



Republika ng Pilipinas  
SANGGUNIANG PANLUNGSOD NG MARIKINA

PRESENT:

HON. JOSE FABIAN I. CADIZ, M.D.

City Vice Mayor  
Presiding Officer

1<sup>st</sup> DISTRICT

HON. RONNIE S. ACUÑA

City Councilor

HON. FRANKIE C. AYUSON

City Councilor

HON. JOSEPH B. BANZON

City Councilor

HON. WILLIE N. CHAVEZ

City Councilor

HON. MARIO M. DE LEON

City Councilor

HON. SAMUEL S. FERRIOL

City Councilor

HON. EVA AGUIRRE-PAZ

City Councilor

HON. THADDEUS ANTONIO M. SANTOS, JR.

City Councilor

2<sup>nd</sup> DISTRICT

HON. ARIEL V. CUARESMA

City Councilor

HON. PAUL B. DAYAO

City Councilor

HON. MARK ALBERT J. DEL ROSARIO

City Councilor

HON. ERNESTO M. FLORES

City Councilor

HON. SUSANA P. MAGTUBO

City Councilor

HON. ROMMEL F. ORTIZ

City Councilor

HON. RUBEN R. REYES

City Councilor

HON. XYZA DIAZEN-SANTOS

City Councilor

SECTORAL REPRESENTATIVE

HON. LEVY DL. DE GUZMAN

Liga President

**ORDINANCE NO. 003**

**Series of 2016**

**ORDINANCE AUTHORIZING, APPROVING, CONFIRMING, RATIFYING AND APPROPRIATING THE PROPOSED BORROWING OF THE CITY GOVERNMENT OF MARIKINA IN THE AMOUNT OF TWO HUNDRED TWENTY SIX MILLION PESOS (P226,000,000.00) ONLY, TO FINANCE THE CONSTRUCTION OF THE PAMANTASAN NG LUNGSOD NG MARIKINA (PLMAR) PHASE 2 PROJECT INCLUSIVE OF DOCUMENTARY STAMP TAX, SERVICE FEE, APPRAISAL FEE, AND OTHER RELATED FEES AND TAXES**

Introduced by:

Councilor MARK ALBERT J. DEL ROSARIO

Co-sponsored by:

Councilor EVA AGUIRRE-PAZ

Councilor THADDEUS ANTONIO M. SANTOS, JR.

Councilor XYZA DIAZEN-SANTOS

Councilor ERNESTO M. FLORES

Councilor MARIO M. DE LEON

Councilor SUSANA P. MAGTUBO

Councilor JOSEPH B. BANZON

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**WHEREAS**, the City Government of Marikina intends to undertake the construction of the second phase of the Pamantasan ng Lungsod ng Marikina (PLMAR) Building;

**WHEREAS**, to finance the aforementioned project, the City intends to avail of a loan facility with the Philippine Veterans Bank in the amount of Two Hundred Twenty Six Million Pesos (₱226,000,000.00);

**NOW THEREFORE, BE IT ORDAINED AS IT IS HEREBY ORDAINED by the SANGGUNIANG PANLUNGSOD of MARIKINA**, in session duly assembled, that:

**SECTION 1.** Title – This Ordinance shall be cited as, “An Ordinance Authorizing, Approving, Confirming and Ratifying the Proposed Borrowing of the City Government of Marikina in the amount of Two Hundred Twenty Six Million Pesos (₱226,000,000.00) Only.”

**SECTION 2.** The City Mayor, Honorable Del R. De Guzman, in representation of the City Government of Marikina, hereinafter referred to as the “City”, is hereby authorized to enter into a Loan Agreement with the Philippine Veterans Bank (PVB) in accordance with Section 297 of Republic Act No. 7160 or the Local Government Code, in the amount of Two Hundred Twenty Six Million Pesos (₱226,000,000.00), under the terms and conditions herein set forth and such other terms and conditions as may be agreed upon with any person, corporation or entity for the purpose of funding priority projects and subject to the requirements under Section 123 of Republic Act No. 7653 as implemented by the Bangko Sentral ng Pilipinas Circular No. 796 and 819. In this connection, the City Mayor and his successor shall have full power and authority to represent the City in negotiating the terms and conditions for the said borrowing and in signing, executing, delivering and amending such agreements, contracts, deeds, papers and other documents as may be necessary and proper for the full and total implementation of the authority herein granted.

