

ORIGINAL

Decision No. 34852

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PACIFIC COAST RAILWAY COMPANY to sell certain warehouses and real property and to lease a warehouse, and of PORT SAN LUIS TRANSPORTATION CO. to purchase warehouses at San Luis Obispo, and of ALPHONZO E. BELL, ALPHONZO E. BELL, as Trustee for Minnewa S. Bell, ALPHONZO E. BELL, as Trustee for Minnewa Bell Ross, ALPHONZO E. BELL, As Trustee for Alphonzo E. Bell, Jr., ALPHONZO E. BELL, as Trustee for Diane Elizabeth Tingle, ALPHONZO E. BELL, as Trustee for Ralph Joseph Tingle, Jr., JOS. H. GILLILAND, WEL. F. LYTE, and ELTON V. TOGNAZZINI, to purchase certain warehouses and lease a warehouse in San Luis Obispo and Santa Barbara Counties.

Application
No. 24577

Overton, Lyman & Plumb, by Irving Prince,
for Applicants.

C. W. Cornell, for Applicants.

BY THE COMMISSION:

O P I N I O N

This application involves the sale and lease of the public utility warehouse properties and business of Pacific Coast Railway Company. Two of the warehouse properties situate in the City of San Luis Obispo will

be sold to Port San Luis Transportation Co. Warehouse properties known as Nipomo No. 1 and Nipomo No. 2 in San Luis Obispo County; Warehouse No. 1 and the Depot Warehouse in Santa Maria, and one warehouse each at Orcutt, Harris, Los Alamos and Sisquoc, in Santa Barbara County, will be sold to Alphonzo E. Bell, Alphonzo E. Bell, as Trustee for Minnewa S. Bell, Alphonzo E. Bell, as Trustee for Minnewa Bell Ross, Alphonzo E. Bell, as Trustee for Alphonzo E. Bell, Jr., Alphonzo E. Bell, as Trustee for Diane Elizabeth Tingle, Alphonzo E. Bell, as Trustee for Ralph Joseph Tingle, Jr., Jos. H. Gilliland, Wm. F. Lyte, and Elton V. Tognazzini. The Arroyo Grande Warehouse will be leased to said individuals. The individuals to whom the said properties will be sold or leased will conduct the warehouse business under the fictitious name of Coast Counties Warehouses.

Pursuant to the authority granted by the Interstate Commerce Commission by its decision of July 7, 1941, in Finance Docket No. 13246, Pacific Coast Railway Company will abandon its rail operations from San Luis Obispo (Mile Post 12) easterly to Los Alamos, 51.93 miles in length, together with a branch line extending easterly and southeasterly from Suey Junction to Sisquoc, 12.02 miles in length in San Luis Obispo and Santa Barbara Counties. The warehouses, which the railway company has agreed to sell to the individuals mentioned, are located along the line of railroad to be abandoned. Each of the warehouses, however, is located along a public highway. It is of record that during the past few years more than 90% of the commodities stored in the warehouses have moved in and

out of the warehouses by trucks. The testimony shows that the operation of the warehouses is not dependent upon rail operation.

The individuals mentioned have agreed to pay \$4,000 for the warehouse properties which they propose to acquire at this time.

Pacific Coast Railway Company has filed with the Interstate Commerce Commission an application for permission to sell to Port San Luis Transportation Co. its railroad extending from Port San Luis to San Luis Obispo, a distance of twelve miles, including a wharf and marine railway at Port San Luis. The agreement of sale also includes two warehouses situate in San Luis Obispo. Port San Luis Transportation Co. has agreed to pay \$17,265 for all of said properties. Of this sum, \$1,000 is said to represent the value of the two warehouses. Upon the acquisition of the railway properties and the execution of the agreement of sale, Port San Luis Transportation Co. proposes to transfer, if authorized by the Commission, the two warehouses to the individuals heretofore mentioned, who will operate the same under the fictitious name of Coast Counties Warehouses.

