

Republic of the Philippines
Province of Cagayan
TUGUEGARAO CITY

NINTH CITY COUNCIL

COMMITTEE REPORT

May 10, 2024

Submitted by:

**COMMITTEE ON APPROPRIATIONS AND WAYS AND MEANS-LEAD
COMMITTEE ON AGRICULTURE AND FOOD, MARKET AND LIVESTOCK
AUCTION CENTER**

MARCH 01, 2024 PRESENT:

- | | |
|---------------------------------|--|
| HON. JUDE T. BAYONA | - Chairman (Appropriations)
Vice Chairman (Agriculture) |
| HON. MARIA ROSARIO B. SORIANO | - Vice Chairman (Appropriations)
(via zoom) |
| HON. IMOGEN CLAIRE M. CALLANGAN | - Member (Appropriations, Agriculture)
(via zoom) |
| HON. BIENVENIDO C. DE GUZMAN II | - Chairperson (Agriculture) |
| HON. GRACE B. ARAGO | - Member (Agriculture) |
| HON. RONALDO S. ORTIZ | - Member (Agriculture) |

RESOURCE PERSONS:

- | | |
|-----------------------------|--|
| MR. BUENAVENTURA F. LAGUNDI | - City Treasury Office Department Head |
| ATTY. VANESSA H. VERBO | - City Legal Office |
| DR. PASTOR C. TUMALIUAN | - OIC-Market |
| ATTY. RODERICK S. IQUIN | - Assistant City Legal Officer |
| MS. MADELYN COLETRABA | - XRC Resources Inc. Representative |

APRIL 24, 2024 PRESENT:

- | | |
|---------------------------------|--|
| HON. JUDE T. BAYONA | - Chairman (Appropriations) |
| HON. ARNEL T. ARUGAY | - Member (Appropriations)
Vice Chairman (Agriculture) |
| HON. IMOGEN CLAIRE M. CALLANGAN | - Member (Appropriations, Agriculture)
(via zoom) |
| HON. GRACE B. ARAGO | - Member (Agriculture) (via zoom) |
| HON. RONALDO S. ORTIZ | - Member (Agriculture) |

GUEST:

- | | |
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| HON. TIRSO V. MANGADA | - City Councilor |
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RESOURCE PERSONS:

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|-----------------------------|--|
| MR. BUENAVENTURA F. LAGUNDI | - City Treasury Office Department Head |
| MS. MADELYN COLETRABA | - XRC Resources Inc. Representative |

MAY 10, 2024 PRESENT:

- | | |
|---------------------------------|--|
| HON. JUDE T. BAYONA | - Chairman (Appropriations) |
| | Vice Chairman (Agriculture) |
| HON. MARIA ROSARIO B. SORIANO | - Vice Chairman (Appropriations) |
| | (via zoom) |
| HON. ARNEL T. ARUGAY | - Member (Appropriations) |
| HON. IMOGEN CLAIRE M. CALLANGAN | - Member (Appropriations, Agriculture) |
| | (via zoom) |
| HON. MARC ALDOUS C. BACAAY | - Member (via zoom) |
| HON. GRACE B. ARAGO | - Member (Agriculture) |
| HON. RONALDO S. ORTIZ | - Member (Agriculture) |

GUESTS:

- | | |
|------------------------------|------------------|
| HON. TIRSO V. MANGADA | - City Councilor |
| HON. CERENE PEARL T. QUILANG | - Ex-Officio |

RESOURCE PERSON:

- | | |
|-----------------------------|--|
| MR. BUENAVENTURA F. LAGUNDI | - City Treasury Office Department Head |
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FOR THE PRESIDING OFFICER:

The joint committees met and deliberated on the referral:

COMMITTEE REPORT NO. 158-2024

SUBJECT:

Indorsement of the City Mayor, Hon. Maila Rosario S. Ting-Que, on the letter request from Mr. Alexander M. Cruz, Chair of XRC Resources, Inc. relative to their request for temporary moratorium on the rental charges at the second floor of the Tuguegarao City Commercial Center beginning February 01, 2024.

ACTION TAKEN:

1. The Committee met on March 01, 2024 and initially discussed and deliberated the subject indorsement of the City Mayor on the request for moratorium of rental charges of XRC Resources Inc. However, due to some lacking documents to be submitted by XRC Resources, Inc., another meeting was conducted last April 24, 2024 to review the documents.

