



Republic of the Philippines
Department of Environment and Natural Resources
MIMAROPA Region

MEMORANDUM

TO : THE PENR OFFICER
Palawan

ATTENTION : THE CENR OFFICER
Puerto Princesa City, Palawan

FROM : THE REGIONAL EXECUTIVE DIRECTOR

SUBJECT : RENTAL FOR FORESHORE/MISCELLANEOUS LEASE OF
FORESHORE LAND ADJACENT TO MANGROVE AREAS
WITHIN BRGY. BANCAO-BANCAO, PUERTO PRINCESA
CITY, PALAWAN PER LETTER OF MR. RAMON S. LICUP,
CEO MODERN ASIA HOTEL, INC.

DATE : DEC 21 2023

This is with reference to the Memorandum dated October 5, 2023 from the Undersecretary for Field Operations-Luzon, Visayas and Environment regarding the Miscellaneous Lease Application of Modern Asia Hotel, Inc. (MAHI).

You are hereby directed to conduct a reinvestigation on the application of MAHI considering the comments and recommendations embodied in the abovementioned Memorandum. Use DAO 2010-26 as basis for the computation of the appraisal for the annual government share. Submit a comprehensive report on the matter.

For immediate action.

FELIX S. MIRASOL, JR., CESO IV

*For and in the absence of the
Regional Executive Director:*

Copy Furnished:

Mr. Ramon S. Licup
Chairman/CEO
Modern Asia Hotel, Inc. (MAHI)
49 Annapolis Street, Greenhills
San Juan City


MAXIMO C. LANDRITO
OIC, Assistant Regional Director
for Technical Services

FN: LPDD/PDS/KST

1515 DENR By the Bay Building, Roxas Boulevard, Barangay 668, Ermita Manila
DENR VOIP (02) 8248-3367/ 8249-3367 loc. 2701
Website: <http://mimaropa.denr.gov.ph>
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Department of Environment
and Natural Resources
MIMAROPA Region



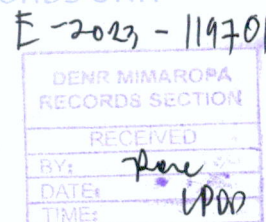
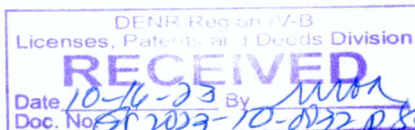
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Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, 1100 Quezon City
Tel. Nos. (632) 8929-6626 to 29; (632) 8929-6633; to 35
Email: web@denr.gov.ph Website: www.denr.gov.ph

FOREST MANAGEMENT BUREAU

RECORDS UNIT



MEMORANDUM

TO : The Regional Executive Director
DENR MIMAROPA Region
1515 L&S Building, Roxas Boulevard, Ermita, Manila

FROM : The Undersecretary for Field Operations –
Luzon, Visayas and Environment

SUBJECT : **RENTAL FOR FORESHORE / MISCELLANEOUS LEASE OF
FORESHORE LAND ADJACENT TO MANGROVE AREAS
WITHIN BRGY. BANCAO BANCAO, PUERTO PRINCESA
CITY, PALAWAN [PER LETTER OF MR. RAMON S. LICUP,
CEO, MODERN ASIA HOTEL, INC.]**

DATE : **OCT 05 2023**

This refers to the above-stated subject which was initially discussed by the undersigned with Mr. Ramon S. Licup and a representative from the Forest Management Bureau (FMB) on 14 September 2023. Subsequently, the same was referred to the FMB for further assistance on the matter.

