

**TANGGAPAN NG SANGGUNIANG PANLUNGSOD
LUNGSOD NG BACOLOD
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**CITY ORDINANCE NO. 402
March 30, 2006**

AN ORDINANCE LAYING DOWN THE PROCEDURES AND REQUIREMENTS FOR APPROVAL OF REQUEST FOR ENDORSEMENT FROM THE SANGGUNIANG PANLUNGSOD OF BACOLOD FOR ACCREDITATION WITH THE PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA) OF SPECIAL ECONOMIC ZONES, AND INFORMATION TECHNOLOGY PARKS AND BUILDINGS AND TOURISM DEVELOPMENT ZONES.

WHEREAS, the City of Bacolod envisions to become a growth area for investments under the Philippine Economic Zone Authority (PEZA),

WHEREAS, the State and City of Bacolod upholds the mandate of the 1987 Constitution, as embodied in Section 20, Article 11, by recognizing the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments and also under Section 12, Article XII, by promoting the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive;

WHEREAS, the City of Bacolod shall actively encourage, promote, induce and accelerate a sound and balanced industrial, economic and social development of the city in order to provide jobs to the people especially those in the rural areas, increase their productivity and their individual and family income, and thereby improve the level and quality of their living condition through the establishment, among others, of special economic zones, information technology (IT) zones, enterprises, parks and buildings, and tourism development zones in suitable strategic locations in the country and through measures that shall effectively attract legitimate and productive foreign investments,

NOW THEREFORE, BE IT ORDAINED by the Sangguniang Panlungsod of the City of Bacolod in regular session assembled that:

ARTICLE 1. SHORT TITLE. This ordinance shall be known as "IT AND ECOZONE ENDORSEMENT PROCEDURES ORDINANCE OF BACOLOD CITY".

ARTICLE 2. DEFINITION OF TERMS. The definition of terms found under Republic Act No. 7916 otherwise known as the "Special Economic Zone Act of 1995" as amended by Republic Act No. 8748 as well as other pertinent circulars by the Philippine Economic Zone Authority (PEZA) are hereby adopted for purposes of this Ordinance, such as but not limited to the following terms:

Section 1. "Information Technology" or "IT" is the collective terms for the various technologies involved in processing and transmitting information, which include computing, multimedia, telecommunications, microelectronics and their interdependencies. Also called "informatics" or "telematics", the term "IT" is now also often used to refer to the convergence of various information-based, broadcast and mass media communication technologies.

Section 2. "IT Service Activities" are activities which involve the use of any IT software and / or system for value addition;

Section 3. "IT Enterprises" are companies operating / offering IT services, particularly but not limited to activities registrable with PEZA for enjoyment of incentives under Republic Act No. 7916 as amended by Republic Act No. 8748, as follows:



- a. Software development and application, including programming and adaptation of system softwares and middlewares, for business, media, e-commerce, education, entertainment, etc.;
- b. IT-enabled services, encompassing call centers, data encoding, transcribing and processing, directories, etc.;
- c. Content development for multi-media or internet purposes;
- d. Knowledge-based and computer-enabled support services, including engineering and architectural design services, consultancies, etc.;
- e. Business process out-sourcing using e-commerce;
- f. IT research and development; and
- g. Other IT related service activities, as may be identified and approved by the PEZA Board.

Section 4. "IT Park" is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT Enterprises, as well as amenities required by professionals and workers involved in IT Enterprises, or easy access to such amenities;

Section 5. "IT Building" is a building, the whole or part of which has been developed to provide infrastructures and other support facilities required by IT Enterprises, and which may also provide amenities required by professionals and workers involved in IT Enterprises, or easy access to such amenities.

Section 6. "Facilities-Providers" are owners / operators of buildings and other facilities inside economic zones / IT Parks which are leased to PEZA-registered locator enterprises.

Section 7. "Tourism Development Zone / Tourism Estate" refers to a tract of land with defined boundaries, suitable for development into an integrated resort complex, with prescribed carrying capacities of tourist facilities and activities, such as, but not limited to, sports and recreation centers, accommodations, convention and cultural facilities, food and beverage outlets, commercial establishments and other special interest and attraction activities / establishments, and provided with roads, water supply facilities, power distribution facilities, drainage and sewage systems and other necessary infrastructure and public utilities. A Tourism Development Zone / Tourism Estate shall be under unified and continuous management, and can either be a component of an ecozone or the whole ecozone itself.

Section 8. "Tourism Ecozone" refers to a Tourism Development Zone/ Tourism Estate which has been granted special economic zone status, through PEZA Registration and issuance of the required Presidential Proclamation, with its metes and bounds delineated by the Proclamation pursuant to R.A. No. 7916, as amended.

Section 9. "Tourism Ecozone Developer / Operator" refers to the owner and/or operator of a Tourism development Zone / Tourism Estate seeking registration with PEZA and the required Presidential Proclamation of the Tourism Development Zone/ Tourism Estate as a Tourism Ecozone for the availment of incentives provided under R.A. No. 7916.

