

REPUBLIKA NG PILIPINAS
TANGGAPAN NG SANGGUNIANG PANLUNGSOD
LUNGSOD NG BAKOLOD
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CITY ORDINANCE NO. 886
March 6, 2019

AN ORDINANCE FOR THE PROMOTION OF THE CITY OF BACOLOD AS AN IDEAL LOCATION FOR STARTUPS AND SMALL AND MEDIUM INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) ENTERPRISES AND FOR THE DEVELOPMENT OF THE STARTUP ECOSYSTEM, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

WHEREAS, entrepreneurial ecosystems are combinations of social, political, economic, and cultural elements within a region that support the development and growth of innovative startups and encourage nascent entrepreneurs and other actors to take the risks of starting, funding, and otherwise assisting high-risk ventures;

WHEREAS, the steady growth of startup companies in a city points to a strong entrepreneurial ecosystem. A startup is defined as a company that is in the first stage of its operations. These companies are often initially bankrolled by their entrepreneurial founders as they attempt to capitalize developing a product or service for which they believe there is a demand. Due to limited revenue or high costs, most of these small-scale operations are not sustainable in the long term without additional funding from venture capitalists;

WHEREAS, startups as new businesses require a lot of support from understanding what legal structure best fits their business model to time management and market research. Market research helps determine the demand of a product or service. A startup requires a comprehensive business plan outlining mission statement, future visions and goals as well as management and marketing strategies;

WHEREAS, technology startups usually conduct their business online, in a small office or home office or store but may also give clients actual demonstration of their products and services. Startups need funding from different types of investors, usually crowdfunding, or small business loans to start their operations subject to a submission of comprehensive business plan or proposal;

WHEREAS, aide from community support, startups need friendly government policies to thrive and grow in a city;

THEREFORE, LET IT BE ORDAINED AS IT IS HEREBY ORDAINED BY THE SANGGUNIANG PANLUNGSOD IN SESSION ASSEMBLED THAT:

Section 1. SHORT TITLE. The short title of this Ordinance is "The Startup Ecosystem Ordinance of Bacolod City".

Section 2. DECLARATION OF POLICY. The City of Bacolod recognizes the value of the following principles:



- a. Strong cooperation between the government and the private sector
- b. Development of a healthy local startup ecosystem for business to grow and for the entry of more opportunities and investments and for job generation
- c. Excellent quality of public sector service to attract investments and opportunities
- d. Development and implementation of strategies to increase the growth of technology startups in the city

Section 3. DEFINITION OF TERMS. For purposes of this Ordinance, the following terms shall be defined as follows:

- a. **STARTUP** - A startup is a company that is in the first stage of its operations. These companies are often initially bankrolled by their entrepreneurial founders as they attempt to capitalize on developing a product or service for which they believe there is a demand. Due to limited revenue or high costs, most of these small-scale operations are not sustainable in the long term without additional funding from venture capitalists. The difference between these two company types is in their top objectives. Small businesses are driven by profitability and stable long-term value, while startups are focused on top-end revenue and growth potential.
- b. **TECH STARTUP** - A tech startup is a company whose purpose is to bring technology products or services to market. These companies deliver new technology products or services or deliver existing technology products or services in new ways.
- c. **VENTURE CAPITALIST** - Venture capital is financing that investors provide to startup companies and small businesses that are believed to have long-term growth potential. Venture capital generally comes from well-off investors, investment banks and any other financial institutions. However, it does not always take just a monetary form; it can be provided in the form of technical or managerial expertise.
- d. **INCUBATOR AND ACCELERATOR PROGRAM (IAP)** - The main purpose of an incubator is to help startups to grow. They are collaborative programmes which help people solve problems associated with launching a startup by providing a space to work, seed funding, mentoring, training and other benefits. Incubators differ from accelerators in the stage of startups they accept. Sepulveda views incubators as a tool for the "childhood" of a startup, while accelerators can guide entrepreneurs from "adolescence to adulthood".

Section 4. ESTABLISHMENT OF THE BACOLOD STARTUP ECOSYSTEM PROGRAMS AND SERVICES (BCD STEPS). There is hereby established a startup support program called Bacolod Startup Ecosystem Programs and Services (BCD STEPS) to help Information and Communications Technology (ICT) or tech startup firms and companies located in Bacolod. The program shall design, implement and provide customized support and assistance to startups including a wide range of information, services, and resources necessary and important to the growth, development and sustainability of new startup companies.

[Handwritten initials/signature]

4.1 The program will offer various support and assistance designed according to the needs of the startups and his current stage of development, to include:

- a) Mentoring and business coaching, including opportunity assessment and to help them understand the scope and complexity of launching startups or new ventures;
- b) Assisting and helping with preparation for pitching their ideas to venture capitalists or other sources of funding as well as review of business plans and coaching for presentations;
- c) Creating access to potential sources of resources, partners, investments, service providers, government agencies and stakeholders, critical to the success of startups;
- d) Designing and implementing B2B (business to business) linkages and networking opportunities for startup founders and entrepreneurs with investors and other partners ;

4.2 The ICT Officer shall serve as secretariat to assist BCD STEPS and supervise the strategies and mechanism developed under this Ordinance in coordination with offices and organizations concerned.

