

ORDINANCE NO. 2014-028
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**AN ORDINANCE GOVERNING THE GENERAL TERMS OF REFERENCE FOR
THE DEVELOPMENT AND UTILIZATION OF CERTAIN PORTIONS OF THE
BICOL CENTRAL STATION COMPLEX:-**

Sponsors:

- Hon. Mila S.D. Raquid-Arroyo
Hon. Jose A. Tuason
Hon. Joaquin F. Perez, Jr.
Hon. Elmer S. Baldemoro

Be it ordained by the Sangguniang Panlungsod of the City of Naga, that:

SECTION 1. Objectives and description of the property for lease:

The objectives of the lease are:

- a) To encourage the participation of the private sector in local governance especially in the delivery of basic services and operation and management of economic enterprises;
- b) To generate more income for the city through rental of the city owned property; and
- c) To keep a paradigm for economic growth in stimulating development surrounding the area.

SECTION 2. Declaration of Use. Certain portions of the Bicol Central Station Complex, as hereunder described, are hereby declared open for development and utilization by the private sector for commercial purposes under a lease agreement with the City Government of Naga.

SECTION 3. Areas Covered. The portions of the BCS complex covered under this ordinance are the following:

- a.) Second Floor of the BCS Complex facing SM City Naga with an area of more or less 2,291 sq. m.;
- b.) Vacant lot beside Sogo Hotel with an area of more or less 2,395 sq. m.; and
- c.) Second Floor facing the CBD Hotel with an area of more or less 1,120 sq. m.

SECTION 4. Award of Lease Contract. The development, operation and management of the portions of the BCS Complex subject of this Ordinance shall be awarded through a competitive bidding. For this purpose, the Naga City BAC shall promulgate the term of reference, and subject to the ratification by the Sangguniang Panlungsod.

SECTION 5. Minimum requirements. The Term of Reference that the Naga City BAC shall promulgate shall be guided, among others, by the following:

1. **Monthly Rental Rate** : Not less than P 50.00/sq. m./mo. This rate shall be reviewed every 3 years taking into consideration the existing economic situation in the City of Naga;
2. **Security Deposit** : 3 mos. Rent, payable upon signing the contract of lease.
3. **Advance Rental** : 3 mos. Rent, payable upon turn-over of possession and control over the leased premises.
4. **Duration of Lease Contract and rental escalation rate** : Shall take into consideration, reasonable period for return on investment.

SECTION 6. Contractual Arrangements:

- 6.1 The City Government of Naga shall act through its City Mayor, who is duly authorized by the Sanggunian, to enter into a Contract of Lease with the lessee such contract of lease shall be ratified by the Sangguniang Panlungsod;
- 6.2 The Lease Contract shall be signed by the lessee duly authorized for the purpose;
- 6.3 If the areas subject of this ordinance will be sub-leased by the lessee, the City Government reserve the right to review the rental rate that the lessee will set within the purview of reasonable return on investment; and
- 6.4 All improvement that the lessee shall introduce under this ordinance shall be fully turned over to the City Government of Naga upon the expiration of the lease agreement.

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SECTION 8. EFFECTIVITY. This ordinance shall take effect upon its approval.

ENACTED: June 3, 2014.

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WE HEREBY CERTIFY to the correctness of the foregoing ordinance.

GIL A. DE LA TORRE
Secretary to the
Sangguniang Panlungsod

NELSON S. LEGACION
City Vice Mayor
& Presiding Officer

APPROVED:

JOHN G. BONGAT
City Mayor