FINDINGS:

1. Hon. Maila Rosario S. Ting-Que indorsed to the Sanguniang Panlungsod Ninth City Council the letter request from Mr. Alexander M. Cruz, Chair of XRC Resources, Inc. relative to their request for temporary moratorium on the rental charges at the second floor of the Tuguegarao City Commercial Center beginning February 01, 2024.
2. It should be noted that Tuguegarao City Government and XRC Resources, Inc. had been economic partners for more than Thirteen (13) years as lessor and lessee, respectively. XRC Resource Inc. has greatly contributed to the continuous advancement of progress and development of the City in terms of employment, revenue, local income and the taxes paid by XRC Resources, Inc. to the City Government.

3. XRC Resources, Inc. is still in the process of recovering its losses from the effects of the pandemic and withdrawal and closure of some of its tenants.
4. The remaining tenants likewise are still recovering from their loses and who also failed to pay the agreed rental for use of commercial spaces leased to XRC Resource, Inc.
5. The committee also considers that it was XRC Resources, Inc. which spent on its own the renovation of the second floor of the Tuguegarao City Commercial Center without deducting and /or compensating any amount from the rentals due to the Tuguegarao City Government.
5. XRC Resources, Inc. furnished to the committee the list of the following thirteen (13) lessees at the second floor of Tuguegarao City Commercial Center with their respective monthly rentals and the dates that they were no longer operational:

	LESSEES	RENT MONTH	DATE EGRESS
1.	JAFFLES SHOWROOM	25,344.00	March 16, 2020
2.	ABENSON VENTURES, INC.	224,000.00	March 16, 2020
3.	PENSHOPPE	87,164.31	October 31, 2020
4.	WEBLIFE (CHG GLOBAL INC.)	99,000.00	February 28, 2021
5.	AFICIONADO	10,182.00	April 30, 2021
6.	KAYES SHOPPER'S VILLE	80,575.11	December 22, 2022
7.	BENCH	149,353.81	June 30, 2022
8.	THE DIY SHOP INC.	240,353.81	June 30, 2022
9.	THE LOOK	32,340.00	July 31, 2022
10.	ANGELICA'S FASHION STRIP	32,148.90	October 31, 2022
11.	ACEBEDO OPTICAL	18,860.69	December 31, 2022
12.	ACE HARDWARE WAREHOUSE	22,851.31	July 31, 2023
13.	SAVEMORE WAREHOUSE 1	256,044.87	November 30, 2023
	TOTAL	1,278,181.67	

6. Out of 14 lessees of the XRC Resources, Inc., only one remained operational which is the Savemore Warehouse, paying the monthly rental of 384,806.57 as compared to XRC Resources, Inc. monthly rental of more or less 750,000.00 to the City Government of Tuguegarao.
6. Taking into consideration the suggestions and opinions of the resource persons and present financial burden of XRC Resource Inc., the members of the committee are at consensus to grant a Three (3) month moratorium to XRC Resources, Inc. meaning the Lessor Tuguegarao City Government will not collect the total amount of rental fees for three(3) months from the passage of the appropriate resolution.
7. However, within the three months moratorium period and the Lessee XRC Resources Inc. is able to fill in the commercial spaces at the second floor of Tuguegarao City Commercial Center with locators/sub-lessees, Tuguegarao City Government will revoke said moratorium and will collect the rentals due.

RECOMMENDATION:

After a thorough discussion, finding the request to be with merit and out of consideration on the part of the Lessor, the joint committees favorably recommend the approval of the 3-month moratorium on the rental charges of XRC Resources, Inc. at the second floor of the Tuguegarao City Commercial Center.

The grant of moratorium is subject to the condition that should it be able to fully fill up all the vacant stalls within 3 months from the approval hereof, the lessor Tuguegarao City Government will revoke said moratorium or after the lapse of the three month moratorium, XRC Resources, Inc. shall proceed to pay the monthly rental of more or less P750,000.00 to the Lessor Tuguegarao City Government.

