

[PPA MEMORANDUM CIRCULAR NO. 03-2013, May 21, 2013]

CLARIFICATORY GUIDELINES RE PROPER IMPLEMENTATION OF SECTION 10.6, ARTICLE IV OF PPA AO NO. 22-95 (REVISED GUIDELINES ON REAL ESTATE MANAGEMENT) ON THE GRANTING OF PREFERENTIAL RENTAL RATE TO GOVERNMENT OCCUPIED AREAS AT THE PORTS

For the proper implementation of Section 10.6, Article IV of PPA AO No. 22- 95 concerning the granting of preferential rental rate to government occupied areas at the ports, the following clarifications are hereby issued for compliance by all concerned:

1. The preferential rental rates indicated under AO 22-95, Article IV, Section 10.6 provides for reduced rental charges at 3% per annum of the appraised value of the original land and 1% per annum for the appraised value of improvement and to be extended to government agency/ies occupying port real estate in connection with the performance of their functions inside the ports as required by law.
2. The P1.00/sq.m./year or P1.00/year token fee imposed on various government agencies are supposed to cover land lease only. (Board Res. 1515 Explanatory Memo on Rent Rate of Areas Applied by Bureau of Customs)
3. On the other hand, lease of building improvements such as: office buildings, warehouses, etc. owned by PPA shall be based on the latest property appraisal as provided under Item 1.
4. Permanent improvements introduced by government lessees on its area/s shall become the property of the PPA upon expiration of the lease contract agreement.
5. Buildings or the permanent structures constructed inside the port by the government lessees shall not be subleased to other commercial users.

This Circular takes effect immediately.

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General Manager



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