Section 10. "Tourism Ecozone Locators" refers to enterprises registered with PEZA for the establishment and operation, within PEZA-registered tourism Ecozones, of sports and recreation centers, accommodation, convention, and cultural facilities and other special interest and attraction activities / establishments, with foreign tourists as primary clientele, and which are, therefore, eligible for fiscal and non-fiscal incentives.


ARTICLE 3. GUIDELINES ON THE REQUEST FOR ENDORSEMENT OF APPLICATION FOR REGISTRATION OF NEW ECOZONE DEVELOPMENT. The following are the procedures for requesting the endorsement of the Sanggunian for a new ecozone development within the jurisdiction of Bacolod City, to wit:

Section 1. Submission of Formal Written Request. Owner/s of private lands or other person/s or entity/ies duly authorized by the landowner/s intending to develop the area as ecozone who shall file their application to the Philippine Economic Zone Authority (PEZA) shall submit the necessary documents to the Sangguniang Panlungsod, as follows:

- a. Application Form (notarized)
- b. Anti-Graft Certificate (notarized)
- c. SEC Registration and Articles of Incorporation
- d. Audited Financial Statements (for the last three years of operation, where applicable)
- e. Board Resolution / Special Power of Attorney designating the company's authorized representative to PEZA
- f. Project Description (Development Plan and Timetable)
- g. Vicinity map reflecting the various land uses important verifiable landmarks within one (1) kilometer radius of the project site
- h. Proof of land ownership or any perfected contract / document confirming the applicant's authority / clearance to use the land for economic zone development and related purposes.

If the applicant is not the registered owner, a perfected contract / document confirming the applicant's authority / clearance to apply for and use the land for ecozone and related purposes as required.
- i. Certification from the Department of Agriculture that the area for the proposed economic zone is not or has ceased to be economically feasible and sound for agricultural purposes (i.e. the area is marginal for agricultural use)
- j. DAR Conversion Clearance or Exemption Certificate (or HLURB Zoning Certification, whichever is applicable) and if the proposed area is zoned as agricultural on or before 15 June 1988, a DAR Conversion Clearance / Order is required. However, if the zoning of the area is non-agricultural on or before said date, a DAR Exemption Certificate or HLURB Zoning Certification shall be required.
- k. Latest real property tax clearance
- l. Latest business permit of the applicant
- m. Local zoning clearance from the City Planning and Development Office (CPDO)
- n. Other documents as may be required by the Sanggunian.

Section 2. Referral to Committee. The documents shall be referred to the following committees which check for completeness of documents, as follows:



- a. Committee on Communications and Energy – in the case of industries utilizing information and communication technology (ICT) and business process outsourcing
- b. Committee on Trade and Commerce – in the case of light and medium industries
- c. Committee on History, Culture and Tourism – in the case of tourism development zones

Section 3. If the document is complete, the Committee shall endorse the same to the Sanggunian to be included in the next regular session. If the document is not complete, the formal request and all the documents shall be returned to the source with the advice that the same is incomplete. The requesting party shall then await for the advice for any action taken by the Sanggunian, including the right to request his/her presence during the deliberation of the request.

Section 4. Processing and Evaluation. The Sanggunian shall refer the matter back to the Committee on the first session it was tackled for purposes of further study and evaluation of the conduct of committee hearings. The Chair of the Committee shall then report to the Sanggunian his/her recommendations, i.e. to endorse the application or not. If the Sanggunian endorses the application to PEZA, it shall do so by way of a resolution duly approved and signed.

Section 5. Approval Process. Once PEZA approves the application and shall request for confirmation or concurrence from the Mayor and the Vice Mayor, the said offices shall refer to the resolution or request an official copy of one if such is necessary.

ARTICLE 4. GUIDELINES ON THE REQUEST FOR ENDORSEMENT OF APPLICATION FOR REGISTRATION AS INFORMATION TECHNOLOGY ZONES, PARKS AND BUILDINGS. The following are the procedures for requesting the endorsement of the Sanggunian for a new information technology zones, parks and buildings within the jurisdiction of Bacolod City, to wit:

Section 1 IT Parks in Bacolod City shall be endorsed by the Sanggunian subject to the following conditions:

- a. The IT Park shall have a minimum land area of one (1) hectare and the IT building shall have a minimum floor area of 2,000 square meters;
- b. IT Parks shall provide the following minimum facilities required by locator IT Enterprises:
 - 1. High-speed fiber-optic telecommunication backbone and high-speed international gateway facility or wide-area network (WAN); or any high speed data telecommunication system that may become available in the future;
 - 2. Clean, uninterruptible power supply; and
 - 3. Computer security and building monitoring and maintenance systems (e.g. computer firewalls, encryption technology, fluctuation controls, etc).

