



alternate terms of five years by The Atchison, Topeka and Santa Fe Railway Company and Southern Pacific Company, while the wharf is operated, under lease, by Parr-Richmond Terminal Corporation, Ltd. under the authority granted by the Commission by Decision No. 23888, dated July 13, 1931.

Parr-Richmond Terminal Corporation, Ltd. is a California corporation which is organized and existing for the purpose, among others, of engaging in the business of a wharfinger and warehouseman and in the buying, selling and leasing of industrial lands in and about the water front of the City of Richmond. It operates three terminals at Richmond, in addition to the Point San Pablo Wharf, which in part are owned in fee and in part are leased, under long term arrangements, from the City of Richmond.

It appears that Richmond Belt Railway is negotiating for the sale of its rail properties to the Southern Pacific Company and The Atchison, Topeka and Santa Fe Railway Company. Upon the sale of its rail lines it does not desire to retain ownership of the Point San Pablo Wharf and does not desire to engage in the business of a wharfinger and warehouseman. It, therefore, has made arrangements to sell the wharf, together with three warehouses and other improvements located thereon, and certain real property, for \$108,333.34, to Parr-Richmond Terminal Corporation, Ltd.

The terms and conditions under which the properties are being sold are set forth in the agreement filed in this proceeding as Exhibit "H". Reference is here made to said agreement for a detailed description of said properties.

The agreement provides that of the purchase price of \$108,333.34, the sum of \$8,333.34 shall be paid within fifteen days following the final order approving the sale, including the financing, made by the last remaining governmental authority whose approval is required, and that the balance shall be evidenced by non-negotiable

six percent notes payable as follows:-

End of first year .....	\$5,000.00
End of second year .....	7,500.00
End of third year .....	10,000.00
End of fourth year .....	12,500.00
End of fifth year .....	15,000.00
End of sixth year .....	15,000.00
End of seventh year .....	15,000.00
End of eighth year .....	20,000.00
Total.....	<u>\$100,000.00</u>

Each of the notes shall contain a provision expressly permitting their payment prior to maturity. It is further provided that upon the payment by Parr-Richmond Terminal Corporation, Ltd. of at least \$27,500.00, exclusive of interest, it may execute a deed of trust securing the payment of the balance and thereupon receive the deeds and bill of sale of the properties.

The record herein indicates that the value of the properties to be transferred is in excess of the proposed sale price. According to J. J. Walsh, consulting engineer, the value approximates \$139,000. This is derived as follows:-

Interstate Commerce Commission valuation as of June 30, 1916 plus additions	\$137,000.00
Warehouse properties . . . . .	46,000.00
Depressed track . . . . .	36,000.00
Mastick floors . . . . .	9,571.00
Total .....	<u>\$228,571.00</u>
Less-Depreciation accrued . . . . .	114,500.00
Balance . . . . .	<u>114,071.00</u>
Land . . . . .	25,000.00
Total .....	<u>\$139,071.00</u>

In addition, Richmond Belt Railway will spend from ten to twelve thousand dollars for repairs before turning the properties over to the purchaser.

It is alleged in support of the application that Parr-Richmond Terminal Corporation, Ltd. is better equipped and has better facilities for the operation of the wharf than Richmond Belt Railway, and that the acquisition by it of the properties here involved will

enable it to concentrate at the wharf the loading, unloading and handling of certain classes of commodities, in particular, petroleum products, now handled at other terminals. This, it is said, will result in a saving to the operators of ships carrying petroleum products by reducing the number of calls necessary in connection with the loading and unloading of such products at Richmond, and also will result in the elimination of hazard by fire and of contamination of other commodities which now exists by reason of the present handling of the petroleum products at the same terminals.

It appears to us that the proposed transaction is in the public interest and should be approved. However, there has not been filed a copy of the deed of trust which the purchaser may, at its option, execute upon the payment of \$27,500.00 of the purchase price and we will, therefore, not at this time authorize the execution of such an instrument. This matter can be determined in a subsequent proceeding if the purchaser elects to exercise such option.

It will be observed that one of the notes for \$5,000.00 now to be issued matures at the end of one year. This note may be issued without an order from the Commission, because of the provisions of Section 52 of the Public Utilities Act. So far as the issue of the notes is concerned, the order following will cover only those which may not be issued without the permission of the Commission.

#### ORDER

Application having been made to the Commission for an order authorizing Richmond Belt Railway to sell properties to Parr-Richmond Terminal Corporation, Ltd., and authorizing the latter to issue notes and execute a deed of trust, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that it should at this time authorize the sale of the aforesaid properties and the issue of \$95,000.00 of notes, but that it should not

authorize the execution of a deed of trust; and being further of the opinion that the money, property, or labor to be procured or paid for through the issue of the \$95,000.00 of notes is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Richmond Belt Railway be, and it hereby is, authorized to sell to Parr-Richmond Terminal Corporation, Ltd., the Point San Pablo Wharf and other properties referred to in the agreement between the two companies filed in this matter as Exhibit "E", such sale to be in accordance with the terms and conditions of said agreement.

IT IS HEREBY FURTHER ORDERED that Parr-Richmond Terminal Corporation, Ltd. be, and it hereby is authorized, in part payment for said properties, to issue its non-negotiable six percent notes in the aggregate amount of \$95,000.00, payable as follows:

On or before two years after date of issue . . . . .	\$ 7,500.00
On or before three years after date of issue . . . . .	10,000.00
On or before four years after date of issue . . . . .	12,500.00
On or before five years after date of issue . . . . .	15,000.00
On or before six years after date of issue . . . . .	15,000.00
On or before seven years after date of issue . . . . .	15,000.00
On or before eight years after date of issue . . . . .	20,000.00
TOTAL.....	<u>\$95,000.00</u>

The authority herein granted is subject to the following conditions:

1. Parr-Richmond Terminal Corporation, Ltd. shall keep such record of the issue of the notes herein authorized as will enable it to file, within thirty days after such issue, 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.

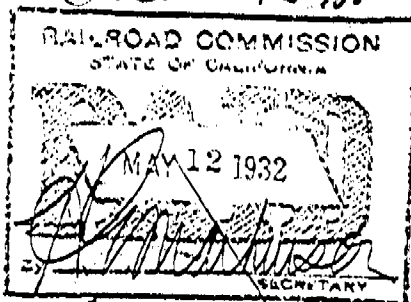
2. The authority herein granted is not to be construed as an approval of the purchase price of the properties for the purpose of fixing rates.
3. The authority herein granted to issue notes will become effective when Parr-Richmond Terminal Corporation, Ltd. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Ninety-five (\$95.00) Dollars.
4. Under the authority herein granted, no properties may be sold and no notes issued after March 31, 1932.

DATED at San Francisco, California, this 24<sup>th</sup> day of August, 1931.

Leon C. Wilkey

M. B. Harris  
Fred G. Stewart

Commissioners.



Fee # 23633