Based from the documents submitted by Modern Asia Hotel, Inc. (MAHI) and the discussions ensued during the meeting, the following concerns were noted:

1. The extent of the MAHI's former leased area through Miscellaneous Lease Agreement (MLA) bearing the code MLA-MLC-045316-17 is about 51,293 square meters, and for certain reasons, MAHI requested that the said area be reduced. On 23 March 2022, the subject area was subsequently reduced from 51,239 square meters to 24,977 square meters;
2. For the period 2017 to 2020, the computed annual fee/rental chargeable against the MAHI has ranged from P254,730.84 to P264,920.07. Consequently, after the extent of the leased area was reduced, it appears that the computed annual fee has drastically increased (i.e., from P254,920.07 to P2,911,485.64);
3. Considering the occurrence of the COVID-19 global pandemic and the changes in the value of the MAHI's annual rentals, the same has incurred an outstanding annual rental amounting to P9,529,217.13 [covering six (6) years, i.e., 2018 up to 2023]. Likewise, the onslaught of Typhoon Odette over the area has given the Company the additional dilemma to bear aside from its unsettled annual rentals;
4. The MAHI is requesting for a consideration as to the computed annual rentals for the period 2020 to 2022 taking into account the occurrence of the COVID-19 global pandemic which caused significant impact or drawback on the operation of the MAHI's hotel, resort

and tourism-related facilities over the leased area, thus, affecting the Company's economic stability and the livelihood of its employees and its immediate communities;

5. The MAHI is proposing to further develop the mangrove forest (comprising species of *Sonneratia alba*, *Rhizophora apiculata*, *Avicennia alba*) adjacent to its leased area by introducing board walk or mangrove walkways (to be mounted on floating objects like plastic drums and local materials) over the areas devoid of mangrove vegetation and to establish fish culture modalities by using fish nets/fish cage (for Lapu-lapu fish) that will be mounted on floaters so that the fish nets/fish cage can move freely (*e.g., plunge or float*) during the occurrence of low tides and high tides thereby causing no impact to the mangrove vegetation thereon. A specific plan for ecological protection endeavors and for physical development concerns over the proposed area was presented by the MAHI. All the materials to be used thereof are made of local materials and such improvement to be introduced thereon will be temporary improvements. Further, several functional walkways and eco-parks within mangrove forests devoid of mangrove vegetation from the different parts of the country was presented by MAHI for reference purposes;
6. As to the intent of the MAHI to further develop the mangrove forest as mentioned above, the policy on forest land use agreement for tourism (FLAgT) was initially discussed and the MAHI has expressed their intention to apply for FLAgT pending the clarification of the DENR MIMAROPA Region on the land classification of the area where this mangrove forest is located; and
7. Accordingly, the MAHI was granted under the MLA to establish a boardwalk/floater (to serve as a pathway from the MAHI's hotel/resort complex going to the sand bar adjacent thereat). The sand bar was deemed as a common area for tourists/visitors who may have a frequent appointment or one-time visit to the locality of Brgy. Bancao-Bancao, Puerto Princesa City. However, apparently, the concerned local DENR Office is yet to allow the MAHI's endeavor for that purpose.

In view thereof, the DENR MIMAROPA Region is hereby instructed to cause the following:

- A. Compute the surcharges of MAHI for the period 2020 up to 2022 and the computed or resulting amount as its surcharges will be waived in favor of the same taking into account that the DENR Central Office has recently granted some requests of holders of forest tenure instruments for the non-imposition of the collection of surcharges during the occurrence of the COVID-19 global pandemic and other fortuitous events;
- B. For clarity purposes, provide to MAHI and furnished the same to this Office the detailed computations on the annual rentals (chargeable against MAHI) made by the concerned DENR Offices in the region, and include as well the basis of computing the annual rental over the 24,977 square meters MLA area;
- C. Determine the actual land classification of the land hosting the mangrove forest that the MAHI intends to maintain, protect and eventually to develop certain portion of the same which is devoid of mangrove vegetation for the establishment of floating pathway/walkway with an approximate length of 100 meters more or less. Such pathway may convey an appropriate number of tourists / visitors who may wish to have an actual perspective of a mangrove forest / mangrove stand in its natural habitat.