Section 2. Submission of Formal Written Request. Owners/developers or IT Parks and/or Buildings may request for endorsement of the Sangguniang Panlungsod for submitting the following requirements:



- a. Application Form (notarized);
- b. Anti-Graft Certificate (notarized);
- c. SEC Registration Certificate and updated Articles of Incorporation;
- d. Board Resolution authorizing the filing of application with PEZA and designating the representative(s) authorized to transact registration with PEZA;
- e. Audited Financial Statements (for the last three (3) years of operation, for existing companies)
- f. IT Park / Building Project Description and / or Feasibility Study, which should provide, among others, information on the financial capability of the proponent, present and proposed land use of the area for the IT Park / Building, and development plan and schedule for the proposed IT Park / Building;
- g. Vicinity map reflecting the various land uses and important verifiable landmarks within one (1) kilometer radius of the project site;
- h. Proof of land ownership or any perfected contract / document confirming the applicant's authority / clearance to use the land for the establishment of the proposed IT Park / Building;
- i. Certification from the Department of Agriculture that the area for the proposed IT Park / Building is not or has ceased to be economically feasible and sound for agricultural purposes (i.e. the area is marginal for agricultural use)
- j. DAR Conversion Clearance or Exemption Certificate (or HLURB Zoning Certification, if applicable)
- k. Other requirements as may be prescribed by the PEZA Board;
- l. Proof of land ownership and / or Long-Term Lease Agreement on the area of the proposed IT Park / Building
- m. Verified survey returns and technical description of the land area;
- n. Certification from the National Water Resources Board that the identified source(s) of water for the IT Park / Building shall not cause water supply and related problems in adjacent communities;
- o. Latest real property tax clearance;
- p. Latest Business permit of the applicant,
- q. Local Zoning Clearance from the CPDO;
- r. Other requirements as may be prescribed by the Sanggunian.

Section 3. The procedures laid down Article 3 Sections 2 to 6 shall be followed.

ARTICLE 5. GUIDELINES FOR THE ENDORSEMENT OF TOURISM DEVELOPMENT ZONES. The Sanggunian shall endorse applications for PEZA-registration of proposed Tourism Ecozones by Developer/Operators subject to the submission of the following documentary requirements:

- a. Endorsement of the DOT (and in the case of Ecotourism Projects, together with the endorsement of the National Ecotourism Steering Committee);
- b. Duly accomplished PEZA Application Form;
- c. Board Resolution authorizing the filing of the application with PEZA and designating representative(s) authorized to transact Registration with PEZA;
- d. Proof of ownership of or right to use the land subject of the proposed Tourism Ecozone;
- e. Land use Conversion Clearance Certificate or its equivalent from the Department of Agrarian Reform (DAR);
- f. Certification from the Department of Agriculture (DA) that the proposed area is not covered by Administrative Order No. 20 and that such land use has ceased to be economically feasible for agricultural purposes;
- g. Certification from the Housing Land Use Regulatory Board (HLURB) specifying that the proposed land use is in accordance with the land use plan duly approved by the legislative council (Sanggunian) of the host municipality / city;
- h. Environmental Compliance Certificate issued by the Department of Environmental and Natural Resources / Environmental Management Bureau (DENR / EMB);
- i. National Water Resources Board (NWRB) Certification that establishment of the proposed Tourism Ecozone shall not cause water supply problem for adjacent communities;
- j. Site Development Plan;
- k. Technical Description of the area(s) sought to be proclaimed as an ecozone including survey returns duly approved by the Land Management Bureau, and
- l. Securities and Exchange Commission (SEC) Registration including Articles of Incorporation and By-Laws.
- m. Latest real property tax clearance
- n. Latest business permit of the applicant
- o. Local zoning clearance from the CPDO
- p. Other requirements as may be necessary prescribed by the Sanggunian

ARTICLE 6. SEPARABILITY CLAUSE. Should any position of this ordinance be declared *ultra vires* or 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.

ARTICLE 7. EFFECTIVITY. These Guidelines shall take effect upon the passage of this Ordinance in accordance to law.



CARRIED BY THE VOTE OF:

Affirmative:

Councilors: Greg G. Gasataya, Lyndon P. Caña, Jocelle Batapa-Sigue, Homer Q. Bais, Dindo C. Ramos, Napoleón A. Cordova, Al Victor A. Espino, Catalino T. Alisbo, Reynold I. Iledan.

Negative : None.

Author : Councilor Jocelle Batapa-Sigue

Absent : None


Passed : March 30, 2006 (92nd Regular Session)

Comments: Passed.
Vice Mayor Renecito S. Novero, Councilors Ana Marie V. Palermo, Arturo V. Parreño and Marx Louie S. de la Rosa were out of the Session Hall when this ordinance was passed




JUDE THADDEUS A. SAYSON
Acting Presiding Officer

ATTESTED:



ATTY. NILO T. ALEJANDRINO
Secretary to the Sanggunian

APPROVED: April 24 2006



EVELIO R. LEONARDIA
City Mayor

NTA/HPL/nyl

