

LEM

Decision No. 22214.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
UNION WAREHOUSE, H.I. BOBB, Owner,)
for permission to sell one half in-) Application No. 16321
terest in the Union Warehouse.)

In the Matter of the Application of)
H.I. BOBB and D.P. TRAYNHAM, for per-)
mission to mortgage property.) Application No. 16322

H. I. Bobb, for applicants.

BY THE COMMISSION:

OPINION

ORIGINAL

In Application No. 16321 H. I. Bobb asks permission to sell a one half interest in his Union Warehouse to D. P. Traynham for \$10,000.00 cash and the assumption by the purchaser of one half of an \$8,000.00 indebtedness.

In Application No. 16322, as amended, H. I. Bobb and D.P. Traynham ask permission to execute a deed of trust to secure the payment of a loan of not exceeding \$22,000.00, and to issue a five year seven percent note to represent such loan.

H. I. Bobb has been operating a warehouse at Woodland under the name of Union Warehouse. The principal commodities stored have been wheat, barley and rice. The warehouse building is 300 feet long and 50 feet wide. It is of truss frame, with a wooden floor and metal covering. It is of record that during the 1928 crop season, it was necessary for H. I. Bobb to store 12,000 sacks of grain, and during the 1929 crop season, 26,000 sacks of

grain outside the warehouse building. In addition, he refused to receive for storage a large quantity of grain. The record clearly shows that the present warehouse facilities of H. I. Bobb are inadequate. It further shows that he is not in a position to finance by himself an extension of his present warehouse facilities. It is for this reason that he proposes to sell a one half interest to D. P. Traynham. Hereafter the warehouse properties will be operated by a partnership comprising H. I. Bobb and D. P. Traynham.

Instead of building a flat (sack warehouse) Messrs. Bobb and Traynham have concluded to erect a warehouse to store grain in bulk. It appears that grain growers have urged them to do so. It is estimated that the new building and equipment will cost about \$30,000.00. The building will be 165 feet long, 44 feet high and 35 feet wide and will be constructed of concrete. The contract price for the building is \$25,183.00. The final estimate of the cost of cleaning and other equipment has not been completed. The building will have a capacity of 110,000 bushels. It will have 25 bins varying from 5500 bushels to 1900 bushels and in addition will have a work house in connection therewith. It is expected that the building will be finished by May 20th.

The new building will be financed through the investment of the \$10,000.00 of cash which D. P. Traynham has agreed to pay for a one half interest in the Union Warehouse and through the borrowing of money by the issue of a five year seven percent note. The amount of the note will not exceed \$22,000.00. The money loaned will be obtained from H. V. Traynham. The payment of the note will be secured by the deed of trust which will be a lien upon the new building and the land on which the same is situated. A copy of the deed of trust has been filed in these proceedings and is in satisfactory form.

O R D E R

H. I. Bobb having asked permission to sell a one half interest in his Union Warehouse to D. P. Traynham and said H. I. Bobb and D. P. Traynham, as co-partners, having asked permission to mortgage public utility warehouse properties and to issue a note, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicants and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income, and that these applications should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:-

1. H. I. Bobb, owner of Union Warehouse, be, and he is hereby, authorized to sell on or before August 1, 1930, a one half interest in said warehouse, to D. P. Traynham.
2. H. I. Bobb and D. P. Traynham, co-partners, be, and they are hereby, authorized to issue on or before August 1, 1930, a five year seven percent note for the principal sum of not exceeding \$22,000.00 and use the moneys obtained through the issue of such note to pay in part the cost of constructing and equipping the warehouse building, referred to in Application No. 16322.
3. H. I. Bobb and D. P. Traynham are hereby authorized to execute a deed of trust substantially in the same form as the deed of trust filed in Application No. 16322, provided that the authority to execute said deed of trust is for the purpose of this

proceeding only and granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said deed of trust as to such other legal requirements to which said deed of trust may be subject.

4. The authority herein granted to issue a note and execute a deed of trust will become effective when H. I. Bobb and D. P. Traynham have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

5. The authority herein granted to H. I. Bobb to transfer his one half interest in his warehouse properties will become effective upon the date hereof.

DATED at San Francisco, California, this 18th day of March, 1930.

Cl Seaver

Leon C. White
Max L. Smith

Commissioners.