Port San Luis Transportation Co. also asks permission from the Interstate Commerce Commission to issue \$30,000 of common capital stock to acquire the railway and other properties heretofore mentioned and to provide itself with working capital. The stock will be issued to the individuals to whom the railway company has agreed to sell its warehouse properties along the abandoned rail lines. These individuals will have

the following interest in the warehouse properties and will own stock of Port San Luis Transportation Co. in the following percentages:

Alphonzo E. Bell	26%
Minnewa S. Bell	7%
Minnewa Bell Ross	6%
Alphonzo E. Bell, Jr.	6%
Diane Elizabeth Tingle	3%
Ralph Joseph Tingle, Jr.	3%
Jos. H. Gilliland	12%
Wm. F. Lyte	12%
Elton V. Tognazzini	25%

The testimony shows that the warehouse properties are in need of repairs and improvements and that the purchasers will immediately undertake to place the properties in good operating condition. They will continue to operate the warehouse business under the same rates as are now filed by Pacific Coast Railway Company with the Railroad Commission. The actual operation of the warehouse properties will be under the management of C. C. Brown who is presently employed by Pacific Coast Railway Company to operate said properties.

There is filed in this proceeding as Exhibit 2, copy of the agreement between Pacific Coast Railway Company and Port San Luis Transportation Co. covering the sale of the railway company's properties between Port San Luis and San Luis Obispo. Upon the execution of this agreement, Port San Luis Transportation Co. will become the owner of the wharf now owned by Pacific Coast Railway Company. It will also become the owner, as indicated, of two warehouses situate in San Luis Obispo. The order herewin will authorize Pacific Coast Railway Company and Port San Luis Transportation Co. to execute an agreement similar in its terms to the agreement filed in this proceeding as Exhibit

2 and to the extent that the Commission has jurisdiction over the same, will authorize Pacific Coast Railway Company to sell said properties to Port San Luis Transportation Co.

The transfer of the warehouse properties situate along the line of rail which will be abandoned is covered by the agreement filed in this proceeding as Exhibit 3.

Both of the agreements (Exhibits 2 and 3) contain a provision which obligates Pacific Coast Railway Company to cause The Pacific Coast Company, owner of all the bonds of Pacific Coast Railway Company, to execute and deliver to the purchasers an appropriate document in the form of a quit claim deed, or otherwise, relinquishing all of the right, title and interest of The Pacific Coast Company in or to said items of real and personal property, except Arroyo Grande Warehouse. The bonds of the Pacific Coast Railway Company were issued in 1882 and matured in 1922. They are still outstanding. Though they are owned by The Pacific Coast Company, they are presently held by the Bankers Trust Company, Trustee, as collateral to secure the payment of bonds issued by The Pacific Coast Company. Exhibit 4 shows that as soon as practical the Pacific Coast Railway Company will be dissolved and its net assets distributed to The Pacific Coast Company. That company in turn will transfer said assets to the Bankers Trust Company in exchange for the bonds and stock of Pacific Coast Railway Company who will cause the same to be cancelled and the mortgage satisfied of record. It is not for us to pass upon the validity of such a procedure, or whether the lien placed upon the properties of the Pacific Coast Railway Company to secure the payment of its

bonds is still in effect. As said, Pacific Coast Railway Company is abandoning its rail operations and selling its properties. Whatever net sum it realizes from such sale will be distributed to The Pacific Coast Company, or if the lien is still in effect will be paid to Bankers Trust Company, Trustee.

O R D E R

A public hearing having been held in this matter before Examiner Fankhauser and the Commission having considered the record in this proceeding, and it being of the opinion that the sale and lease of the properties of Pacific Coast Railway Company, under the terms of the agreements filed in this proceeding as Exhibits 2 and 3, are in the public interest, and that this application should be granted, subject to the provisions of this order, therefore

IT IS HEREBY ORDERED as follows:

1. That Pacific Coast Railway Company and Port San Luis Transportation Co. be, and they are hereby, authorized to execute on or before March 1, 1942, an agreement similar in terms to the agreement filed in this proceeding as Exhibit 2, and by the execution of said agreement the former may sell to the latter such public utility properties mentioned therein as are under the jurisdiction of the Railroad Commission.

