

Decision No. 70406**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RAILWAY EXPRESS AGENCY,)
 INCORPORATED to sell certain real)
 property in the City of San Jose,)
 County of Santa Clara, State of)
 California, to Express Terminal)
 Properties, Inc., a Delaware)
 corporation.)

Application No. 48212
 (Filed January 28, 1966)

O P I N I O N

Railway Express Agency, Incorporated requests authority to sell certain real property in the city of San Jose to Express Terminal Properties, Inc.

Applicant acquired the property, then vacant land, in May 1965, at a net cost of \$60,951. An office and terminal building have recently been constructed on said property and the present combined value of the land and building is \$199,866. However, costs are still being incurred and other adjustments to the ledger value will be made prior to the sale. No depreciation will be taken before the sale.

Following the proposed sale, the property will continue to be used by applicant in its operations under a 25-year lease with renewal options of 10 years each. The rental during the initial 25-year term is calculated to assure a return on investment of 5.44 percent interest per annum. Annual rents during the renewal terms would be equal to 2½ percent of the purchase price.

After consideration the Commission finds that the proposed sale would not be adverse to the public interest. A public hearing is not necessary.

The action taken herein shall not be construed as a finding of the value of the properties authorized to be transferred nor as approval of the transactions involved for any rate-making purposes.

ORDER

IT IS ORDERED that:

1. After the effective date hereof applicant may sell and transfer to Express Terminal Properties, Inc. the property referred to herein according to the terms of the agreement attached to the application as Exhibit C.

2. Within sixty days after the consummation of the sale herein authorized applicant shall file with the Commission a copy of the written document effecting said transfer.

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

Dated at San Francisco, California, this 1st day of MARCH, 1966.

Fredrick B. Holcomb
President

John E. Mitchell

George B. Crover

Wojcik

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.