

Decision No. ✓.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of }  
 VENTURA WHARF AND WAREHOUSE COMPANY } Application No. 2259.  
 for an order authorizing the issue }  
 of capital stock. }

Argabrite &amp; Drapeau for applicant.

BY THE COMMISSION.

O P I N I O N.

This is an application by Ventura Wharf and Warehouse Company, a corporation organized under the laws of the State of California for the purpose, among others, of conducting a general wharf and warehouse business, for authority to issue at par its entire \$60,000.00 of capital stock.

A public hearing was held in Ventura May 26, 1916. From the evidence it appears that applicant holds an option, extending to July 29, 1916, on all the property of the San Buenaventura Wharf Company at a total purchase price of \$40,000.00, upon which applicant has made a part payment of \$5,000.00. The property covered by the option above referred to is set forth in a list annexed thereto and includes the wharf, which is 1,173 feet long, varying in width from 40 to 60 feet, 3 warehouses, a freight house, a bean cleaner, office fixtures, scales, trucks, wagons, a pile driver and engine, small flat cars and other wharf and warehouse equipment.

A careful examination of the wharf and warehouses was made by L. R. Kessing, one of the Commission's assistant engineers.

He found the last 310 feet of the wharf to be in good condition but the rest of the wharf and all but one of the warehouses to be very seriously depreciated. The 260 feet of wharf nearest the shore is in a dilapidated condition, many of the piles, caps and stringers having suffered from dry rot to such an extent that they are now little more than shells. Moreover, this portion of the wharf is a menace to anyone using it and should be repaired immediately. Evidently for years no proper maintenance has been practiced on the wharf or the warehouses, the only building in good condition being the warehouse known as Number 3, which is covered with corrugated iron, has a concrete floor and was built nineteen years ago, whereas all the others are at least thirty years old.

Mr. Kessing also submitted an estimate of the reproduction cost and the reproduction cost less depreciation of the property to be purchased as follows:

	<u>Reproduction Cost.</u>	<u>Reproduction Cost less Depreciation.</u>
Real Estate.....	\$ 3,500.00	\$ 3,500.00
Wharf and Buildings.....	53,685.27	18,486.97
Machinery, Tools & supplies..	14,689.83	10,053.12
Contingencies, Superinten- dence, etc. on wharf and buildings (5%).....	2,684.26	924.35
Inventory omissions on machinery, tools and sup- plies (1%).....	146.90	100.53
Property of R.C.Sudden which will be included as part of property of San Buena- ventura Wharf Company.....	<u>2,435.00</u>	<u>1,412.50</u>
Total.....	\$77,141.26	\$34,477.47

While we believe that applicant is paying somewhat more than this property is strictly worth, we do not feel that under all the circumstances the price is unreasonable.

With the remaining \$20,000.00 to be realized from the proposed stock issue applicant purposes to repair the rear portion of its wharf and to extend the structure from 500 to 600 feet further seaward in order to reach water deep enough to enable vessels to use it. Applicant estimates that such an extension will give vessels using the wharf 15 feet of water at low tide.

The people of Ventura have been practically without any wharf facilities for the last two years owing to the fact that the steamer "Coos Bay" was driven entirely through the wharf by a storm and that soon after this damage was repaired a large amount of silt was carried in by storms, rendering the wharf useless. There is some question as to whether this trouble will not recur from time to time; but as the rehabilitation of the wharf and warehouse is more or less of a community enterprise we feel that in spite of the risk it should be encouraged. Some 110 business men and farmers in Ventura and its surrounding country have subscribed for stock in the new corporation and most of them expect to be patrons of applicant. There is no question but that both the City and the County of Ventura are greatly in need of shipping facilities at this point, the nearest wharf now being at Hueneme, some twelve or fifteen miles distant. Moreover, the County of Ventura has commenced the construction of a \$1,000,000.00 system of concrete county highways, practically all of which will connect directly or indirectly with the City of Ventura, thus not only rendering a wharf more necessary to the people but increasing its prospective earning capacity.

O R D E R.

VENTURA WHARF AND WAREHOUSE COMPANY, a corporation organized and existing under the laws of the State of California, having applied to this Commission for authority to issue its entire capital stock, consisting of 600 shares of the par value of \$100.00 per share, and a public hearing having been held, and it appearing to this Commission that the purposes for which said stock is to be issued and the proceeds thereof are to be used are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Ventura Wharf and Warehouse Company be and the same is hereby authorized to issue 600 shares of its capital stock of the par value of \$100.00 each.

The authority herein given is given subject to the following conditions and not otherwise, to-wit:

1. Ventura Wharf and Warehouse Company shall issue said stock so as to net said company not less than the par value thereof.

2. The proceeds of the issue of said stock shall be applied substantially as follows:

To the purchase of the property of San  
Buenaventura Wharf Company (Including  
the property belonging to Mr.  
R.C.Sudden, referred to in the fore-  
going Opinion) not more than.....\$ 40,000.00

To repairing and extending the wharf,  
approximately..... 20,000.00

Total.....\$ 60,000.00.

3. Ventura Wharf and Warehouse Company shall reserve a sufficient portion of the proceeds of the stock issue herein authorized to pay for repairing the wharf in such a manner as to render it absolutely safe for all uses to which it will be subjected, and applicant shall not use any portion of the funds so appropriated for any other purpose until after said repairs have been completed.

4. The authority herein given to issue said stock shall apply to such stock as shall have been issued on or before September 1, 1916.

5. Neither the issue of this stock nor the action of this Commission in permitting its issue or the purchase of the property referred to in the foregoing opinion shall be binding upon this Commission or any other rate fixing body as establishing the value of said property for rate fixing purposes or otherwise.

6. Ventura Wharf and Warehouse Company shall keep a true and accurate record of the issue of said stock and shall on or before the 25th day of the month following said issue, make a verified report to this Commission setting forth the disposition of said stock, the conditions of such disposition, and for what purposes the same was issued, all in accordance with this Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

Dated at San Francisco, California, this 5th day of June, 1916.

Max Shelton

H. D. Howard

Wm. F. Gordon

Frazer R. Decker  
Commissioners.