Likewise, within or along the portions of the mangrove forest (that will host the pathway and) with sufficient water that can host fish cages that may plunge or submerge will be developed thereon. The pathway and the fish cages deemed as floating objects (as they will be mounted on floating objects) thereon will constitute the variety of tourist attraction sites / spots that the MAHI may provide to its patrons/customers on its tourism-related venture / services. Thus, if the land hosting the mangrove forest is classified as forest land, consequently, MAHI will apply for FLAgT. If it is within the ambit of a legislated protected area, then, the appropriate tenure is special use agreement in protected areas (SAPA).

The MAHI can be granted to develop / manage the said mangrove forest taking into consideration of the good intention of the same as manifested in the plan it has presented, and based from the above-mentioned information, there are existing mangrove forests (for mangrove boardwalk/walkways/tourism purposes) whose development / management were entrusted to various entities through several lease agreements and that can be deemed as precedents. For instance, the *Badjao Seafront Restaurant* (Puerto Princesa City), *Aklan Eco-Park*, *Maribojoc Mangrove* (Bohol), *Bantayan Mangrove* (Cebu), *Villa Israel Ecopark* (El Nido);

- D. The concerned CENRO/PENRO or Implementing PENRO, in accordance with the terms and conditions of the MLA, should facilitate appropriate actions relative to the immediate establishment by MAHI of the boardwalk/floater from the hotel/resort complex going to the sand bar adjacent to the said complex, so as to maximize the delivery of the tourism-related services being rendered/offered by MAHI to its customers and to the general public as well which is an integral part /objective of the State's promotion for sustainable tourism industry; and
- E. In case the administration of the said mangrove forest falls within the ambit of the forestry sector's jurisdiction, kindly inform MAHI to apply for FLAgT.

Submit to this Office a report documented in a completed staff work (CSW) format relative to your undertakings on the above-mentioned concerns at the soonest possible time.

FOR YOUR INFORMATION AND STRICT COMPLIANCE.


ATTY. JUAN MIGUEL T. CUNA, CESO I



OD Records Unit <records@fmb.denr.gov.ph>

D-39821- Rental for Foreshore/Miscellaneous Lease of Foreshore Land adjacent to Mangrove Areas within Brgy. Banca-Banca, Puerto Princesa City, Palawan (per Letter of Mr. Ramon S. Licup, CEO, Modern Asia Hotel, Inc.

1 message

OD Records Unit <records@fmb.denr.gov.ph>

Fri, Oct 6, 2023 at 9:20 AM

To: DENR Mimaropa Region <mimaroparegion@denr.gov.ph>, Records Section_DENR MIMAROPA <recordsectionmimaroparegion@gmail.com>

Cc: FRMD Forest Resources Management Division <frmd@fmb.denr.gov.ph>, FRMD-FLUAS Forest Land Use and Allocation Section <frmd.fluas@fmb.denr.gov.ph>, Ildefonso Quillooy <ilquillooy@fmb.denr.gov.ph>, Amie Rabang <arabang@fmb.denr.gov.ph>

Sir/Ma'am

Good day

Attached file is a Memorandum for the RED R4B dated October 5, 2023 RE: Rental for Foreshore/Miscellaneous Lease of Foreshore Land adjacent to Mangrove Areas within Brgy. Banca-Banca, Puerto Princesa City, Palawan (per Letter of Mr. Ramon S. Licup, CEO, Modern Asia Hotel, Inc.

Thank you

**Records Unit**

Forest Management Bureau

Phone : (63-2) 8925-2141

Email Address : fmb@denr.gov.ph

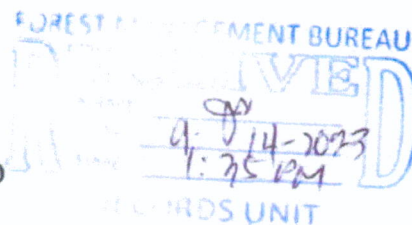
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**10-05-23- D-39821- Rental for Foreshore-Miscellaneous Lease of Foreshore Land adjacent to Mangrove Areas within Puerto Princesa City.pdf**

