

TERMINAL

Decision No. 41131

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
	:	
PARR-RICHMOND TERMINAL COMPANY, a	)	
corporation,	:	
	)	Application
For an Order Authorizing Issuance of	:	No. 29001
Its Note and Deed of Trust as Security	)	
Therefor in Favor of American National	:	
Insurance Company.	)	
-----	:	

O P I N I O N

In this application Parr-Richmond Terminal Company, hereinafter sometimes referred to as Applicant, asks for authority to execute deeds of trust and to issue promissory notes in the total amount of \$820,532 for the purpose of refunding outstanding indebtedness and of financing the cost of real property.

Parr-Richmond Terminal Company (formerly known as Parr Terminal Company) prior to December 30, 1947, was a holding company owning all the outstanding stock of Parr-Richmond Terminal Corporation. It reports, in this application, that on December 30, 1947, pursuant to authority granted by Decision No. 41014, dated December 22, 1947, it acquired the business and assets and assumed the liabilities and obligations of Parr-Richmond Terminal Corporation, and that it now is engaged in the business formerly conducted by that corporation consisting of the operation of public terminals at the harbor of the City of Richmond and of transactions in industrial lands at said harbor and elsewhere.

A financial statement of the business formerly operated by Parr-Richmond Terminal Corporation, but now conducted by Applicant, shows for the period from January 1, 1947, to October 31, 1947, terminal revenues of \$87,191.77 and other revenues of \$132,278.64, a total of \$219,470.41, with operating expenses of \$113,809.92, leaving a balance, before federal taxes, of \$105,660.49 available for the payment of interest and other deductions. Interest charges are reported at \$27,550.98 and allowance for federal taxes at \$29,681.62, reducing the net profit for the period to \$48,427.89. The statement shows the investments of the two corporations and the outstanding liabilities, now consolidated, as of October 31, 1947, as follows:

<u>Assets</u>	<u>Parr-Richmond Terminal Company</u>	<u>Parr-Richmond Terminal Corporation</u>
Property -		
Real estate	\$ 1,780.00	\$ 548,134.34
Leaseholds	- -	18,833.79
Other improvements	- -	122,910.44
Automobiles	- -	11,492.12
Furniture	- -	34,739.07
Total property	<u>1,780.00</u>	<u>736,109.76</u>
Stocks and other investments	251,393.64	61,148.07
City of Richmond improvement account	- -	34,304.83
Current assets -		
Cash and accounts receivable	3,141.72	259,917.47
Notes receivable	16,511.36	222,577.19
Prepaid expenses	- -	10,769.21
Other	- -	25,377.21
Total current assets	<u>19,653.08</u>	<u>518,641.08</u>
Total	<u>\$272,826.72</u>	<u>\$1,350,203.74</u>

<u>Liabilities</u>	<u>Parr-Richmond Terminal Company</u>	<u>Parr-Richmond Terminal Corporation</u>
Notes payable	\$ 70,200.00	\$ 319,181.03
Current liabilities -		
Accounts payable	83,055.33	22,052.15
Accruals	169.70	12,747.19
Other	- -	4,790.93
Total current liabilities	<u>83,225.03</u>	<u>39,590.27</u>
Operating reserves	400.00	134,959.75
Common stock	94,620.00	201,500.00
Surplus	<u>24,381.69</u>	<u>654,972.69</u>
Total	<u>\$272,826.72</u>	<u>\$1,350,203.74</u>

Prior to the time Parr-Richmond Terminal Corporation transferred its business and properties to Applicant, it had received from the Commission by Decision No. 40897, dated November 12, 1947, in Application No. 28797, authorization to issue, on or before December 31, 1947, a note to American National Insurance Company, or order, in the principal amount of not exceeding \$236,310.96 and a note to J. L. Azevedo and Frances L. Azevedo, his wife, or order, in the principal amount of not exceeding \$43,332, in evidence of unpaid balances of other notes theretofore issued without an order from the Commission for the purpose of financing the cost of certain areas of land in and about the City of Richmond, and to execute a deed of trust covering its utility property, as well as other properties, to secure the payment of the note to American National Insurance Company. (1)

It is now reported that Parr-Richmond Terminal Corporation was unable to complete these transactions prior to December 31, 1947, because the title company had not completed its

(1)

The Commission was advised that the note to J. L. Azevedo and Frances L. Azevedo was secured by a deed of trust covering industrial lands only.

examination of the numerous parcels of land involved, and that consequently the deed of trust and the notes authorized by said Decision No. 40897 have not been executed or issued. Inasmuch as Applicant has now succeeded to the liabilities and obligations of Parr-Richmond Terminal Corporation, it desires to execute the said deed of trust and to issue the said notes in its own name and on the same terms and conditions and in the same form as those heretofore authorized by the Commission, except that the principal amounts of the notes will be reduced to the unpaid balances at the time of such issue. The application shows that at this time the respective balances of the two notes will not exceed \$227,200 and \$43,332.

