



Republic of the Philippines
Department of Environment and Natural Resources
LAND MANAGEMENT BUREAU

880 Estuar Building, Quezon Avenue, Brgy. Paligsahan, Quezon City
Direct Line: (02) 255-4362 Records and Knowledge Management Division
Email: denrlmb@yahoo.com Website: lmb.gov.ph



MEMORANDUM

FOR : **The OIC, Regional Executive Director**
DENR-MIMAROPA Region
1515 L&S Bldg., Roxas Blvd., Manila

FROM : **The Director**

SUBJECT : **APPROVAL OF RE-APPRAISAL
FORESHORE LEASE APPLICATION NO. 054317-06-01
BERONG NICKEL CORPORATION
REPRESENTED BY FRANK N. LUBBOCK
BARANGAY BERONG, QUEZON, PALAWAN
AREA: 535,443 SQUARE METERS**

DATE : **30 JUN 2022**

This refers to the re-appraisal of the foreshore land located in Barangay Berong, Quezon, Palawan, covered by an approved Order of Award dated May 6, 2010, under Foreshore Lease Application (FLA) No. 054317-06-01 of Berong Nickel Corporation, represented by Frank N. Lubbock, for pier/causeway purposes.

Upon review and evaluation, we have observed the following:

- Berong Nickel Corporation, represented by Frank N. Lubbock, filed its application on September 30, 2005;
- Per attached copy of approved Order of Award dated May 6, 2010, the appraised value of the land amounting to Php48.00 per square meter or Php25,701,264.00 for the whole tract of land of 535,443 square meters and the value of existing/proposed improvements amounting to Php5,287,030.96, respectively, with an annual rental of Php823,908.22;
- On July 6, 2021, the Appraisal Committee of DENR-CENRO, Quezon, Palawan, computed the re-appraisal of the land at $(\text{Php}823,908.22 + 100\%) = \text{Php}1,647,816.44$ which is a one hundred percent (100%) increase of its previous annual rental of Php823,908.22 based on section 116 of Commonwealth Act (C.A) No. 141, as amended; and
- In a Memorandum dated February 24, 2022, the OIC Regional Executive Director (RED) Lormelyn E. Claudio, DENR-MIMAROPA Region, recommended that the re-appraisal of the land in the amount of **Php1,647,816.44** annual rental, be approved.

Comments and Recommendation:

- The Appraisal Committee of DENR-CENRO, Quezon, Palawan, recommended the re-appraised annual rental of the subject lot at Php1,647,816.44, which is twice the amount of the annual rental indicated in the approved Order of Award. We wish to emphasize that in the computation of the re-appraisal value, only the value of the land shall be considered, which shall not exceed more than 100% of its previous appraised value. The value of the improvements shall not be re-appraised unless new improvements are introduced in the area.
- On May 6, 2010, the then DENR Secretary Horacio C. Ramos, approved the Order of Award of Berong Nickel Corporation, represented by Frank N. Lubbock. However, it appears that there was no approved Lease Contract. Thus, may we be clarified why the FLA of Berong Nickel Corporation has not ripened into a Lease Contract upon approval of the Order of Award dated May 6, 2010, and why it took more than twelve (12) years before that Office acted on the same. In this regard, we recommend the issuance of a Lease Contract.
- Further, as indicated in the Order of Award dated May 6, 2010, the approved appraised value of the subject land is Php48.00 per square meter. Hence, we recommend that the annual rental

for the 2nd ten (10) years (May 6, 2010 to May 5, 2020) be computed.

Computation:

- a. 1st ten (10) years (May 6, 2010 to May 5, 2020) appraised value of the land amounts to **Php48.00** per square meter or **Php823,908.22** annual rental.
- b. 2nd ten (10) years re-appraised value of the land (May 6, 2020 to May 5, 2030).

Area	=535,443 square meter
Appraised Value per sq. m.	=Php96.00 (Php48.00 plus 100%)

Land:

Area x Appraised Value per sq. m. * 3%	
535,443 sq. m. x Php96.00	=Php51,402,528.00 *3%
	=Php1,542,075.84

Improvements:

Php5,287,030.96.00 x 1%	=Php52,870.31
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Annual Rental:

Php1,542,075.84 + Php52,870.31	=Php1,594,946.15
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Likewise, we recommend that the Regional Office should require the lessee to pay the unpaid balances or back rentals, if there be any, covering the periods of 2021-2022, based on the above recommended annual rental.

In view of the issuance of DENR Administrative Order No. 2022-07¹ dated March 23, 2022, delegating the approval of the appraisal/re-appraisal reports of foreshore lands, SAPA and other patrimonial properties of the State to the Regional Executive Director (RED), we are returning the complete folder of Berong Nickel Corporation, represented by Frank N. Lubbock for your approval of the re-appraisal. We strongly recommend that you consider the above observations and require first the submission of the revised Re-Appraisal Report. Further, we are providing you with a copy of the format for the Lease Contract for your reference.

Further, kindly copy furnished this office and the Office of the Undersecretary for Legal, Administration, Human Resources and Legislative Affairs of the action taken thereon for reference.

For your information and appropriate action.

Emelyne V. Talabis
ATTY. EMELYNE V. TALABIS, CESO IV

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1 Amending DENR Administrative Order No. 2014-03 Series of 2014 (Manual of Authorities on Human Resources Development and Administrative Matters) and DENR Administrative Order No. 2016-07 Series of 2016 (DENR Manual of Authorities on Technical Matters).

cc:

Berong Nickel Corporation
Represented by Frank N. Lubbock
Barangay Berong, Quezon, Palawan