

Republic of the Philippines

## Property Profile

Isla De Provisor Property

(Land Underlying Manila Thermal Power Plant)

Located in Paco, Manila



**Privatization of the Real Estate Assets of PSALM**

22 October 2018

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## ***I. BACKGROUND***

The Property was the site of the Manila Thermal Power Plant (MTPP) which was sold by PSALM as a decommissioned power plant in 2008.

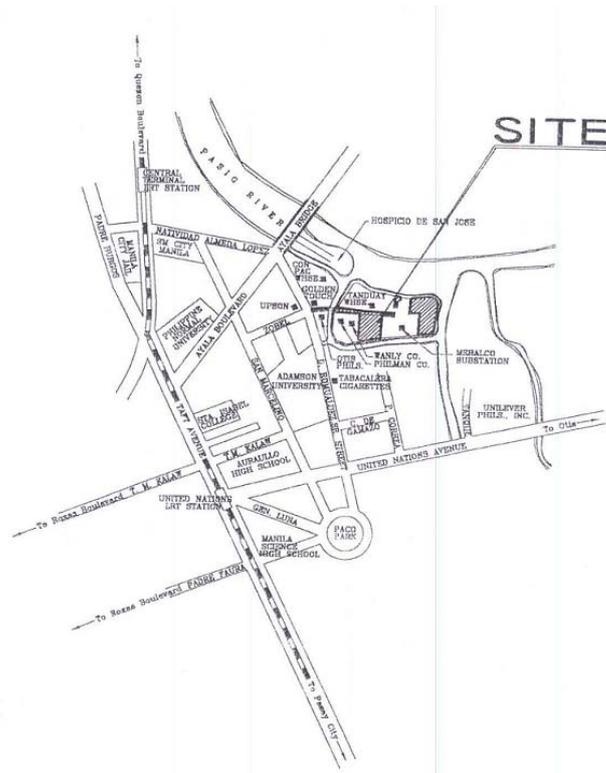
The MTPP was composed of two Heavy Oil (bunker C) fired units. Unit one was commissioned in September 1965, and unit two was commissioned on October 1966. Each unit can produce up to 100 megawatts. Formerly known as the Tegen Station, MTPP was owned and operated by MERALCO and was sold and turned-over to National Power Corporation (NPC) in 1979. Subsequently, the plant was renamed Manila Thermal Power Plant. The power plant substantially contributed power to the Luzon Grid until both units were retired in January 2000 after 35 years of operation. In April 2008, PSALM entered into negotiated bid and completed negotiations with Gagasan Steel Incorporated (GSI) to acquire the MTPP on an “as-is where-is” basis. The purchase covered the plant equipment, components, auxiliaries, and accessories of the MTPP, but excluded the underlying land. GSI completed the dismantling of the facilities and site clean-up in 2014.

The Property is located adjacent and in close proximity to the MERALCO Tegen Substation, which include distribution equipment, overhead lines and electric pole/distribution gantry erected over portion of Lot No. 4 integral and indispensable to its operations. The Tegen Substation supplies electric power to critical and vital installations in Manila such as the Malacañang Palace and the U.S. Embassy. MERALCO, in the performance of its maintenance, emergency repair, upgrade and improvement work on the Tegen Substation, would need to maintain its right-of-way and unimpeded access to said facilities.

## ***II. LOCATION AND DETAILS OF THE PROPERTY***

The Property consists of eight (8) separate vacant lots, located at Isla de Provisor, Paco, Manila. Isla de Provisor is a small island in northwestern Paco district surrounded by Estero de Provisor, Estero del Tanque and the Pasig River. The site is about 100 meters east of D. Romualdez Sr. St., some 800 meters east of Taft Avenue, 850 meters from Manila City Hall, and approximately 1.5 kilometers southwest of Malacañang Palace.

Figure 1: Location Map of Subject Property



The lots are technically identified and described as follows: (See Annex "A" for the Lot Plan).

Lot/Block No.	TCT No.	Lot Area (sq. m.)	Registered Owner	Tax Dec. No.
Lot 2	002-2018002578	510.50	Power Sector Assets and Liabilities Management	AD-05661-00046
Lot 3		7,336.70		
Lot 4		10,025.40		
Lot 5, Blk. 918	002-2018002579	547.80		
Lot 6, Blk. 921	002-2018002580	2,217.90		
Lot 21, Blk. 921		36.20		
Lot 9, Blk. 921	002-2018002581	297.40		
Lot 10, Blk. 921		3.80		
	Total area=	20,975.70		

In 29 July 2016, PSALM and NPC executed a Deed of Transfer to effect the transfer of the subject lots from NPC to PSALM pursuant to the Electric Power Industry Reform Act of 2001 (EPIRA). On 17 August 2016, pursuant to the said Deed of Transfer, PSALM filed its application with the Revenue District Office (RDO) No. 34 for the issuance of Certificate Authorizing Registration (CAR) for the transfer of the Property. On 8 August 2018, the lots were registered in the name of PSALM Corporation. (See Annex "B"). Currently, PSALM has applied for the transfer of the Tax Declaration to its name.

