

Decision No. 24855

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SANTA CLARA VALLEY WALNUT COMPANY )  
to lease to Southern Pacific Milling )  
Company its public utility warehouse )  
situated at Santa Paula, California. )

Application No. 12060

**ORIGINAL**

L. A. Bailey, for applicants.

BY THE COMMISSION:

OPINION AND ORDER

This is an application for an order authorizing Santa Clara Valley Walnut Company, a corporation, to lease to Southern Pacific Milling Company, a corporation, a public utility warehouse located at Santa Paula, Ventura County.

The application shows that Santa Clara Valley Walnut Company and Southern Pacific Milling Company for some time past have been operating public warehouse businesses in California, the former at Santa Paula and the latter at various points in the Counties of Monterey, San Luis Obispo, Santa Barbara and Ventura, including Santa Paula. The Santa Paula properties of both applicants are used for the storage of agricultural products.

It appears that arrangements have been made for the lease by Santa Clara Valley Walnut Company of its warehouse properties to Southern Pacific Milling Company for a period of three years, subject to renewal thereafter on a year to year basis, for and in consideration of (a) the rental of \$80.00 a month payable monthly in advance, and (b) the reservation of the use by the lessor of certain space, approximately thirty feet square, for its own purposes. The properties to be thus leased are described, in the copy of the indenture filed in this proceeding, as follows:

\*\*\*\*\*that certain warehouse, office and warehouse equipment, machinery and fixtures at the date of these presents in said warehouse contained (said real and personal property being sometimes hereinafter collectively referred to as the 'premises'), situate, lying and being in Santa Paula, County of Ventura, State of California, more particularly described and located as follows, to wit:

The brick warehouse approximately two hundred (200) feet long and seventy-five (75) feet wide known as the warehouse of Santa Clara Valley Walnut Company, located on that certain piece of land situate, lying and being in Santa Paula, County of Ventura, State of California, at the Northeast corner of Santa Barbara and Ojai Streets, in said Santa Paula, County of Ventura, State of California, also certain office and warehouse equipment, a more particular description of which is attached hereto, marked 'Exhibit A', and made a part hereof as fully as if herein set forth at length, and all machinery and fixtures in said warehouse contained at the date of these presents."

In support of the request for permission to lease the properties, it is alleged because the lessee is now and for many years has been operating at Santa Paula that greater economy and efficiency can be promoted by reason of a single management of the warehouses of the two companies. This we believe would in turn be in public interest and therefore we think the lease of the properties should be approved. It is noted, however, that the lease arrangement between the two parties grants to the lessee an option to purchase the premises for the same price and upon the same terms as may be contained in any bona fide offer of purchase made to the owner. We wish it understood that in now permitting the lease of the properties under the terms and conditions of the lease that we do not by such action authorize the sale of them. If in the future arrangements are made for the exercise of the option privilege and the sale of the properties, applicants at that time should file a further request for an order permitting such action. The authority here granted goes only to the lease.

It is our opinion that this is not a matter in which a public hearing is necessary, therefore,

IT IS HEREBY ORDERED, that Santa Clara Valley Walnut Company be, and it hereby is, authorized to lease its warehouse properties referred to and described in this application to Southern Pacific

Milling Company under the terms and conditions of the lease indenture by and between said parties, which indenture said applicants are hereby authorized to execute and enter into, provided that nothing herein contained authorizes said Santa Clara Valley Walnut Company to sell the aforesaid properties.

The authority herein granted is subject to the following conditions:

1. During the pendency of the lease referred to herein, Santa Clara Valley Walnut Company shall retire from the public warehouse business at Santa Paula.

2. Santa Clara Valley Walnut Company and Southern Pacific Milling Company shall unite in common supplement to the tariffs now on file with the Railroad Commission, said Santa Clara Valley Walnut Company withdrawing and said Southern Pacific Milling Company adopting as its own said tariffs and all effective supplements thereto.

3. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 4<sup>th</sup> day of April, 1932.

Cl Seavey  
Leon Whitely  
W. J. Ann  
M. B. Harris  
Fred G. Stewart

Commissioners.