Published on the July 20, 2014 issue of the Baguio Midland Courier was an open letter of Arnel Paciano Casanova, President and CEO of BCDA, to us and the City Government of Baguio.

For some facts, assertions and insinuations, we are compelled to respond.

Mr. Casanova claims that BCDA is a friend. While it is uncommon for friends to take the media as the first avenue in ventilating and clarifying significant concerns, We welcome the gesture, not only as a staunch advocate of transparency but more importantly so for the public and our beloved constituents to be provided the facts to aid them in intelligently understanding the issues and even controversies whirling in the air.

1. Yes, BCDA is a friend. We never perceive BCDA as an enemy. We always consider BCDA as a partner in realizing the development of Camp John Hay.

Unfortunately, the way the present officials of BCDA are treating the City does not represent and speak well of the real definition of the word “friend” for some underlying reasons which are enumerated here.

2. Yes, the City has received more than 256 Million from BCDA as its share from the lease rentals of John Hay in pursuant to Condition #10 of the 19 Conditionalities as
embodied in Resolution # 362, Series of 1994. Most of these amounts, if not all, were received by the City of Baguio from BCDA when it was managed by its previous officials and not its present officials headed by Mr. Casanova.

Unfortunately, BCDA did not remit the entire share of the City from what BCDA collected from the lease rentals of John Hay.

3. Yes, we are aware of the dispute between the BCDA and Camp John Hay Development Corporation (CJHDevCo). That is why we had strongly suggested to BCDA through President and CEO Arnel Paciano Casanova, President Jamie Agbayani and Chairman Afable, both of John Hay Management Corporation, for the parties (BCDA, CJHDevCo and the City) to sit down in the negotiating table and Audit/Review the provisions of the agreement between BCDA and CJHDevCo to find out what provisions are not implemented, who among the parties did not implement the same, and quantify the money value of the non-implemented provisions, if any, so that at the end of the day, we will know the obligations of each of the parties. We made such strong suggestion because CJHDevCo conveyed to us that they are willing to discuss a possible settlement.

Unfortunately, our suggestion was denied by BCDA and John Hay Management Corp (JHMC). Hence, the issue went into an arbitration case with the Philippine Dispute Resolution Center, Inc.
4. Yes, the development of John Hay is helping the Cordillera Administrative Region particularly the City of Baguio on the area of Tourism, Revenue and Job generation, but we should have generated more revenues, increased tourist arrivals and created employment opportunities, had the dispute between the BCDA and CJHDevCo been settled amicably. The settlement would in turn also enable us to focus on the unfinished developments of the said leased area.

Unfortunately, after a period of 18 years, from 1996 when the lease agreement was signed, because of what is happening now, like the pending cases in court and the Philippine Dispute Resolution Center, Inc., the development is delayed. It appears that to this day, we have not yet reached 30% of the supposed entire development. To mention some of the unfinished projects are: The Cordillera Theme Park, Forest Hill Cabins, Scout Hill, Sneider Building, Eco Village Commercial Park, 2nd Phase of Camp John Hay Suites and the Mile-Hi Town Center. Undoubtedly, the delay brings the public, the City, the Region and even the whole country at a losing end.

5. Yes, the people of Baguio deserve a leadership that will put their interest ahead at all times. Leaders who will fight for and not succumb to unfair treatment like the utter disregard of some of the 19 Conditionalities for the development of Camp John Hay as embodied on Resolution 362, Series of 1994. Like what we are doing.
For despite the appeals for compliance we have issued over the years, we have yet to see the fulfillment of these conditions and the delivery of the promised grand benefits that could have propelled the City's further development. Worse, we have noted some blatant disregard and disrespect of some of these terms, to wit:

a) It is clear that under Condition #1, Building and Other Permits shall be secured from the City’s Building Officials for the construction of vertical structures within the Zone. This is not followed now by BCDA and John Hay Management Corporation. In fact, BCDA and JHMC went to the extent of saying that they will not recognize the occupancy permit issued by the building officials over the Forest Lodge. It is difficult to understand and rather ironic for BCDA to state that they want to collect more revenues, attract more tourists, and generate more employment for the City yet they refuse to recognize the occupancy permit that was issued by the City’s Building Official for the operation of the Forest Lodge which will surely generate more revenues, attract tourists, and create employment for the City.

b) After 18 years from the signing of the lease agreement in 1996, BCDA has not yet complied with Condition #3 which states, “The BCDA shall ensure, in coordination with the Baguio Water District (BWD), that additional water supply for use in the Zone's overall operations, including the various concessionaires and their clientele, shall be sourced
outside the City of Baguio. Consequently, the BCDA shall make certain that in no way shall water use within the Zone deplete or minimize the water supply of the City."

