

Decision No. 31825

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
HOWARD TERMINAL,
a corporation, for an order authoriz-
ing the borrowing of money and the
mortgaging and pledging of property
as security.

Application No. 22596

ORIGINAL

BY THE COMMISSION:

O P I N I O N

Howard Terminal, a corporation, engaged in business as a public warehouseman and wharfinger in Oakland, has applied to the Railroad Commission for an order authorizing it to execute a deed of trust, a general pledge agreement, a mortgage of chattels and an assignment of its interest in certain leases and authorizing it to execute a five per cent. promissory note in the principal amount of \$307,500.00 payable in monthly installments of \$2,000.00 commencing September 12, 1939 and continuing until March 12, 1949, on which date ✓ the entire unpaid balance of principal and interest shall be due and payable, for the purpose of paying outstanding indebtedness of \$142,500. and of financing the cost of additions and improvements in the estimated amount of \$165,000.00.

The company has filed financial reports with the Commission showing for the year 1938 gross revenues of \$405,612.97, expenses of \$375,996.18 and net revenues before interest of \$29,616.79; for the year 1937 gross revenues of \$376,213.67, expenses of \$358,379.24 and net revenues before interest of \$17,834.43, and for 1936, gross revenues of \$276,250.07, expenses of \$307,963.23 and net loss before interest, of \$31,713.16.

As of December 31, 1938 the company reports its balance sheet as follows:-

ASSETS

Fixed capital:		
Property	\$181,427.51	
Buildings	806,865.82	
Equipment	<u>138,079.77</u>	\$1,126,373.10
Investments-500 shares of Howard Terminal Railway stock		50,000.00
Current assets:		
Cash	\$ 2,810.00	
Notes receivable	7,725.00	
Accounts receivable	68,973.59	
Materials and supplies	<u>4,173.48</u>	83,682.07
Deferred charges		<u>7,064.28</u>
Total assets		<u>\$1,267,119.45</u>

LIABILITIES

Capital stock-Common		\$ 250,000.00
Mortgage note		144,000.00
Current liabilities:		
Short term note	\$ 15,000.00	
Accounts payable	30,954.67	
Accrued taxes	<u>4,540.80</u>	50,495.47
Reserve for accrued depreciation		457,996.19
Other reserves		4,073.42
Surplus		<u>360,554.37</u>
Total liabilities		<u>\$1,267,119.45</u>

The mortgage note, in favor of Central National Bank, Oakland, is dated May 20, 1936, will be due on May 12, 1946, and bears interest at the rate of five per cent. per annum. It was issued under authority granted by the Commission by Decision No. 28825, dated May 18, 1936, for the purpose of financing the cost of improvements and of paying indebtedness. Since the date of the balance sheet it has been reduced to \$142,500.00.

The company's properties include real estate, piers, docks, warehouses, storage yard, machine shop, quay wall sheds and other buildings. It reports the necessity of improving its wharfinger facilities and estimates expenditures for this purpose in the amount of \$165,000.00 as follows:-

in order authorizing the execution of certain instruments and the issue
Howard Terminal having applied to the Railroad Commission for

C R D W H

The proposed instruments appear to be in satisfactory form.

Next, including those now to be installed.

4. Petition covering all the machinery, tools and equip-
ment of the works (Exhibit F attached to applicant's

of the works, referred to in the agreement.

5. Assignment (Exhibit E attached to applicant's petition)
of the interest in the agreement with the City
of applicant's petition).

6. Assignment (Exhibit F attached to applicant's petition)

7. General pledge and collection agreement (Exhibit D attached
and fixture agreement.

8. Deed of trust (Exhibit C attached to applicant's petition)

9. Deed of trust (Exhibit C attached to applicant's petition)

10. Deed of trust (Exhibit C attached to applicant's petition)

11. Deed of trust (Exhibit C attached to applicant's petition)

12. Deed of trust (Exhibit C attached to applicant's petition)

13. Deed of trust (Exhibit C attached to applicant's petition)

14. Deed of trust (Exhibit C attached to applicant's petition)

15. Deed of trust (Exhibit C attached to applicant's petition)

Confidential

Total,

\$193,000.

