

ORIGINAL

Decision No. 58767

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SANTA BARBARA TRANSIT CO.,
a California Corporation, for
authority to execute a promissory
note and mortgages of chattels and
real property.

Application No. 41270

OPINION AND ORDER

Santa Barbara Transit Co., a corporation, seeks authori-
zation to issue a note for \$208,000 and to execute a chattel mort-
gage and deeds of trust.^{1/}

The note will represent borrowings from the Small Business
Administration. It will be payable in equal monthly installments
including interest at the rate of 5-1/2% per annum, over a period
of ten years after date of issue. The note will be secured by a
chattel mortgage on personal property and by four deeds of trust
on certain parcels of real property in Santa Barbara.

The purpose of the financing is to provide applicant with
funds for the following purposes:

To liquide indebtedness in favor of Goleta Lemon Association and Crown Coach Corporation	\$145,700
To replace buses currently owned by applicant	50,000
For working capital	<u>12,300</u>
Total	<u>\$208,000</u>

^{1/} Originally the company sought to issue a \$258,000 note. On
July 1, 1959, counsel requested authorization be given for
a \$208,000 note.

Upon review of applicant's financial statements it appears that its earnings from operations should suffice to service the proposed note. The refunding of the existing indebtedness of \$145,700 will reduce applicant's monthly repayments and will improve its cash position.

In our opinion, the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purposes hereinafter specified, and such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing does not appear to be necessary. Therefore,

IT IS HEREBY ORDERED as follows:

1. Santa Barbara Transit Co., a corporation, on and after the effective date hereof and on or before December 31, 1959, may execute a chattel mortgage and four deeds of trust, in accordance with its loan authorization with Small Business Administration, and may issue a note, or notes, in the principal amount of \$208,000, or less.

2. Santa Barbara Transit Co., a corporation, shall use the proceeds from the issue of the note to liquidate outstanding indebtedness, to replace motor coaches, and to provide working capital.

3. Santa Barbara Transit Co., a corporation, shall file with the Commission, within thirty days after execution, a copy of the note, or notes, and a copy of the chattel mortgage and each deed of trust issued or executed under the authorization herein granted and a statement showing the purposes for which the note proceeds were used.

4. The authorization herein granted shall become effective when Santa Barbara Transit Co., a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$208.

Dated at San Francisco, California, this 21st day of July, 1959.

Ernest W. Page
 President

Walter C. Mitchell

Matthew J. Gold

Richard J. Derr

Commissioners