14717K



PRINCESSA GARDEN ISLAND
RESORT AND SPA



September 14, 2023

ATTY. JUAN MIGUEL T. CUNA, CESO I
Undersecretary for Field Operations – Luzon, Visayas and Environment
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

Re: Rental for Foreshore/ Miscellaneous Lease of Foreshore Land at Barangay Banca
Bancao, Puerto Princessa City, Palawan

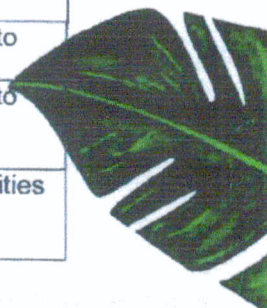
Sir/Ma'am:

We write to you regarding your computation on the rental of a foreshore land located in Barangay Banca-Bancao, Puerto Princessa City, Palawan which we are currently leasing from the government. Perhaps your office may have been aware that our intent in renting the said shore area is to:

1. Provide complimentary services for our guests and visitors who wish to enjoy the sunbathing area.
2. Promote the local, national and international tourism industry.
3. Ensure security and safety of the hotel's guests.

You will remember that we applied for the revision of our leased area coverage from **51,293 square meters** to only **24,977 square meters**, which request was approved last **March 23, 2022**. Pursuant to such approval and in order to comply government policies and regulations, we requested the DENR CENRO and PENRO Palawan for a computation based upon the approved reduced leased area. To our surprise however, we received from your office a computation which was even higher than the old computation which we quote and state below for your reference:

YEAR	AREA/SQURE METERS	ANNUAL FEE	STATUS OF PAYMENT	STATUS OF BUSINESS
2017	51,293.00	254,730.84	Paid	Normal Operation
2018	51,293.00	264,920.07	Unpaid	Normal Operation
2019	51,293.00	264,920.07	Unpaid	Normal Operation
2020	51,293.00	264,920.07	Unpaid	Business was shutdown due to Pandemic
2021	24,977.00	2,911,485.64	Unpaid	Business was shutdown due to Pandemic with occurrence of Typhoon Odette.
2022	24,977.00	2,911,485.64	Unpaid	Repair and renovation of facilities caused by the pandemic and Typhoon Odette.



D-39821



PRINCESA GARDEN ISLAND

RESORT AND SPA

2023	24,977.00	2,911,485.64	Unpaid	Soft operation with ongoing repairs of damaged facility, unstable transactions due to low tourism activities and minimal arrival of flights going to Palawan.
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Total Rentals Unpaid for Six (6) Years: PHP9,529,217.13

In this connection, may we humbly ask for the following consideration;

1. As to your computation for the year 2020, 2021 and 2022, we would greatly appreciate if you could **waive** all the rental charges you are imposing on us for the reason that during those three (3) years, the hotel did not earn any income because of the pandemic and the typhoon that ravaged the country, plus the fact that we are still introducing renovations and repairs in the hotel in order to restore the previous condition of the hotel in its state before the arrival of the pandemic and the typhoon. Until now, tourism industry has not yet recovered from its fall.
2. For this year of 2023, we request your favor and kindness by giving us a **discount** as we are still in a soft operation stage.
3. We respectfully request your office to kindly **reconsider your computation to a more reasonable rate or lesser rate**. Income of the hotel will not even be commensurate or at least break even with your rental computation of PHP2,911,485.64 per year. It is indeed heavy for us to bear such a large sum of rental obligation. Also, most of our services are still complimentary in nature.

Your considerate reply will be greatly appreciated. Thank you so much.

Truly yours,

MODERN ASIA HOTEL, INC.