Section 5. DEVELOPMENT OF INCENTIVES TO ENCOURAGE THE GROWTH OF STARTUPS IN BACOLOD. In coordination with the Local Investment Board, Business Permits and Licensing Division and City Planning and Development Office shall develop appropriate fiscal and non-fiscal incentives for startups subject to the approval of the Sangguniang Panlungsod.

Section 6. DEVELOPMENT OF PROGRAMS TO DEVELOP A STARTUP ECOSYSTEM. The City Mayor shall create a technical working group (TWG) to develop programs under the BCD STEPS. The committee shall be preferably composed of:

- a) City Mayor
- b) Chairperson, Sangguniang Panlungsod Committee on Trade, Commerce and Industry
- c) Chairperson, Sangguniang Panlungsod Committee on Information Communications Technology and Energy
- d) Local Representative from the Department of Trade and Industry
- e) Bacolod City Information and Communications Technology Officer
- f) Local Representative from the Department of Information and Communications Technology (DICT)
- g) Local Representative from the Department of Science and Technology (DOST)
- h) Local Economic and Investment Promotions Officer

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- i) President, Bacolod Negros Occidental Federation for Information and Communications Technology
- j) Five (5) representatives from the private sector organizations involved in ICT, startups, entrepreneurship and technology

Section 7. DEVELOPING INCUBATOR OR ACCELERATOR PROGRAMS. The City of Bacolod shall support and provide funds for the development of incubator and accelerator programs, including facilities or resources, directly or indirectly to support the growth and development of startups in partnership with other agencies.

Section 8. ENCOURAGING STARTUP EVENTS. The City of Bacolod shall support and provide funds for startup events happening in Bacolod subject to procedures, such as business pitching and matching, startup weekends and challenges, hackathons, venture capital events, and similar events.

Section 10. PRODUCTION OF PROMOTION COLLATERALS. The City Tourism Office in consultation with the Local Investment Board shall design, recommend and cause the production of various promotion collaterals such as brochures, social media materials, magazines, audio-visual presentation, souvenirs and the like to promote Bacolod City as an ideal location for startup companies.

Section 11. BUDGET. The City shall appropriate an annual budget of THREE MILLION PESOS (Php 3,000,000.00) as initial fund to be taken from the General Fund and shall be augmented/supplemented as the need arises.

Section 12. REPEALING CLAUSE. All previous ordinances inconsistent with this ordinance shall be deemed repealed or modified accordingly.

Section 13. SEPARABILITY CLAUSE. Should any portion of this Ordinance be declared ultra vires unconstitutional by competent authority, the remainder not so affected shall continue to be in full force and effect insofar as it is susceptible to enforcement and application.

Section 14. EFFECTIVITY. This Ordinance shall be effective immediately upon approval.

CARRIED BY THE VOTE OF:

Affirmative:

Councilors : Caesar Z. Distrito, Cindy T. Rojas, Renecito S. Novero, Em L. Ang, Elmer T. Sy, Ana Marie V. Palermo, Wilson C. Gamboa, Jr., Dindo C. Ramos, Bartolome N. Orola, Sr., Sonya M. Verdeflor, Lady Gles Gonzales-Pallen, Ayesha Joy Y. Villaflor.

Negative : None.

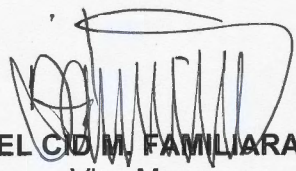
Official Leave : Councilor Ricardo L. Tan.

Absent : None.

Author : Councilor Em L. Ang.

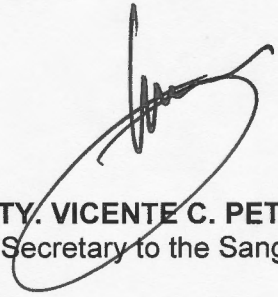
Passed : March 6, 2019 (140th Regular Session of the 9th Council).

Comments : Passed.
Councilor Claudio Jesus Raymundo A. Puentevella was not around when this ordinance was passed.



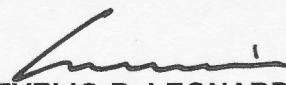
EL CIO M. FAMILIARAN
Vice Mayor
Presiding Officer

ATTESTED:



ATTY. VICENTE C. PETIERRE
Secretary to the Sanggunian

APPROVED: Mar. 19, 2019.



EVELIO R. LEONARDIA
City Mayor

VCP/CGT/jbz

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LEGISLATIVE SERVICES SECTION
DATE 3/20/19 TIME 9:15 AM
BY *Jann*