruments may be subject.
2. The price at which Sacramento Northern Railroad is herein authorized to transfer the undivided one

third interest shall not be urged before this Commission or any other court or public body having jurisdiction as a measure of value for such properties for any purpose other than this transfer.

3. Applicants shall keep such record of the issue, sale and assumption of the notes herein authorized and of the disposition of the proceeds as will enable them to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.
4. The authority herein granted shall become effective when applicants have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$133.00.

DATED at San Francisco, California, this 29th day of October, 1925.



H. B. ...
A. ...
George D. Squires

Commissioners.