

ORIGINAL

Decision No. 66594

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LYON VAN & STORAGE CO. for an Order
Authorizing Applicant to issue a
secured note for \$225,000 for the
purpose of acquiring a warehouse
property

Application No. 46039
Filed December 16, 1963

O P I N I O N

This is an application for an order of the Commission authorizing Lyon Van & Storage Co. to execute a deed of trust and to issue a note in the principal amount of \$225,000,

Applicant operates as a public utility warehouseman subject to the jurisdiction of this Commission in various locations in the State of California. The application shows that at the present time the company operates three branches in the City and County of San Francisco, which branches are located at 1520 Stockton Street, 3003 Third Street and 336-370 Turk Street, the first of which it owns, and the second and third of which it occupies under lease.

The company has agreed to exchange its Stockton Street property plus \$200,000 cash for improved real property located at 1690 Folsom Street, San Francisco. For the purpose of obtaining funds to meet the \$200,000 cash payment, to pay a real estate commission of \$8,875, and to provide for remodeling office space,

adding additional warehouse truck doors, installing signs and relocating the entrance, applicant proposes to issue a 5-3/4% note in favor of George Elkins Company in the principal amount of \$225,000, with principal and interest payable in monthly installments of \$1,869.75. The note will include certain pre-payment privileges and payment thereof will be secured by a deed of trust upon the Folsom Street property.

Applicant asserts that the advantages of the proposed loan and exchange of properties will include (a) combining all household goods operations in San Francisco at one location instead of three, thus eliminating duplication of staff and equipment and increasing efficiency, (b) substituting modern facilities with palletized storage for obsolescent facilities, (c) enormously improving access for equipment and (d) eliminating the high rental at the Third Street property.

After consideration, the Commission finds that:

(1) the proposed exchange of properties would not be adverse to the public interest; (2) the proposed note issue is for a proper purpose; (3) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and (4) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. The authorization herein given is not to be construed as a finding of value of the properties herein proposed to be exchanged, nor as indicative of amounts to be included in future proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Lyon Van & Storage Co., on or after the effective date hereof and on or before April 30, 1964, for the purpose set forth in this proceeding, may issue a note in the principal amount of not to exceed \$225,000 and may execute a deed of trust, which note and deed of trust shall be in the same form, or in substantially the same form, as attached to the application as Exhibit 3 and Exhibit 4, respectively.

2. Lyon Van & Storage Co. may dispose of its property at 1520 Stockton Street, San Francisco, provided that it acquires the property at 1690 Folsom Street, San Francisco, as contemplated in the application.

3. Lyon Van & Storage Co. shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. This order shall become effective when Lyon Van & Storage Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$225.

Dated at San Francisco, California,
this 14th day of January, 1964.

William B. Bennett
President

City of San Francisco

Conrad W. Pease

George T. Hoover

Fredrick B. Hallock
Commissioners

