

Decision No. 20211

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
UNION PACIFIC RAILROAD COMPANY,)
a corporation, and LAS VEGAS LAND)
AND WATER COMPANY, a corporation,)
for an order authorizing the former)
company to sell certain of its pro-)
perties to the latter company.)

Application No. 21211

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

This is an application for an order of the Railroad Commission, either authorizing Union Pacific Railroad Company to sell certain property to Las Vegas Land and Water Company or finding that the proposed sale is one which does not require the approval of the Commission.

The application shows that the railroad company on March 18, 1937 purchased for \$1,026,500. a certain office building situated on the southeasterly corner of Sixth and Olive Streets, Los Angeles, on premises described as follows:-

Lot "A" of Tract No. 7281, as per map recorded in Book 109, page 39, of maps, in the office of the County Recorder of said county.

The improvements on the property consist of a two-story building with ten stores on the ground floor, in one of which the railroad company maintains one of its city ticket offices. The building has a floor space of approximately 40,000 square feet, of which the ticket office occupies but 2,178 square feet.

It appears to be the desire of the railroad company to place the title to the property in the name of a corporation not directly connected with the operation of its railroad in order to facilitate the handling, sale and rental thereof and for that reason has arranged for the proposed transfer at cost to Las Vegas Land and Water Company. The latter corporation is a wholly owned subsidiary of Los Angeles &

Salt Lake Railroad Company whose stock is controlled by and whose properties are leased to and operated by Union Pacific Railroad Company. The transfer price of \$1,026,500.00 is alleged to be the present value of the properties.

Applicants allege that the properties to be transferred are not necessary or useful in the performance of the railroad company's duties to the public and state that they do not believe or concede that the transaction comes within the purview of Section 51(a) of the Public Utilities Act or that this Commission has any jurisdiction with respect to the sale. However, in order to avoid any possibility of a cloud on the title to the property if and when conveyed by the Union Pacific Railroad Company, applicants have filed the application.

We have considered applicant's request and are of the opinion that this is not a matter in which a hearing is necessary and that this application should be granted, rather than dismissed for want of jurisdiction, therefore,

IT IS HEREBY ORDERED that Union Pacific Railroad Company be, and it hereby is, authorized to sell on or before September 1, 1937 to Las Vegas Land and Water Company the properties referred to in this Opinion and Order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 1st day of June, 1937.

Leon C. White
Frank P. White
Barth W. White
Ray L. Kelley
Commissioners.