

LEM

Decision No. 16001.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
GOLDEN GATE FERRY COMPANY, )  
a corporation, for an order author- )  
izing the issue of bonds of the ag- )  
gregate face value of \$400,000.00. )

Application No. 12375

Devlin and Brookman,  
by Douglas Brookman, for applicant.

BY THE COMMISSION:

O P I N I O N

Golden Gate Ferry Company asks permission to issue and sell at not less than 95 percent of their face value and accrued interest \$400,000.00 of seven percent 15-year first mortgage bonds and use the proceeds to pay the cost of acquiring and constructing a new automobile ferry boat.

Golden Gate Ferry Company has at present no bonds outstanding. It is, however, of record that applicant is taking the necessary legal steps to create an authorized bond issue of \$5,000,000. of which the \$400,000. is to constitute a part. The company has not filed with the Commission a copy of its proposed mortgage nor a statement showing that said authorized bonded indebtedness has as yet been duly and legally created. The authority herein granted to issue bonds will not become effective until the Commission has authorized the company to execute a mortgage or deed of trust to secure the payment of such bonds nor until the Commission has been furnished with a statement showing that the proper legal procedure

has been followed in creating said bond issue.

Golden Gate Ferry Company has an authorized stock issue of \$1,000,000.00, all of which was outstanding on November 30, 1925. As of that date the company reports assets and liabilities as follows:-

ASSETS:-

Cash . . . . .	\$63,903.18	
Stock-Mt. Tamalpais Ridge Crest Rwy	1,000.00	
Accounts receivable . . . . .	4,506.98	
Materials and supplies . . . . .	6,223.58	
Property and equipment . . . . .	1,595,307.09	
Deferred assets . . . . .	204,712.19	
Total . . . . .		<u>\$1,875,653.02</u>

LIABILITIES:-

Accounts payable . . . . .	\$127,672.07	
Reserve for accrued depreciation . . . . .	159,012.27	
Reserve for Federal income tax . . . . .	40,640.57	
Capital stock . . . . .	1,000,000.00	
Surplus . . . . .	548,328.11	
Total . . . . .		<u>\$1,875,653.02</u>

During 1924 the company paid dividends on the outstanding \$1,000,000. of stock at the rate of eight percent per annum. The record in this proceeding shows that up to November 30th no dividend was paid during 1925. The \$548,328.11 of surplus on that date includes surplus earnings for the 11 months of 1925 in the amount of \$229,790.80.

The company has entered into agreement looking toward the acquisition and construction of a wooden double-end automobile ferry boat at an estimated cost (Exhibit "G") of \$355,135.33 segregated as follows:-

Hull . . . . .	\$175,750.00	
Engines . . . . .	83,335.33	
Electrical equipment plus freight	51,000.00	
Machinery . . . . .	25,000.00	
Extras such as furniture . . . . .	10,000.00	
Interest during construction . . . . .	10,050.00	
Total . . . . .		<u>\$355,135.33</u>

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The boat is to be delivered within 165 days from Nov. 24, 1925, which is the date of the construction contract between applicant and the General Engineering and Drydock Company.

According to the testimony of A. O. Stewart, president of the Golden Gate Ferry Company, an additional boat is needed by applicant in order to take care of the increase in its business between Sausalito and its terminals in San Francisco.

In its original petition applicant asked permission to issue and sell \$400,000.00 of its first mortgage bonds at 90. Under date of January 25th applicant amended its application and now asks that it be permitted to issue and sell such bonds at 95 percent of their face value and accrued interest. We are of the opinion that the bonds should not be sold for less than 95. To raise \$355,135.33 through the sale of bonds at 95 calls for an issue of approximately \$375,000.00. No testimony was submitted to show the necessity for the issue of bonds in excess of the amount required to pay the cost of the boat, to which reference is made in this proceeding. The order herein will therefore authorize the issue of \$375,000.00 of bonds instead of \$400,000.00, as requested by applicant.

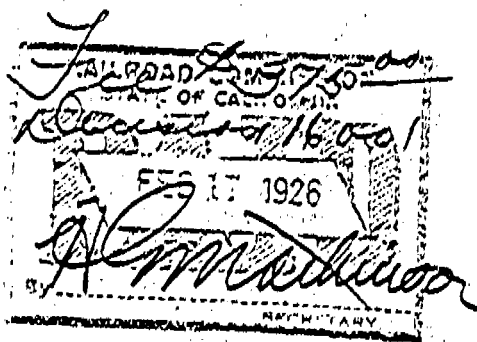
#### ORDER

Golden Gate Ferry Company having applied to the Railroad Commission for permission to issue \$400,000.00 of bonds, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of \$375,000.00 of bonds is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that the Golden Gate Ferry Company be, and it is hereby, authorized to issue and sell at not less than 95 percent of their face value and accrued interest, on or before June 30, 1926, \$375,000.00 face value of its seven percent 15-year first mortgage bonds and use the proceeds obtained from the sale of such bonds to pay the cost of the ferry boat described in this proceeding, provided that the authority herein granted to issue such bonds will not become effective until the Commission has authorized applicant to execute a mortgage or deed of trust to secure the payment of the bonds, nor until the Commission has been furnished with a statement showing that said bond issue has been duly and legally created, and Golden Gate Ferry Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$375.00.

IT IS HEREBY FURTHER ORDERED that Golden Gate Ferry Company shall keep such record of the issue and sale of the bonds 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 No. 24, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 15<sup>th</sup> day of February, 1926.



H. B. ...  
C. ...  
F. ...  
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Commissioners.

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