



5th SP **BAGONG PILIPINAS**



Republic of the Philippines
Province of Cebu
SANGGUNIANG PANLUNGSOD
City of Naga



Atong Garbo

143rd Session

EXCERPT FROM THE MINUTES OF THE 137TH REGULAR SESSION OF THE 5TH SANGGUNIANG PANLUNGSOD (SP) HELD AT THE SP SESSION HALL, LEGISLATIVE BUILDING, EAST POBLACION, CITY OF NAGA, CEBU ON APRIL 16, 2025.

PRESENT:

HON. VIRGILIO M. CHIONG	- Vice Mayor /Presiding Officer
HON. CLINT ISIDRO A. CHIONG	- Presiding Officer Pro Tempore
HON. CARMELINO N. CRUZ, JR.	- Majority Floor Leader
HON. SCOTT JUVENAL A. CHIONG	- Assistant Majority Floor Leader/Liga ng mga Barangay President
HON. AURELIO B. ALINSONORIN	- Sangguniang Panlungsod Member
HON. CHARMAINE R. NAVARRO	- Sangguniang Panlungsod Member
HON. RAY A. MANABAT	- Sangguniang Panlungsod Member
HON. JUSTINO L. DAKAY	- Sangguniang Panlungsod Member
HON. DOMINADOR A. LIBOR	- Sangguniang Panlungsod Member
HON. LETECIA F. ABANGAN	- Sangguniang Panlungsod Member
HON. ELMER JOHN R. LAPITAN	- Sangguniang Panlungsod Member
HON. AMELITA M. LARA	- Sangguniang Panlungsod Member
HON. FAITH JAMES B. SERVANO	- SK Federation President

ORDINANCE NO. 2025-59

Sponsor: Hon. Carmelino N. Cruz, Jr.

Chairperson: Committee on Laws and Human Rights

Co-Sponsor: Hon. Letecia F. Abangan

Chairperson: Committee on Finance, Budget and Ways and Means

SETTING THE LEASE RATE OF TUYAN MULTIPURPOSE BUILDING AT THE BASE RATE OF THREE HUNDRED FIFTY PESOS (P350.00) PER SQUARE METER (SQ.M.), PROVIDING GUIDELINES FOR THE LEASE OF STALLS THEREIN, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The City Government of Naga, Cebu has recently completed a two-story multipurpose/commercial building located along the N. Bacalso South National Highway in Barangay Tuyan, City of Naga, Cebu.

With the completion of this new building, the City Council cited the need to enact an ordinance that shall sufficiently provide the terms and conditions, policies and guidelines for proper imposition of lease rate, the use and maintenance of the edifice.

After a careful review and evaluation in a meeting jointly conducted by the Committees on Laws and Human Rights, and Finance, Budget and Ways and Means, this Sanggunian unanimously agreed to set the base rate at P350.00 per sq.m. of all the leasable spaces and the minimum period of one (1) year lease contract.

The Body considered the aforementioned base rate as fair, just and reasonable since the prospective or qualified lessees shall bear the responsibility of improving and developing the spaces therein at their own expense.

NOW THEREFORE, BE IT ORDAINED, as it is hereby **ORDAINED** by the 5th Sangguniang Panlungsod of the City of Naga, Cebu, in a session duly assembled, by virtue of the powers vested in it by law, that:

SECTION 1. SHORT TITLE. - This Ordinance shall be known as the **"TUYAN MULTIPURPOSE BUILDING LEASE ORDINANCE OF 2025."**

SECTION 2. BASE LEASE RATE. - The lease rate for the stalls or leasable spaces at the Tuyan Multipurpose Building is hereby fixed at a base rate of P350.00 per sq.m. for stalls that are still in shell condition, where the initial lessees shall undertake the construction and improvement of their stalls at their own expense.

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For subsequent lessees, the following shall apply:

1. If the initial lessee has rented the stall for two (2) years or less, the subsequent lessee shall pay a lease rate with a five percent (5%) increase based on the original base rate;
2. If the initial lessee has rented the stall for more than three (3) years, the prevailing lease rate at the time the initial lessee started the lease shall be maintained and applied to the subsequent lessee.

SECTION 3. AUTHORITY OF THE CITY MAYOR. - The **City Mayor** is hereby authorized to approve lease applications upon submission of a Letter of Intent by the prospective lessee, and to sign and execute the corresponding Permit to Lease and Contract of Lease with qualified applicants. The City Mayor shall likewise enforce the terms and conditions stated in the Contract of Lease.

SECTION 4. AWARDING OF STALLS. - All leasable spaces shall be awarded to qualified lessees through a Letter of Intent, addressed and submitted to the City Mayor. The City Mayor shall review and approve said applications, subject to the availability of stalls and compliance with applicable requirements.

SECTION 5. CONTRACT DURATION. - Each Contract of Lease shall be valid for a minimum period of three hundred sixty-five (365) days or one (1) year from the date of commencement of the lease.

SECTION 6. RENEWAL OF CONTRACT OF LEASE. - A lessee in good standing, with no outstanding rental obligations or violations of the terms and conditions of the lease, shall be granted the right of first refusal to renew the Contract of Lease for the same stall or space, subject to compliance with the renewal process and updated lease terms.

The lessee must submit a written request for renewal of the Contract of Lease to the City Mayor not later than thirty (30) calendar days prior to the expiration of the existing lease. The City Mayor shall evaluate the renewal request based on the lessee's performance, compliance history, and the continued viability of the business.

Each renewal shall be for a minimum period of one year, and shall be subject to the prevailing lease rate and the applicable increases as provided in Sections 2 and 10 of this Ordinance.

For stalls that have undergone improvements by the lessee, the updated rental rate shall be assessed in accordance with the classification of the stall as shell or completed.