2. Pacific Coast Railway Company and Alphonzo E. Bell, Alphonzo E. Bell, as Trustee for Minnewa S. Bell, Alphonzo E. Bell, as Trustee for Minnewa Bell Ross, Alphonzo E. Bell, as Trustee for Alphonzo E. Bell, Jr., Alphonzo E. Bell,

as Trustee for Diane Elizabeth Tingle, Alphonzo E. Bell, as Trustee for Ralph Joseph Tingle, Jr., Jos. E. Gilliland, Wm. F. Lyte and Elton V. Tognazzini be, and they are hereby, authorized to execute on or before March 1, 1942, an agreement similar in terms to the agreement filed in this proceeding as Exhibit 3 and by the execution of said agreement the former may sell and lease and the latter acquire and operate under lease, the warehouse properties mentioned in said agreement, and conduct their warehouse business under the fictitious name of Coast Counties Warehouses.

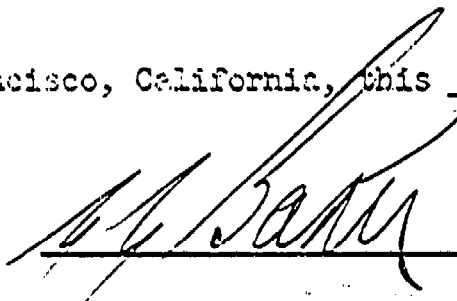
3. Alphonzo E. Bell, Alphonzo E. Bell, as Trustee for Minnewa S. Bell, Alphonzo E. Bell, as Trustee for Minnewa Bell Ross, Alphonzo E. Bell, as Trustee for Alphonzo E. Bell, Jr., Alphonzo E. Bell, as Trustee for Diane Elizabeth Tingle, Alphonzo E. Bell, as Trustee for Ralph Joseph Tingle, Jr., Jos. E. Gilliland, Wm. F. Lyte and Elton V. Tognazzini doing business under the fictitious name of Coast Counties Warehouses shall, on or before March 1, 1942, and on not less than five days' notice to the Commission and the public, unite with applicant, Pacific Coast Railway Company, in a common supplement to the tariffs now on file with the Commission in the name of Pacific Coast Railway Company, applicant, Pacific Coast Railway Company, withdrawing, and applicants, Alphonzo E. Bell, Alphonzo E. Bell, as Trustee for Minnewa S. Bell, Alphonzo E. Bell, as Trustee for Minnewa Bell Ross, Alphonzo E. Bell, as Trustee for Alphonzo E. Bell, Jr., Alphonzo E. Bell, as Trustee for Diane Elizabeth Tingle, Alphonzo E. Bell, as Trustee for Ralph Joseph Tingle, Jr., Jos. E. Gilliland, Wm. F. Lyte and

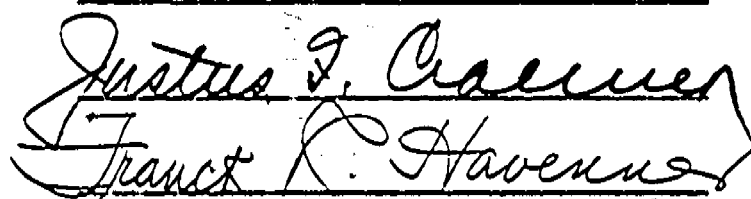
and Elton V. Tognazzini, adopting and establishing such tariffs as their own.

4. Alphonzo E. Bell shall within thirty days after the sale of the properties referred to in paragraph 2 of this order, file with the Railroad Commission a copy of the deed or other instrument by means of which he and his associates have acquired title to said properties.

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

Dated at San Francisco, California, this 16th day of December, 1941.







Commissioners.