Lessee

By:

RAMON S. LICUP
Chairman/CEO





Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, 1100 Quezon City
Tel. Nos. (632) 8929-6626 to 29; (632) 8929-6633; to 35
Email: web@denr.gov.ph Website: www.denr.gov.ph

CO-2023-120462

DENR MIMAROPA RECORDS SECTION	
RECEIVED	
BY: <i>row</i>	DATE: <i>row</i>
TIME: <i>OME</i>	

OCT 05 2023

MR. RAMON S. LICUP

Chairman/CEO

Modern Asia Hotel, Inc. (MAHI)

49 Annapolis Street, Greenhills, San Juan City

ramonlicup78@gmail.com

OCT 06 2023

DENR Region IV-B Licenses, Patents and Deeds Division	
RECEIVED	
Date: <i>10-10-23</i>	By: <i>MIT</i>
Doc. No. <i>2023-10-0066996</i>	

Dear **Mr. Licup**,

This pertains to your letter dated 14 September 2023 relative to the concerns of MAHI (- the Company) on its operation at the Princesa Garden Island Resort and Spa and its environs located in Brgy. Bancao - Bancao, Puerto Princesa City, Palawan.

It is well to note that the Company's operation and its facilities in the said locality is covered with a miscellaneous lease agreement (MLA) bearing the code MLA-MLC-045316-17 and currently encompassing an area of 24,977 square meters. Relatedly, the concerns manifested/raised by the Company on the aforementioned letter and during our meeting on 14 September 2023 at the DENR Central Office include the following:

1. The high value of annual rentals computed after the MLA's 51,293 square meters area was reduced to 24,977 square meters (e.g., P254,730.84 vs. P2,911,485.64). Thus, the Company is requesting for consideration;
2. The Company's relevant proposal for the development and protection of the mangrove forest (and its premises) which is adjacent to the Company's leased area, and the longing of the Company to apply for forest landuse agreement for tourism (FLAgT) so as to enable the eventual implementation of the Company's proposed mangrove ecosystem management project thereon; and
3. The apparent disagreements among the Company and the local DENR Offices of Palawan on the eventual establishment of the floater/boardwalk project of the Company which will start from the hotel / resort complex going to the common sand bar adjacent to the said complex. The concerned DENR Office is yet to allow the Company to put the floater/boardwalk in its appropriate place (despite of the latter's urgency to establish such floater/boardwalk thereon) as guaranteed by the pertinent terms and conditions of the subject MLA.

In view thereof, this Office has instructed the DENR MIMAROPA Region to cause the following:

- A. For clarity purposes, the concerned DENR CENRO in the region shall provide to the Company the detailed computations (it has made) on the annual rentals and to include as well the basis of computing the annual rental over the 24,977 square meters MLA area;
- B. The concerned DENR CENRO/PENRO or Implementing PENRO shall:
 - B.1 Compute the surcharges of the Company for the period 2020 up to 2022 and the computed or resulting amount as the Company's surcharges shall be waived in favor of the same taking into account that the DENR Central Office has recently granted some requests of holders of forest tenure instruments for the non-imposition of the

collection of surcharges during the occurrence of the COVID-19 global pandemic and other fortuitous events;

B.2 Determine the actual land classification of the land hosting the mangrove forest (adjacent to the Company's leased area) which is the proposed area to be developed and protected by the Company. Such undertaking is essential so as to determine the appropriate permit/tenure instrument that can be issued/executed to enable the Company's proposed development and protection of the subject mangrove forest;

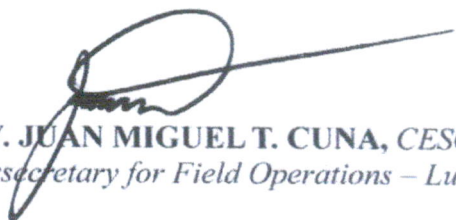
B.3 Facilitate appropriate actions that may warrant the immediate establishment of the boardwalk/floater by the Company from the hotel/resort complex going to the sand bar adjacent to the said complex, so as to maximize the delivery of the tourism-related services being rendered/offered by the Company to its customers and to the general public as well. Appropriate actions on the matter should be in accordance with the terms and conditions of the MLA; and

B.4 In case the land classification of the said mangrove forest falls within the ambit of the forestry sector's jurisdiction, kindly inform the Company to apply for forest landuse agreement for tourism (FLAgT).