Failure to submit a renewal request within the prescribed period shall constitute a waiver of the lessee's right of first refusal. In such case, the stall shall be declared vacant and shall be made available to other qualified applicants.

SECTION 7. RENTAL PAYMENT TERMS. - The rental fees imposed in this Ordinance shall be paid to the City Treasurer or his/her duly authorized representative, and shall be due and demandable on the last working day of every month. As an incentive, lessees who pay on or before the due date shall be granted a ten percent (10%) discount on the monthly rental fee. However, payments rendered after the said grace period shall incur a ten percent (10%) surcharge or penalty, which shall be added to the rental fee due. Advance payments covering multiple months, provided they do not exceed the total term of the lease, shall be accepted and the corresponding official receipt shall be issued.

SECTION 8. NOTARIZATION REQUIREMENT. - The Contract of Lease must be notarized within fifteen (15) days from the approval of the Permit to Lease. Otherwise, the Contract of Lease not notarized within the prescribed period shall be deemed revoked or forfeited.

SECTION 9. SECURITY DEPOSIT AND ADVANCE RENTAL. - Every approved lessee shall pay a security deposit equivalent to two (2) months' rental, plus one (1) month advance rental. The security deposit shall not be converted into payment for rental delinquency unless the lessee ceases operation and terminates the lease.

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SECTION 10. RENTAL INCREASE. - An increment of five percent (5%) in the rental fee shall be imposed on the third (3rd) year of lease, and a five percent (5%) annual cumulative increase shall apply thereafter.

SECTION 11. DELINQUENCY AND FORFEITURE. - A lessee shall be considered delinquent if he or she fails to pay the rental fee within one (1) month from its due date. In such a case, all rights to the occupancy of the rented space shall be forfeited. Consequently, the said space shall be declared vacant, and a notice of vacancy shall be posted for the information of other interested parties.

SECTION 12. UTILITIES. - The lessee shall apply and pay for water, electricity, telephone, and any other kind of service connected with the premises that are deemed necessary for the operation and enjoyment of the leased space. At the end of the lease term, pre-termination of contract, or cessation of business operation without the fault of the lessor, the lessor shall have the right to demand from the lessee the payment of any unpaid utility bills. The lessor may resort to any administrative or legal means to collect such payment.

SECTION 13. MAINTENANCE AND INSPECTION. - The lessee shall keep and maintain the leased premises in good and sanitary condition at all times, and agrees to allow the lessor or its representative to inspect the premises during office hours. Upon expiration of the contract or early termination due to the lessee's failure to comply with the stipulated terms and conditions, the lessee shall peacefully vacate and surrender the leased premises in good and sanitary condition.

SECTION 14. PROHIBITION ON SUBLEASE. - The lessee shall not directly or indirectly sublease, assign, transfer, convey, mortgage, or in any way encumber his or her lease rights over the leased premises or any portion thereof, under any circumstance whatsoever. Any contract executed in violation of this provision shall be considered null and void, and shall not relieve the lessee from the obligations and liabilities arising from the lease.

SECTION 15. IMPROVEMENTS AND ALTERATIONS. - To enable the lessee to effectively carry out the purpose of the lease, the lessee may construct, repair, renovate, add, alter, or make improvements on the leased premises, provided that the architectural and/or structural design, if necessary, shall have received prior approval from the City Planning and Development Coordinator, Office of the Building Official and the City Engineering Office.

SECTION 16. OWNERSHIP OF IMPROVEMENTS. - At the end of the lease term or upon any renewal thereof, or in the event of pre-termination without fault of the lessor, all permanent improvements or additions made by the lessee shall automatically become the property of the City Government, in the condition they are found (reasonable wear and tear excepted), without obligation on the part of the lessor to reimburse or compensate the lessee for the cost or value of such improvements.

SECTION 17. PRE-TERMINATION POLICY. - Should the lessee prematurely terminate the lease contract, he shall give the lessor at least sixty (60) days notice prior to the actual termination date, and in such a case, the lessee shall be liable to liquidated damages for an amount equivalent to two (2) months, and all the security or advance deposits shall be forfeited in favor of the lessor.

SECTION 18. SEPARABILITY CLAUSE. - If for any reason, any section of provisions of this Ordinance is declared illegal or unconstitutional, the other provisions which are not affected thereby shall continue to be in full force and effect.

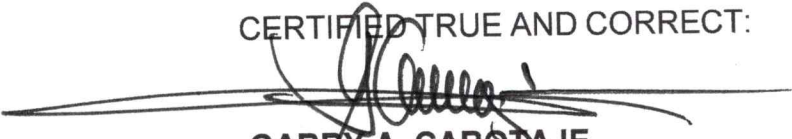
SECTION 19. REPEALING CLAUSE. - All ordinances, executive orders, memoranda and other local issuances or parts thereof inconsistent with the provisions of this ordinance are hereby repealed or modified accordingly.

SECTION. 20. EFFECTIVITY CLAUSE. - This Ordinance shall take effect immediately upon approval and after due compliance with the requirements mandated under Republic Act No. 7160 or the Local Government Code of 1991.

ENACTED BY THE SANGGUNIANG PANLUNGSOD, CITY OF NAGA, CEBU, on motion of Hon. Carmelino N. Cruz, Jr., seconded by Hon. Letecia F. Abangan, in its 137th regular session held on the 16th day of April 2025.

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CERTIFIED TRUE AND CORRECT:


GARRY A. CABOTAJE
Secretary to the Sanggunian

ATTESTED BY:


VIRGILIO M. CHIONG
Vice Mayor/Presiding Officer

APPROVED BY:


VALDEMAR M. CHIONG
City Mayor

4/21/2025


A. Cruz