**SECTION 3.** The said priority project herein specified under Section 4.3 is hereby certified to be a socio-economic development project in accordance with the approved local development plan and public investment program for the period 2013-2020 or the public investment program for the Year 2015 of the City Government of Marikina, which is hereby approved under Sangguniang Panlungsod Resolution No. 010 dated July 19, 2013.

**SECTION 4.** Consistent with the covering loan contract, deeds and assignment and such other agreements as may be entered into by the City in connection with the borrowing, the features, terms and conditions shall be as follows and are hereby approved:

4.1. BORROWER – CITY GOVERNMENT OF MARIKINA

4.2. FACILITY – Term Loan Facility

4.3. PURPOSE – To finance the construction of the Pamantasan ng Lungsod ng Marikina (PLMAR) Phase 2 inclusive of DST and other applicable financing charges;

4.4. TERM – Five (5) years from date of initial loan release for each project;

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4.5. **PRINCIPAL PAYMENT** – One (1) year grace on principal repayment. Principal shall be payable in equal quarterly amortization;

4.6. **AMOUNT** – Up to Two Hundred Twenty Six Million Pesos (₱226,000,000.00) ONLY, inclusive of DST, Pre-termination fee if any, fees, charges and other applicable taxes shall be for the account of the BORROWER.

4.7. **INTEREST RATE** – Interest rate shall be based on the 182-day PDST-R1 Rate, plus a spread of 2.5000% p.a. with a floor rate of 3.5% p.a. inclusive of GRT, whichever is higher. Other applicable taxes shall be for the account of the Borrower. Repriceable and payable quarterly in arrears.

4.8. **PROMISSORY NOTES (PN) MATURITY DATE** – All PNs maturity date shall be reckoned from the date of initial drawdown.

4.9. **SECURITY** – Continuing Assignment of a portion of the Internal Revenue Allotment and other Locally Sourced Income until the loan is fully paid.

4.10. **FEES** – Waived

4.11. **AVAILABILITY** – Until completion of the project subject to annual review.

4.12. **DRAWDOWN** – Multiple Drawdowns.

**SECTION 5.** The City Government of Marikina hereby appropriates the entire proceeds of the borrowing as stated in Section 4.6 exclusively to finance the projects/s stated in Section 4.3 inclusive of fees, and applicable taxes.

**SECTION 6.** The project/s stated in Section 4.3 is made part of the Annual Investment Plan for 2015.

**SECTION 7.** The Approved Budget of the Contract (ABC) each project as defined in R.A. 9184 is shown below:

<b>Project</b>	<b>ABC</b>
Pamantasan ng Lungsod ng Marikina (PLMAR) Phase 2	₱226,000,000.00

**SECTION 8.** The Bids and Awards Committee (BAC) is hereby authorized to conduct public bidding on the awarding of the project stated in Section 4.3 with the developers/contractors to be paid from the loan proceed. The procedure of such bidding shall be done in accordance with applicable Philippine Laws usual auditing and accounting rules and regulations and such other rules and procedures which the BAC may deem necessary in the implementation of the project. The City Treasurer shall issue the corresponding Certificate of Funds Availability out of the proceeds of the loan.

**SECTION 9.** Pursuant to Article 303 of Republic Act No. 7160 or the Local Government Code of 1991 and Art. 401 of the Implementing Rules and Regulations of Republic Act 7160, the City's Sanggunian shall appropriate in its annual budget such amounts as are sufficient to pay the loan and that failure to provide the appropriations herein required shall render the annual budget inoperative.

**SECTION 10.** The City Government of Marikina shall inform the PVB should there be any borrowings from other banks/financial institutions while its loan is still outstanding.



