

ORIGINAL

Decision No. 68372

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of:)
))
B & M TERMINAL FACILITIES, INC.,)
a corporation, (1) for authority)
to sell a portion of its warehouse)
property; and, (2) for authority)
to issue a promissory note secured)
by a deed of trust on its)
warehouse property incident to the)
purchase of additional land and the)
construction of additional)
warehouse space, pursuant to)
Sections 851-853 and 816-830 of the)
Public Utilities Code.)

Application No. 47176
Filed December 8, 1964

O P I N I O N

B & M Terminal Facilities, Inc. requests an order of the Commission authorizing it (1) to sell a portion of its warehouse property located at 2626 East 26 Street in the City of Vernon and (2) to execute a deed of trust and to issue a promissory note in the principal amount of \$253,000.

Applicant possesses a prescriptive operative right as a public utility warehouseman in the City of Vernon as determined by the Commission on August 23, 1960 in Case No. 6862. Said right authorizes the operation of 3,500 square feet of storage or warehouse floor space, exclusive of expansion permissible under Section 1051 of the Public Utilities Code. For the fiscal year ended September 30, 1964, applicant reports total revenues of

\$4,776 from warehouse operations, gross receipts of \$200,566 from terminal and other services and \$43,790 net income.

According to the application, the company has arranged to purchase 52,800 square feet of contiguous land for \$79,200. It intends to construct thereon a rail spur extension and warehouse building containing 6,000 square feet of floor space. Applicant alleges that the improved property will be suitable for its public warehouse operations in combination with rail distribution and highway common carrier service provided by its affiliate, Brake Delivery Service. Concurrent with said purchase, the company proposes to sell for \$46,872 cash approximately 26,784 square feet of unimproved property unusable for warehouse purposes and which is part of its present facilities located at 2626 East 26 Street in the City of Vernon.

By Decision No. 66887, dated March 3, 1964, in Application No. 46207, applicant was authorized to issue a 6% promissory note in the principal amount of \$253,385 in favor of the First Western Bank and Trust Company. It reports an unpaid balance of \$165,803 outstanding on said loan. In this proceeding the company proposes to issue a new note in the principal amount of \$253,000 bearing interest at the rate of 6% per annum and requiring payments on principal and interest in monthly installments of \$2,809. Repayment of the indebtedness will be secured by a deed of trust, and the note proceeds will be used (a) to discharge the \$165,803 balance outstanding

on said previously authorized note, (b) to provide the balance of \$32,328 cash required for said purchase of contiguous land and (c) to apply \$54,869 toward construction cost of said improvements.

The Commission has considered this matter and finds that: (1) the sale and transfer of property as proposed in this proceeding would not be adverse to the public interest; (2) the proposed note issue is for proper purposes; (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 purposes specified herein; and (4) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The authorization herein given is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. B & M Terminal Facilities, Inc. may sell and transfer a portion of its property in the City of Vernon as set forth in this proceeding.

2. For the purposes specified herein, B & M Terminal Facilities, Inc., on or after the effective date hereof and on or before March 31, 1965, may issue a 6% promissory note in the principal amount of not to exceed \$253,000, said note to be repayable in monthly installments of not to exceed \$2,809, including principal and interest.

3. B & M Terminal Facilities, Inc., on or after the effective date hereof and on or before March 31, 1965, may execute a deed of trust in the same form, or in substantially the same form, as that attached to the application.

4. B & M Terminal Facilities, Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

5. This order shall become effective when B & M Terminal Facilities, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$88.

Dated at San Francisco, California, this 22nd day of December, 1964.

Fredrick A. Holbrook
President
George E. Hoover
Commissioners
William L. Stewart

