

ORIGINAL

Decision No. 42548

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
ASSOCIATED TELEPHONE COMPANY, LTD.,	:	Application
for an Order Authorizing it to sell)	No. 30767
certain of its Property.	:	
-----)	

O P I N I O N

In this application, Associated Telephone Company, Ltd. asks the Commission to issue its order authorizing applicant to sell certain real property situated in Santa Monica, or issue such other form of order as the Commission may deem appropriate.

Applicant acquired, on or about December 31, 1948, three parcels of real property situated in the City of Santa Monica and described as Lots V, W, and X in Block 143 of Santa Monica, in the City of Santa Monica, County of Los Angeles, State of California, as per map recorded in Book 3, pages 80 and 81, and Book 39, page 45 et seq., of Miscellaneous Records in the office of the County Recorder of said County. Applicant reports that it acquired said lots at a cost of \$69,860. They are located immediately across the alley from applicant's central office at 1314 - 7th Street, Santa Monica, and were acquired by applicant with the intent of constructing thereon an office building to supply needed space for the housing of both its district and general office personnel.

Applicant proposes to sell said lots to the Continental Assurance Company of Chicago, Illinois, for \$69,860. The Continental Assurance Company will construct at its own cost an office building

upon said lots, and lease the same to applicant for a term of 40 years, with an option to applicant to renew the lease for an additional 10 years. It is estimated that the building will cost not exceeding \$825,000. The application shows that during the first 40 years of the lease applicant will pay a rental for the building at a rate equal to 5.21% per annum of the cost to the Continental Assurance Company of said lots and said building. The rental for the extended 10-year period, if the option is exercised by applicant, will be at the rate of 1.5% per annum of said cost.

Applicant reports that the building will provide it with needed office space at a reasonable rental, and will relieve it from financing the cost of such building.

Although the property has never been used by applicant in its public utility operations, the circumstances surrounding its purchase raise a doubt in regard to its sale without Commission authorization. To remove any doubt as to the validity of the sale, the Commission is of the opinion that it should enter a decision authorizing applicant to sell said lots.

To avoid any delay in starting the construction of the building, applicant asks the Commission to make the authority granted by this decision effective upon the date hereof.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

The Commission has considered this application and is of the opinion that a hearing thereon is not necessary, and that the

application should be granted; therefore,

IT IS HEREBY ORDERED that Associated Telephone Company, Ltd., after the effective date hereof and on or before December 31, 1949, may sell to Continental Assurance Company the three parcels of real property described in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the sale of said parcels of real property, Associated Telephone Company, Ltd. shall file with the Commission a copy of the grant deed executed for the purpose of conveying title to said properties to Continental Assurance Company.

IT IS HEREBY FURTHER ORDERED that the authority hereby granted is effective upon the date hereof.

Dated at San Francisco, California, this 22nd day of November, 1949.

J. F. [Signature]
Justice F. [Signature]
[Signature]
Harold P. [Signature]
[Signature]
Commissioners