Confidential

Sup-total

\$1,389.

Confidential

Sup-total

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CORRECTION

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**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Reconstruction of wharf structure, including cargo shed, mooring bits, crane rails, railroad tracks, paving sprinkler system, oil line, water line and electric lighting system		\$ 94,075.
Reconstruction of apron wharf between Piers Nos. 1 and 2		4,725.
Alterations to Unit No. 5-B for extension of railroad tracks to Pier No. 2		6,980.
Engineering fee		6,346.
	Sub-total	\$112,126.
Gantry crane erected		44,258.
Engineering fee		1,327.
	Sub-total	45,585.
Contingencies		7,289.
	Total	\$165,000.

The testimony shows that the company has made arrangements to borrow from Central Bank the sum of \$307,500.00 to pay the \$142,500.00 balance of the mortgage note now outstanding and to finance the cost of the proposed improvements, said sum to be represented by a five per cent. promissory note, payable as indicated above. The payment of the note will be secured by the execution of the following instruments:-

1. Deed of trust (Exhibit C attached to applicant's petition) covering all of applicant's real property and improvements and fixtures thereon.
2. General pledge and collection agreement (Exhibit D attached to applicant's petition). The 500 shares of stock of Howard Terminal Railway will be transferred and pledged with the bank, subject to the terms of the agreement.
3. Assignment (Exhibit E attached to applicant's petition) of applicant's interest as lessee and lessor of certain leases and its interest in its agreement with the City of Oakland, referred to in said agreement.
4. Mortgage of chattels (Exhibit F attached to applicant's petition) covering all its machinery, tools and equipment, including those now to be installed.

The proposed instruments appear to be in satisfactory form.

ORDER

Howard Terminal having applied to the Railroad Commission for an order authorizing the execution of certain instruments and the issue

of a note for \$307,500.00, 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 through the issue of said note is reasonably required by applicant for the purposes herein stated, therefore,

IT IS HEREBY ORDERED that Howard Terminal, a corporation, be and it hereby is authorized to execute a deed of trust, a general pledge agreement, an assignment and a mortgage of chattels in, or substantially in, the same form as those filed as Exhibits "C", "D", "E" and "F", respectively, attached to applicant's petition herein, provided that such authority is for the purpose of this proceeding only and is given only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said instruments as to such other legal requirements to which they may be subject.

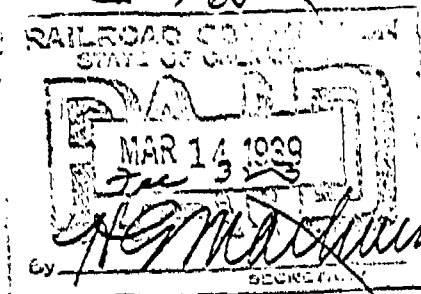
IT IS HEREBY FURTHER ORDERED that Howard Terminal, a corporation, be and it hereby is authorized to execute a promissory note in the principal amount of \$307,500.00, payable as indicated in the opinion preceding this order, with interest at the rate of five per cent. per annum, and to use the proceeds to pay the \$142,500. mortgage note now outstanding and to finance the estimated cost, \$165,000.00, of the proposed additions and improvements, referred to in the preceding opinion, provided that any part of said \$307,500. not needed for such purposes may be expended only for such further purposes as the Commission may hereafter authorize.

IT IS HEREBY FURTHER ORDERED that Howard Terminal, a corporation, shall file a report, or reports, of the issue of the note and the disposition of the proceeds, as required by the Commission's

General Order No. 24-A, which order insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred and Sixty-five(\$165.00) Dollars.

DATED at San Francisco, California, this 13th day of March, 1939.



Robert W. Allen
Frank R. Devlin
Chas. H. Clegg
W. H. Baker
Justin D. Cannon
COMMISSIONERS.