Lastly, kindly coordinate with the concerned CENRO and PENRO for the provision of relevant information and complementation of needed resources to facilitate the prompt resolutions of the Company's concerns.

Thank you.

Very truly yours,



ATTY. JUAN MIGUEL T. CUNA, CESO I

Undersecretary for Field Operations – Luzon, Visayas and Environment

Cc: *The OIC Assistant Secretary for Field Operations –
Western Mindanao and FMB Director, in concurrent capacity*

*The Regional Executive Director
DENR MIMAROPA Region*



OD Records Unit <records@fmb.denr.gov.ph>

D-39821- Rental for Foreshore/Miscellaneous Lease of Foreshore Land at Brgy. Banca-Banca, Puerto Princesa City, Palawan

1 message

OD Records Unit <records@fmb.denr.gov.ph>

Fri, Oct 6, 2023 at 9:27 AM

To: "Ramonlicup78@gmail.com" <Ramonlicup78@gmail.com>

Cc: OD Office of the Director <od@fmb.denr.gov.ph>, DENR Mimaropa Region <mimaroparegion@denr.gov.ph>, Records Section_DENR MIMAROPA <recordsectionmimaroparegion@gmail.com>, FRMD Forest Resources Management Division <frmd@fmb.denr.gov.ph>, FRMD-FLUAS Forest Land Use and Allocation Section <frmd.fluas@fmb.denr.gov.ph>, Ildefonso Quillooy <ilquillooy@fmb.denr.gov.ph>, Amie Rabang <arabang@fmb.denr.gov.ph>

Sir

Good day

Please find attached file RE: Response to your letter dated September 14, 2023 regarding Rental for Foreshore/Miscellaneous Lease of Foreshore Land at Brgy. Banca-Banca, Puerto Princesa City, Palawan

Thank you

**Records Unit**

Forest Management Bureau

Phone : (63-2) 8925-2141

Email Address : fmb@denr.gov.ph

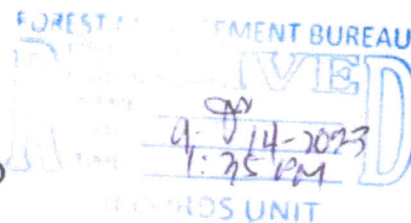
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RAMON S. LICUP- MAHI- 10-05-23.pdf
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PRINCESA GARDEN ISLAND
RESORT AND SPA



September 14, 2023

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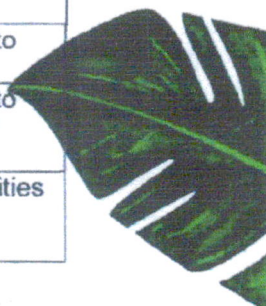
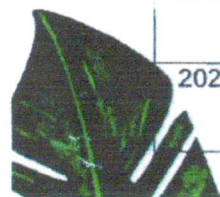
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D-39421



PRINCESA GARDEN ISLAND

RESORT AND SPA

2023	24,977.00	2,911,485.64	Unpaid	Soft operation with ongoing repairs of damaged facility, unstable transactions due to low tourism activities and minimal arrival of flights going to Palawan.
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Total Rentals Unpaid for Six (6) Years: PHP9,529,217.13

In this connection, may we humbly ask for the following consideration;

1. As to your computation for the year 2020, 2021 and 2022, we would greatly appreciate if you could **waive** all the rental charges you are imposing on us for the reason that during those three (3) years, the hotel did not earn any income because of the pandemic and the typhoon that ravaged the country, plus the fact that we are still introducing renovations and repairs in the hotel in order to restore the previous condition of the hotel in its state before the arrival of the pandemic and the typhoon. Until now, tourism industry has not yet recovered from its fall.
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Truly yours,

MODERN ASIA HOTEL, INC.

Lessee

By:

RAMON S. LICUP
Chairman/CEO

