

ORIGINAL

Decision No. 38705

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of PACIFIC FREIGHT LINES, for )  
approval of purchase of real )  
estate. )  
----- )

Application  
No. 27248

OPINION AND ORDER

Pacific Freight Lines, a corporation engaged in business as a highway common carrier generally in southern California, has asked the Railroad Commission to approve the execution of an agreement providing for the purchase by it, for \$125,000, of certain property described in its application as follows:

PARCEL 1: That portion of Lot "A" of Tract 9474, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 132, page 59 of Maps, in the office of the County Recorder of said County, lying southerly of the southerly line (and its westerly prolongation) of Lot 1 of Tract 12620, as per map recorded in Book 240, page 9 of Maps, in said County Recorder's office.

EXCEPTING therefrom the westerly 8.5 feet as described in the deed to the Southern Pacific Co., recorded in Book 4972, page 17, of Deeds, Records of said County.

PARCEL 2: Lot 37 of the East Jefferson Street Tract No. 1, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 7, page 113, of Maps, in the office of the County Recorder of said County.

EXCEPTING the west 10 feet, front and rear, thereof.

The property referred to adjoins the company's present main freight terminal in Los Angeles and consists of approximately six acres. The company reports that its present terminal, covering approximately twelve acres, will soon be used to

capacity and that if it does not acquire the additional property its service to the public may be hindered by reason of lack of proper terminal facilities to meet expanding business in Los Angeles. It considers the purchase price to be reasonable.

At present the property is owned by Patton-Blinn Lumber Company and is leased to the United States Government under an agreement, dated April 19, 1944, providing for occupancy for a term of one year beginning April 19, 1944, at an annual rental of \$5,500, with a provision for renewal from year to year, at the same rental, unless the government shall give the lessor written notice of its intention not to renew at least sixty days prior to the end of the original term of the lease or any renewal thereof, provided that no such renewal shall, without the consent of the lessor, extend beyond three years after the termination of the emergency as determined by the President of the United States. Applicant does not contemplate using the premises prior to the expiration of the government's lease.

The agreement for sale of the property provides for the payment of the purchase price of \$125,000, with interest on the unpaid balance at the rate of 4% per annum, as follows: \$10,000 on August 1, 1946, \$10,000 on February 1, 1947, \$10,000 on the first day of February of 1948, 1949 and 1950, and \$75,000 on February 1, 1951, provided that the purchaser at its option, at any time, may pay more than said installments. Upon full payment of the purchase price, the seller will execute a deed conveying the property to applicant.

The agreement in effect is an evidence of indebtedness providing for payments later than one year after its date.

As such the approval by the Commission is required and, upon such approval being given, the payment by applicant of the fee prescribed by Section 57 of the Public Utilities Act, is also required.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the execution of said agreement is reasonably required by Pacific Freight Lines for the purpose herein stated, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Freight Lines, after the effective date hereof and on or before April 30, 1946, may execute an agreement substantially in the same form as that filed in this proceeding as Exhibit "1", providing for the purchase of the property referred to herein.

2. The authority herein granted will become effective when Pacific Freight Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred Twenty-five (\$125.00) Dollars.

3. Within thirty (30) days after the execution of said agreement, Pacific Freight Lines shall file with the Commission a copy thereof as actually executed.

4. The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved.

Dated at San Francisco, California, this 19<sup>th</sup>  
day of February, 1946.

Harold Rudman

Francis Brown

Robert Powell

Harold Hula  
Commissioners