Further recommend the passage of appropriate resolution authorizing Tuguegarao City Mayor Hon. Maila S. Ting-Que to grant Lessee XRC Resources, Inc. the 3-month moratorium on the payment of rental charges for the lease of the second floor of the Tuguegarao City Commercial Center subject to such terms and conditions as stated and those the Local Chief Executive may deem impose.

Respectfully submitted:



HON. JUDE T. BAYONA

Chairman, Committee on Appropriations, Ways and Means
Vice Chairman, Committee on Agriculture and Food, Market and Livestock
Auction Center



HON. MARIA ROSARIO B. SORIANO

Vice Chairman, Committee on Appropriations, Ways and Means

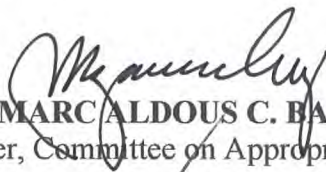
HON. ARNEL T. ARUGAY *- abstained*

Member, Committee on Appropriations, Ways and Means




HON. IMOGEN CLAIRE M. CALLANGAN

Member, Committee on Appropriations, Ways and Means
Member, Committee on Agriculture and Food, Market and Livestock
Auction Center



HON. MARC ALDOUS C. BACCAY

Member, Committee on Appropriations, Ways and Means



HON. GRACE B. ARAGO

Member, Committee on Agriculture and Food, Market and Livestock
Auction Center



HON. RONALDO S. ORTIZ

Member, Committee on Agriculture and Food, Market and Livestock
Auction Center

RESOLUTION GRANTING XRC RESOURCES INC. THREE MONTHS MORATORARIUM IN THE PAYMENT OF RENTAL FEES AND CHARGES AND AUTHORIZING THE CITY MAYOR, HON. MAILA ROSARIO S. TING-QUE TO GRANT THREE (3) MONTH MORATORIUM ON THE RENTAL CHARGES OF XRC RESOURCES, INC. FOR THE LEASE OF THE SECOND FLOOR OF THE TUGUEGARAO CITY COMMERCIAL CENTER.

WHEREAS, Section 16 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, states that "local government units are authorized to exercise powers necessary, appropriate or incidental for their efficient and effective governance and those which are essential to the promotion of general welfare";

WHEREAS, Hon. Maila Rosario S. Ting-Que indorsed to the Ninth City Council the Letter request of Mr. Alexander M. Cruz, Chair of XRC Resources, Inc. relative for temporary moratorium on the rental charges at the second floor of the Tuguegarao City Commercial Center beginning February 01, 2024.

WHEREAS, the 13-year partnership between XRC Resources, Inc. with Tuguegarao City Government as lessee and lessor, respectively, has greatly contributed to the continuous advancement of progress and development of the City in terms of employment and the taxes as well as monthly rental being paid by XRC Resources, Inc. to the City Government has increased its revenue.

WHEREAS, the XRC Resources, Inc. is in the process of recovering from the adverse effects of the pandemic and has not fully recovered from the closure of tenants who closed their leased commercial spaces due to business losses and reverses;

WHEREAS, XRC Resources, Inc. has spent on its own for the renovation of the second floor of the Tuguegarao City Commercial Center without charging any amount to the City Government of Tuguegarao.

WHEREAS, XRC Resources, Inc. furnished to the committee the list of the following thirteen (13) lessees at the second floor of Tuguegarao City Commercial Center with their respective monthly rentals and the dates that they were no longer operational:

	LESSEES	RENT MONTH	DATE EGRESS
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13.	SAVEMORE WAREHOUSE 1	256,044.87	November 30, 2023
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WHEREAS, out of 14 lessees of the XRC Resources, Inc., only one remained operational which is the Savemore Warehouse, paying the monthly rental of 384,806.57 as compared to XRC Resources, Inc. monthly rental of more or less 750,000.00 to the City Government of Tuguegarao.

WHEREAS, the members of the committee arrived at a consensus that they will grant a three (3) month moratorium to XRC Resources, Inc. with the condition that they should be able to fill up all the vacant stalls at the second floor of Tuguegarao City Commercial Center within the said period.

NOW, THEREFORE, RESOLVE, as it is hereby **RESOLVED**, to authorize the City Mayor, Hon. Maila Rosario S. Ting-Que to grant three (3) month moratorium on the rental charges of XRC Resources Inc. at the second floor of the Tuguegarao City Commercial Center.