

rental been reflective of, or even just approximate, current property values in the area;

NOW, THEREFORE, be it ordained by the Sangguniang Panlungsod of the City of Naga in session assembled, that:

SECTION 1. Title. This Ordinance shall be known as the "Panganiban Lease Rental Rationalization Ordinance of 2026."

SECTION 2. Declaration of Policy. It is the policy of the City Government of Naga to ensure that government-administered properties used for private commercial gain generate a fair return to the public treasury thereby augmenting funding for essential public services and the promotion of the general welfare of its constituents.

SECTION 3. Definition of Terms. As used in this Ordinance, the following terms shall mean:

- a. **Leased Property** - The portion of the right-of-way of the Philippine National Railways (PNR) located between TP7560 and TP7579 on the Main Line South parallel to Panganiban Avenue with a total area of 17,380.50 square meters leased by the City Government of Naga from the PNR as per Contract of Lease entered into by the two parties on November 4, 1988. Said property is the site of the Panganiban Beautification and Upgrading Project, also known as the "Kapit Bisig Project." The said property was subsequently subleased to private individuals or entities which in turn built thirteen (13) Duplex Type buildings covering an area of 3,997.5 sq.m. and seven (7) Pavillion Type Buildings covering an area of 7,390 sq.m. for a total area of 7,380.50 sq.m.
- b. **Lessee** - Refers to the private entities or individuals who constructed the buildings on the Leased Property, or their successors, and have existing lease contracts with the city government.

SECTION 4. Lease Rental Rate - The lease rental is herein adjusted to P100.00 per square meter per month. It shall cover the footprint of the building measured from the exterior walls. The footprint of any roofed extension shall be included in the computation of the leased area provided the same does not block the sidewalk or occupy mandatory setbacks, otherwise the same should be removed by its owner. The parking area shall be excluded from the computation of the lease rental.

SECTION 5. Surcharges and Penalties for Late Payment. Failure to pay the monthly lease rental within the prescribed period shall subject the Lessee to a surcharge of twenty-five percent (25%) of the unpaid amount, plus an interest of two percent (2%) per month on the unpaid lease rental and surcharge until the full amount is paid.

SECTION 6. Acknowledgment of PNR Ownership. All individual lease contracts on the Leased Premises executed by the city government with the lessees are subordinate to the Contract of Lease between the City Government of Naga and PNR. The effectivity and enforceability of the former is contingent upon the continued validity and effectivity of the Contract of Lease between the city government and PNR.

SECTION 7. Administrative and Enforcement Provisions. The City Treasurer's Office shall issue a new lease contract containing the revised rental rate and covering only the building footprint as demarcated under Section 4 hereof.

The City Treasurer's Office shall be responsible for the collection of the lease rental and the imposition of penalties and surcharges for those who fail to pay on time.

The City Mayor is authorized to take appropriate legal action, including closure of the building whose owner fails to settle rental payments on time.

SECTION 8. Affirmation of Prior Ordinances. The terms and conditions governing the use of the Panganiban Beautification and Upgrading Project imposed by prior Ordinances which are not contrary to the provisions of this Ordinance shall remain in full force and effect.

SECTION 9. Separability Clause. If, for any reason, any section or provision of this Ordinance is declared unconstitutional or invalid, the other sections or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 10. Repealing Clause. Provisions of ordinances, resolutions, rules, and regulations that are inconsistent with the provisions of this Ordinance are hereby repealed, amended, or modified accordingly.

SECTION 11. Effectivity. This ordinance shall take effect on April 1, 2026 subject to prior posting for three weeks at city hall and on the city government website and social media account, and publication for three days in a newspaper of general circulation.


ENACTED: January 20, 2026

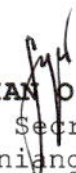
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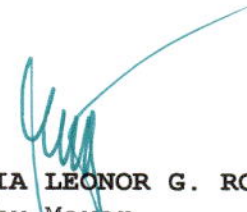
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WE HEREBY CERTIFY to the correctness of the foregoing ordinance.


GABRIEL H. BORDADO JR.
City Vice Mayor
& Presiding Officer


LILIAN O. PASCUAL
Acting Secretary to the
Sangguniang Panlungsod

APPROVED:


MARIA LEONOR G. ROBREDO
City Mayor