### III. GENERAL DESCRIPTION, ACCESS AND UTILITIES

The subject lots comprising the Property are not contiguous as shown in *Annex "A"*. At the center of the Property is a substation which is owned by Manila Electric Company and is excluded from the sale. The Property is accessible by passing the side street of D. Romualdez St. then through a 7-meter wide NPC road and NPC bridge spanning Estero de Balite.

*Figure 2: The Meralco-owned substation is located at the center of Isla de Provisor*



The subject lots are irregular in shape, have a relatively flat terrain, graded, with vegetation and need some developing. Its elevation is at grade with the fronting access road.

*Figure 3: Subject Property*





Figure 4: The NPC bridge is the main access to the subject properties (and Isla de Provisor)



Electric power, water supply and telecommunication facilities are available at the vicinity.

#### IV. NEIGHBORHOOD

The Property is located in a prime area, being in proximity to a major shopping mall, several government institutions, a number of colleges and universities and business establishments. The immediate area where the Property is located is classified as medium intensity commercial mixed zone (mostly warehouses) and university cluster zone. Some of the notable developments, improvements and establishments in the vicinity are:

1. Meralco Switchyard
2. Cebu Overseas Hardware, Inc.
3. Golden Touch Digital and Color Photography
4. Upson Warehouse
5. Tabacalera Cigars
6. Safeway Warehousing

7. Market Research International Resources
8. Simon Enterprises, Inc.
9. Adamson University
10. Technological University of the Philippines
11. Philippine Women's University
12. Several warehouses adjacent to the property

SM Manila and Robinsons Malls are located 700 meters and 2 kilometers respectively from the site.

*Figure 5: Some of the commercial establishments located in the immediate vicinity*



Isla de Provisor can be directly accessed by the main roads like the Ayala Boulevard, Romualdez St. and United Nations Avenue. The D. Romualdez St. is a 1-kilometer long, 8-meter wide road connecting UN Avenue and Ayala Boulevard that serves an alternate express trade lane (Southern track route) dedicated to cargo trucks going to the Port of Manila, located 3 kilometers away.

*Figures 6-7: The busy intersections of UN-Avenue-D. Romualdez and D. Romualdez-Ayala Boulevard*



*Figure 8: The D. Romualdez Ave. serving as a dedicated cargo truck lane*



Manila Light Rail Transit System Line 1, follows Taft Avenue and stops at stations located in Central Terminal and United Nations Stations which are 1 kilometer away. Meanwhile, the "Park N Ride" Lawton Bus Station, Manila City's main public transport hub, is located in the district along Padre Burgos Street, 1 kilometer from the site.

Isla de Provisor is strategically located within the Pasig River corridor that serves as an efficient transport system for light-sized steel-hulled cargo ships and barges for carrying valuable merchandise and supplies and delivery of raw materials. Likewise, the Pasig River Ferry System is alternative transport corridor through the metropolis to decongest the traffic to and from the nearby towns and provinces.

*Figure 9: The Pasig River serves as an efficient transport system for light cargo barges*



**V. ZONING AND LAND USE**

The subject property is assessed for Special Use per Tax Declaration No. AD-05861-00046. Per official zoning map of District V prepared by the City Planning and Development Office of Manila City, the subject property falls within the medium intensity commercial mixed-use zone (C-2/MXD) (See Annexes "C").

**VI. GOVERNMENT VALUATION/ASSESSMENT**

**A. BIR Zonal Valuation**

Per certified copy issued by BIR RDO NO. 34, BIR Zonal Valuation of the Property is PhP18,300.00 per square meter, which is based on Department Order No. 37-03 dated 1 March 2004 (See Annex "D").

**B. City Assessment**

For the property assessment, the Office of the City Assessor is adopting the revised Schedule of Fair Market Value, which became effective on 1 January 2014.

Actual Use	Area	Market Value (in PhP)	Market Value (PhP per square meters)	Assessed Value (in PhP)
Special	20,975.00	482,441,100.00	23,000.00	48,244,110.00

PSALM paid a total amount of PhP775,041.59 to Manila City representing the Real Property Tax for CY 2018 (See Annex "E" for the copies of O.R. paid for RPT).