Strangely, in wanton violation of the said condition, BCDA applied for permit with the National Water Resources Board covering springs which for the longest time have been the source of drinking water of Happy Hallow, Greenwater and Hillside Barangays. BCDA made the application without even taking the courtesy of consulting with the people of these barangays.

BCDA’s application, if granted, will surely deplete the supply of drinking/potable water for the said 3 Barangays.

c) Locators operating business establishments within the lease premises have been securing their Business Permits from and paying their business taxes to the City Government.

Unfortunately, for the first time in 2009, BCDA filed a Civil Case for Prohibition with Prayer for Issuance of a Writ of Preliminary Injunction against the City Government to prevent it from collecting the said business taxes as well as in closing down of business establishments which fail to secure the required business permits.
Fortunately, BCDA lost in the said case. It, however, appealed the decision of the Regional Trial Court to the Supreme Court where it is pending until now.

BCDA and John Hay Management Corporation continue to prevent the City to implement its Tax Ordinance for the business establishments in the said lease premises to secure business permits from and pay business taxes to the City Government.

Recent records of the Licensing Division of the City show that out of 65 establishments which were inspected, only 30 have Business Permits. The inspectors from the Licensing Division were not able to complete inspections of other concessionaires as they were prevented by the JHMC.

BCDA claim to be our partner. Should a partner then tie our hands in enforcing and implementing our laws and Tax Ordinances?

d) Also, for a period of 18 years, despite series of appeals for compliance, the BCDA did not yet comply with condition #14 which states, “The BCDA shall exclude all affected barangays from the John Hay reservation.”

It appears that BCDA and JHMC do not like to carry out said condition as previously agreed in order for them to continue to exercise authority and jurisdiction over these areas in the said 13
Barangays. This is exemplified by what BCDA had done in the school site at Hillside Barangay and Laurel Elementary School at Dagsian Barangay, and as it continues to prohibit the survey of the identified school sites within the Baguio Country Club Barangay located outside the fence of Camp John hay.

e) BCDA has not yet remitted to the City Government full 25% share from the lease rentals of leased premises that it had collected. Likewise, BCDA has not remitted any single centavo of the City’s 25% share from Ayala Company operating the Ayala Techno Hub which as per JHMC’s President’s Report, expanded its Business Processing Outsourcing Facilities and Retail Establishments resulting to a 6.7% increase in the John Hay Special Economic Zone locators.

The 25% share in question, the exact amount of which probably only BCDA and the heavens above know, if not staggering could be very significant in order to realize what Mr. Casanova has in his open letter stated, “In other words, BCDA is in active pursuit of public funds, a portion of which should and could be used for the further development of the region, that is, the delivery of basic services and maintenance and construction of new infrastructure.”
Also, information received alleged that BCDA amended its lease contract with the Ayala Company and extended the term for 75 years without notifying the City Government which is a clear violation of Condition #16 which states that, “The BCDA shall effect the transfer of ownership of the land and its built-up and improved structures within the Zone from the BCDA to the Baguio City Government upon the expiration of the land-lease agreement between the BCDA and its designated developer in accordance with the policy and procedures provided by law.”

In view of the aforementioned, we therefore appeal to BCDA and JHMC to please rectify the preceding violations and comply with the foregoing conditionalities if they are really sincere and true to what they claim, and what we want to believe, that BCDA is our partner in the development of Camp John Hay in particular as well as the development of Baguio and the BLISTT area in general.

24 July 2014.

NICASIO M. ALIPING, JR.
Representative
Lone District of Baguio

MAURICIO G. DOMOGAN
City Mayor
Baguio City