



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

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MEMORANDUM

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

FROM : **The Director**

SUBJECT : **APPROVAL OF RE-APPRAISAL
FORESHORE LEASE APPLICATION (FLA) NO. 045316-129
CITRA MINA SEAFOOD CORPORATION
REPRESENTED BY GERALD JEREMY H. LU
BRGY. STA. LOURDES, PUERTO PRINCESA CITY, PALAWAN
AREA: 5,446 SQUARE METERS**



DATE : 30 JUN 2022

This refers to the re-appraisal of the foreshore land covered by the Foreshore Lease Application (FLA) No. 045316-129 of Citra Mina Seafood Corporation, represented by Gerald Jeremy H. Lu, located in Barangay Sta. Lourdes, Puerto Princesa City, Palawan, covered by an existing Lease Contract of twenty-five (25) years from January 5, 2006 to January 4, 2031.

Background:

1. The lot treated therein is described under plan Fli-045316-129-D, situated in Barangay Sta. Lourdes, Puerto Princesa City, Palawan, containing an area of 5,446 square meters and covered by an existing Lease Contract with a duration of twenty-five (25) years from January 5, 2006 to January 4, 2031, for commercial purposes;
2. As indicated in the existing Lease Contract of Citra Mina Seafood Corporation, represented by Gerald Jeremy H. Lu, the appraised value of the land for the first ten (10) years from the 5th day of January 2006 to 4th day of January 2016, shall not be lower than **Php599,060.00** for the whole tract of 5,446 square meters;
3. On January 24, 2020, the Regional Office, DENR- MIMAROPA Region received a letter from Mr. Gerald Jeremy H. Lu, representative of the Citra Mina Seafood Corporation now Citra Mina Canning Corporation, requesting to waive the Foreshore Lease and likewise endorsed Premium Megastructure Incorporated to continue the previously issued Lease Contract to Citra Mina Seafood Corporation;
4. In the Re-Appraisal Report dated November 9, 2021, the Appraisal Committee of DENR-CENRO, Puerto Princesa City, recommended the reappraised annual rental of the subject lot at Php93,783.60, which is a one hundred percent (100%) increased of its previous annual rental of Php46,891.80 based on Section 116 of Commonwealth Act (C.A.) No. 141, as amended;
5. In a Memorandum dated December 20, 2021, Regional Executive Director (RED) Maria Lourdes G. Ferrer, DENR-MIMAROPA Region, recommended that the appraisal of the land in the amount of Php93,783.60 annual fee be approved and that the authority to lease the foreshore area be issued. She further recommended the following:

- a. "That the Lease Contract be transferred and adapted by the Premium Megastructure Incorporated, until the said contract expires on January 5, 2031 and further that the annual rental/lease be collected continuously;
- b. That a resurvey be made considering that a Miscellaneous Lease Application is more appropriate tenorial instrument and likewise, be covered by Mlc plan to finally identify/ascertain the total area of the existing improvements and proposed additional improvements, if any to be forwarded to the Regional Office for approval;
- c. That the intent of the company of Premium Megastructure Incorporated be given due course particularly in filing for a Miscellaneous Lease Application which is more appropriate to the actual use and existing improvements thereon;
- d. That the re-appraisal report be approved and in case that the adaption of the Lease Contract is approved in favor of Premium Megastructure Incorporated, the re-appraisal report be incorporated with and made an integral part of the new Miscellaneous Lease Application to be filed by the said company/applicant".

Comments and Recommendation:

1. The Appraisal Committee of DENR-CENRO, Puerto Princesa City, recommended the re-appraised annual rental of the subject lot at Php93,783.60, which is twice the amount of the annual rental indicated in the existing Lease Contract. 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. For emphasis quoted is the provision of Section 116 of CA 141, as amended, viz: "x x x x. In no case shall the appraisal or re-appraisal xxx nor shall any re-appraisal be made with an increase of more than one hundred per centum upon the appraisal or re-appraisal next preceding".
2. Further, as indicated in the Order of Award dated December 27, 2005, the approved appraised value of the subject land is Php110.00 per square meter. Hence, we recommend that the annual rental for the 2nd ten (10) years (January 5, 2016 to January 4, 2026) be computed as follows:

Computation:

- a. 1st ten (10) years (January 5, 2006 to January 4, 2016) appraised value of the land amounts to **Php110.00** per square meter or **Php46,891.80** annual rental.

- b. 2nd ten (10) years re-appraised value of the land (January 5, 2016 to January 4, 2026).

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|----------------------------|----------------------------------|
| Area | =5,446 square meter |
| Appraised Value per sq. m. | =Php220.00 (Php110.00 plus 100%) |

Land:

| | |
|--|----------------------|
| Area x Appraised Value per sq. m. * 3% | |
| 5,446 sq. m. x Php220.00 | =Php1,198,120.00 *3% |
| | =Php35,943.60 |

Improvements:

| | |
|----------------------|----------------------|
| Php2,892,000.00 x 1% | =Php28,920.00 |
|----------------------|----------------------|

Annual Rental:

| | |
|-----------------------------|----------------------|
| Php35,943.60 x Php28,920.00 | =Php64,863.60 |
|-----------------------------|----------------------|

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 2016-2022, based on the above recommended annual rental.

c. Also, this Office concurs with the recommendations of the Regional Office, hence, may we suggest the following courses of action:

- Issue an Order changing the application from FLA to MLA as well as the survey plan from Flc to Mla pursuant on Memorandum Circular No. 2010-13 entitled "Adoption of the Manual on Land Survey Procedures".
- Issue Order: Transfer of Leasehold Rights from Citra Mina Seafood Corporation to Premium Megastructure, Inc., considering that the approval of such transfer is already delegated to the Regional Executive Director pursuant to DAO 2016-07 entitled "Manual of Authorities".

In view of the above observations and as per DAO No. 2022-07² dated March 23, 2022, wherein the approval of appraisal and re-appraisal is already delegated to the Regional Executive Director, we are returning the complete folder of the Citra Mina Seafood Corporation, represented by Gerald Jeremy H. Lu, for information and appropriate action.

Moreover, be reminded that the following documents should also be secured prior to the issuance of Order of Award and Lease Contract:

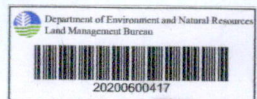
1. Comment and recommendation of the District/City Engineer, DPWH with the concurrence of the Regional Director of DPWH;
2. Comment and recommendation of the Department of Tourism; and
3. Environmental Compliance Certificate (ECC) or Certificate of Non- Coverage (CNC).

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

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ATTY. EMELYNE V. TALABIS, CESO VI

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cc: Citra Mina Seafood Corporation
Rep. by Gerald Jeremy H. Lu
Brgy. Sta. Lourdes, Puerto Princesa City, Palawan

Memo RED MIMAROPA Region – Citra Mina Seafood Corporation, Palawan
FLA No. 045316-129 Re-appraisal
DTN 20211201044 (PALS 226-3 B3) efe