**SECTION 11.** Philippine Veterans Bank (PVB) shall be the Issue Manager and shall be allowed to sell down to other interested Financial Institution up to the full amount of the approved credit facility.

**SECTION 12.** PVB is allowed to execute a Facility Agency Arrangement with PVB-Trust Management Group (Facility Agent) for subsequent Lenders in the event of Promissory Note (PN) sell down.

**SECTION 13.** The obligation of the City Government of Marikina with PVB shall be binding and shall not be subject to recall by the Sanggunian concerned for the entire term of the obligation regardless of any change in the composition of the Sanggunian thereafter, if any.

**SECTION 14.** The City's obligation with PVB shall be entered in the City's book of accounts and in the approved local development plan and public investment program.

**SECTION 15.** The City shall not contract other loans with other creditor/banks if the said loan will exceed the City's debt service capacity as certified by the Department of Finance-Bureau of Local Government Finance (DOF-BLGF).

**SECTION 16.** Amortization payment shall be subject to automatic offsetting from CA/SA account maintained with Philippine Veterans Bank.

**SECTION 17.** PVB shall be authorized to withhold further loan releases in the event of change in management to avoid succession issues.

**SECTION 18.** Certifying that the City does not have any other borrowings, other than those already disclosed. Any misinterpretation or breach shall be an event of default and may result in the loan being called in default and appropriate legal remedies applied.

**SECTION 19.** Pursuant to the provisions of Sections 2 and 3 of Republic Act No. 1405 and other laws relating to the secrecy of bank deposits, the City is waiving its rights to confidentiality of information by authorizing the Philippine Veterans Bank and all other banks or financial institutions with which the City has transactions, to disclose to the Bangko Sentral ng Pilipinas (BSP) all information pertaining to the deposits, investments, loans or other transactions including the history or status of the City's dealings with said banks or financial institutions and for the BSP to make inquiries as may be necessary regarding the same. The BSP is likewise authorized to disclose and share any such information furnished or obtained from said banks or financial institutions to the Department of Finance in relation to the performance by said Department of its functions.

**SECTION 20.** Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

**SECTION 21. AUTHORITY** – That this Ordinance is pursuant to R.A. 7160, the Local Government Code of 1991.

**SECTION 22. EFFECTIVITY.** This Ordinance shall take effect upon its approval and compliance with all procedures required under Republic Act No. 7160.

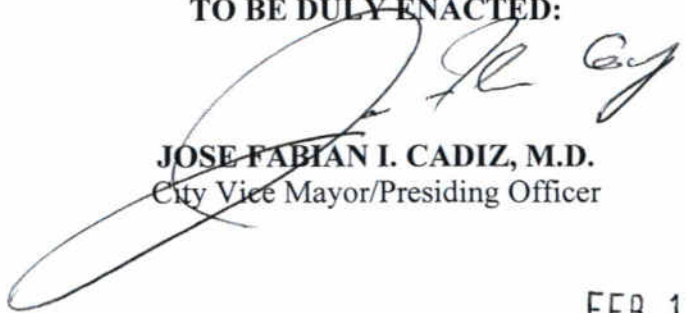
**UNANIMOUSLY ENACTED** by the **SANGGUNIANG PANLUNGSOD** of **MARIKINA** this 17<sup>th</sup> day of February, 2016.

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**I HEREBY CERTIFY** to the correctness of the foregoing Ordinance which was duly enacted by the *Sangguniang Panlungsod* during its 8<sup>th</sup> Regular Session held at the City Council Session Hall on February 17, 2016.

  
**NORALYN R. TINGCUNGCO**  
City Council Secretary

**ATTESTED AND CERTIFIED  
TO BE DULY ENACTED:**

  
**JOSE FABIAN I. CADIZ, M.D.**  
City Vice Mayor/Presiding Officer

**APPROVED** by the **HON. CITY MAYOR** on FEB 19 2016

  
**DEL R. DE GUZMAN**  
City Mayor