

MAKATI COMMERCIAL ESTATE ASSOCIATION, INC.
MACEA Compound, Amorsolo Street cor. Urban Avenue
Makati, Metro Manila

05 May 1993

MEMORANDUM CIRCULAR NO. 93-03

To ALL Members:

As early as May, 1991, Makati-based groups such as the Makati Commercial Estate Association (MACEA), and the Association of Makati Industries were involved in petitioning the Mayor's office for a rollback on real property tax increases.

In September, 1991, representations by MACEA and ALI elicited a favorable response from Makati Municipal Tax Assessor Rolando Carlos for its compromise proposal setting a 100% cap on RPT increases staggered over a three-year period (original assessments had increases reaching as high as 300%).

On November 12, 1991, the Supreme Court issued a temporary restraining order against RPT tax increases. The resolution was made on petition filed by the villagers through Cong. Puyat-Reyes on July 31, 1991. Although there is an issue on the matter, a reading of the petition showed that it covered both residential and commercial properties.

In February, your Association together with ALI, spearheaded a move to take a parallel course of action (vis-a-vis the Supreme Court action) that called for an extra-judicial compromise agreement. This course was taken because there was already a verbal agreement with the Municipio that the 100% cap will be adopted.

On February 11, 1992, a petition requesting reconsideration of the implemented reassessment of land values in Makati was drafted and sent by each of the official representatives of the following Makati-based groups to Mayor Binay:

1. Makati Commercial Estate Association (MACEA)
2. Ayala Center Association (ACA)
3. Makati Chamber of Commerce and Industry (MCCI)
4. Realty Owners Association of the Philippines (ROAP)
5. Ayala Land, Inc. (ALI)
6. Subdivision & Housing Developers Association (SHDA)
7. Chamber of Real Estate Association (CREBA)
8. Rotary Club of Makati
9. Bel-Air Village
10. Dasmariñas Village
11. Forbes Park Association
12. Magallanes Village
13. San Lorenzo Village
14. Urdaneta Village

This petition was favorably endorsed by the Mayor to the Office of the Secretary of Finance and said endorsement letter was submitted to the Central Board of Assessment Appeals during a hearing called by the CBAA, for consideration. On this same hearing, the Commissioners of CBAA, sitting en banc, advised the Makati-based groups and the Municipio to draft a compromise agreement.

On March 10, 1992 the compromise agreement was drafted and signed (conforme) by the following associations:

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| 1. MACEA | 6. Forbes Park Village |
| 2. MCCI | 7. Magallanes Village |
| 3. ROAP | 8. San Lorenzo Village |
| 4. Bel-Air Village | 9. Urdaneta Village |
| 5. Dasmariñas Village | |

Copies of the signed compromise agreement were sent to Atty. Gonzaga, representing Cong. Puyat-Reyes, and the Municipal Assessor.

During the period, representatives of the various Associations and the Municipal Assessor were at a disagreement as regards the implementation of decreased taxes. The various Associations believe that the Assessor should revise/decrease the assessment values of the lots to lower the taxes thereon. The Municipal Assessor, however, was offering a decrease in collection rather than in assessment levels.

From this date on until April, various meetings were called by the Associations, with the business sectors represented) to resolve the remaining issues. The election campaign period had further stalled resolution of this matter.

On May 28, 1992, a new compromise agreement, which covers only the residential properties (excluding the commercial properties), was drafted by the Municipio with the residential Association.

In view of this and upon the advice of the CBAA, your Board was constrained to file a motion for intervention early this year with the CBAA to afford commercial property owners a legal personality to be represented in this case.

Your Board had made representations with the Mayor's Office and it was manifested that the various residential villages in Makati had reached a compromise agreement with the Municipio of a 50:50:50 (from 1991 to 1993) application of the 100% increase in real property taxes. MACEA's original proposal was a 30:30:40 application.

In its March 31, 1993 meeting, the MACEA Board of Governors agreed for MACEA to negotiate for a 40:40:40 application of the 100% increase in real property taxes with the Municipio.

However, it has been contended by the Mayor's Office that it will stick with its position of a 50:50:50 application as the representatives of the different residential village associations had accepted this position. This matter was also confirmed by counsel for the residential Associations during the last CBAA hearing.

The Municipio had given the representatives of the commercial properties including MACEA until May 15, 1993 to submit a compromise agreement to the Mayor's Office.

The CBAA will conduct its final hearing on this case on June 15, 1993 after which a decision will then be rendered.

Cesar V. Campos
 CESAR V. CAMPOS
 President