The application further shows that Applicant has acquired and proposes to acquire additional areas of land for industrial purposes in or near Richmond. It has acquired, for \$95,671, two parcels of land, one consisting of 17.551 acres improved by seven frame storage buildings, and the other 4.78 acres improved by two storage buildings and a small office building, and has financed the cost in part with moneys borrowed on short-term loans and in part with funds in its treasury. In addition, it plans to purchase for \$364,664, a parcel of land containing 8.766 acres fronting on 14th Street in the City of Richmond, on which there is located a warehouse building containing approximately 244,000 square feet.

Applicant proposes to obtain the necessary funds for the purchase of such additional lands and for incidental expenses through long-term financing, and accordingly has arranged for a loan from American National Insurance Company of \$550,000. It

proposes to disburse this amount as follows:

1.	For the purchase of Parcel 6 of Richmond Shipyards 1 and 2, approximately 8.766 acres	\$364,664.00
2.	To refund a note to the Mechanics Bank representing sums borrowed for the purchase of Parcel 3 of Richmond Shipyards 1 and 2, approximately 17.551 acres	70,864.00
3.	To refund notes to American Trust Company and to reimburse its treasury representing sums expended for the following purposes:	
a.	For the purchase of Parcel 4 of Richmond Shipyards 1 and 2, approximately 4.78 acres	\$24,807.00
b.	For improvements	38,867.50
c.	For city and county taxes	11,565.09
d.	For costs of acquisition of properties, engineering, appraisals, industrial and other surveys	14,722.41
		89,962.00
4.	For additional improvements to real property	20,000.00
5.	To provide the down payment on the purchase price of \$22,550 of an undivided one-quarter interest in Parcel 1 of Richmond Shipyards 1 and 2, approximately 21 acres	<u>4,510.00</u>
	Total	<u>\$550,000.00</u>

The sum thus borrowed will be represented by a note for \$550,000 at 4 $\frac{1}{2}$ % interest, with the principal and interest payable in 240 equal monthly installments of \$3,410, payment to be secured by a deed of trust. A copy of the proposed deed of trust and note is attached to the application as Exhibit "D".

O R D E R

Parr-Richmond Terminal Company having applied to the Public Utilities Commission for authority to execute deeds of trust and to issue notes and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of said notes is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Parr-Richmond Terminal Company, after the effective date hereof and on or before June 30, 1948, may execute deeds of trust and issue notes as follows:

- a. A deed of trust in, or substantially in, the same form as the deed of trust filed in Application No. 28797 as Exhibit "B", to secure the payment of an obligation of not exceeding \$227,200, payable to American National Insurance Company.
- b. A deed of trust in, or substantially in, the same form as the deed of trust filed in this proceeding as Exhibit "D".
- c. A promissory note in the principal amount of not exceeding \$227,200 to American National Insurance Company, payable in monthly installments of \$2,700 or more with interest on the unpaid balances at the rate of  $4\frac{1}{2}\%$  per

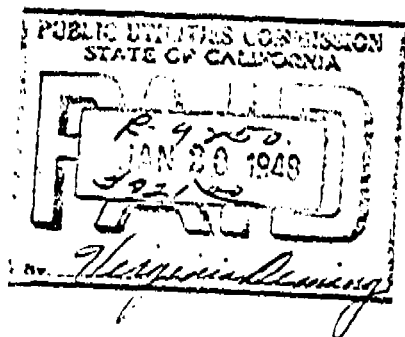
annum, and a promissory note for not exceeding \$43,332 to J. L. Azevedo and Frances L. Azevedo, payable on or before June 10, 1953, with interest at the rate of 4% per annum, such notes to be issued to refund indebtedness of like amount assumed by Applicant in acquiring the properties of Parr-Richmond Terminal Corporation.

d. A promissory note to American National Insurance Company for not exceeding \$550,000, with interest at 4 1/2% per annum, principal and interest payable in 240 monthly installments, for the purpose of financing the cost of the real properties referred to in the foregoing opinion and for paying expenses incident to such acquisition, and for paying indebtedness incurred for such purposes.

2. Parr-Richmond Terminal Company shall file with the Commission a report, or reports, of the issue of the notes herein authorized, and of 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.

3. The authority herein granted will become effective when Parr-Richmond Terminal Company has paid the fee prescribed by Section 57 of the Public Utilities Act.

Dated at San Francisco, California, this 19<sup>th</sup> day of January, 1948.



Handwritten signatures of Justus J. ... and Harold P. ... over a circular official seal. Below the signatures, the word 'Commissioners' is printed.