

Decision No. 51395

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of UNION TERMINAL WAREHOUSE, a)
corporation, for a certificate)
of public convenience and neces-)
sity authorizing enlargement of)
its warehouse space in the City)
of Los Angeles.)

Application No. 36759

O P I N I O N

Applicant now operates a public warehousing business as a warehouseman under the provisions of the Public Utilities Code of the State of California in the City of Los Angeles in the area commonly known and designated as Wholesale Terminal, bounded by Central Avenue on the west, 7th Street on the north, Alameda Street on the east and 8th Street on the south. That business is conducted in three Class A reinforced concrete buildings adjacent one to the other in said area. It is engaged in the warehousing and storage of general merchandise as defined in and pursuant to California Warehouse Tariff Bureau, Warehouse Tariff 7-C, PUC No. 102, and California Warehouse Tariff Bureau, Warehouse Tariff 5-J, PUC No. 94, Jack L. Dawson, Agent. The allowable space presently operated by applicant is 371,127 square feet, of which 143,627 square feet occupies a portion of a Class A reinforced concrete building containing seven floors, without a basement, which building is commonly designated as building E in the Wholesale Terminal area.

It is proposed to enlarge the warehouse space presently operated by utilizing 250,600 additional square feet in said building E which space has since February 16, 1922 been occupied under lease by Broadway-Hale Department Store. The lease has expired and the

space is now on a month-to-month occupancy but is being vacated as private facilities of Broadway-Hale Department Store become available. At present 64,000 square feet have been vacated and it is anticipated that on or before June 1, 1955 the total of 250,600 square feet in building E will be entirely vacated and available for use as proposed by applicant. Applicant proposes to devote the entire 250,600 square feet to the public storage of general merchandise as described under its tariffs.

Applicant alleges that for several years there has been an increasing demand for public storage space which applicant has been unable to provide; that such demand has been from existing customers of applicant, as well as new business concerns; that many concerns requiring public storage space have been required to go outside of the City of Los Angeles in order to secure suitable space for storage of their merchandise which has resulted in an inconvenience as well as additional expense in the distribution of their merchandise in the City of Los Angeles which is the principal point of distribution for such concerns; that applicant is utilizing its present space for public storage in an effort to meet the public demand therefor to the point that its warehousing space becomes congested and difficult for the economical conduct of its operations; that the demand for additional public storage space in the City of Los Angeles is increasing and will continue to increase; that public convenience and necessity require the enlargement of applicant's warehouse space to the extent of 250,600 square feet as herein proposed; that its operations are remunerative and that applicant is financially able to conduct said operations and if the enlargement of warehouse space as herein provided is authorized the operation thereof will be compensatory.

The application is not opposed.

The Commission having fully considered the matter is of the opinion and finds that public convenience and necessity require the establishment and operation by applicant of the additional warehouse facilities hereinabove referred to and as set forth in the ensuing order.

A public hearing is not deemed necessary.

Union Terminal Warehouse is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing, for any amount of money in excess of that originally paid to the state as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be changed or destroyed at any time by the state, which is not, in any respect, limited as to the number of rights which may be given.

O R D E R

Application having been made, the Commission being fully advised in the premises and good cause appearing,

IT IS ORDERED:

1. That a certificate of public convenience and necessity be, and it is hereby granted to Union Terminal Warehouse, a corporation, authorizing the establishment and operation of service as a warehouseman, as defined in Section 239(b) of the Public Utilities Code, at 1388 E. 7th Street, in building E situated at the Wholesale Terminal in the City of Los Angeles, and limited to not more than 250,600 additional square feet of warehouse floor space at said location.

IT IS HEREBY FURTHER ORDERED:

2. That in providing service pursuant to the certificate herein granted applicant shall comply with and observe the following service regulations:

- a. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty days after the effective date hereof.
- b. Within ninety days after the effective date hereof applicant shall establish the service herein authorized.

The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 21st day of APRIL, 1955.

John E. Mitchell President
Justin D. Calmes
Paulo Ventresca
William K. Spoley
Commissioners