

# [ PRESIDENTIAL DECREE NO. 538, August 13, 1974 ]

## **CREATING AND ESTABLISHING THE PHIVIDEC INDUSTRIAL AUTHORITY AND MAKING IT A SUBSIDIARY AGENCY OF THE PHILIPPINE VETERANS INVESTMENT DEVELOPMENT CORPORATION DEFINING ITS POWERS, FUNCTIONS AND RESPONSIBILITIES, AND FOR OTHER PURPOSES.**

**WHEREAS**, it is the policy of the Government to encourage, promote and sustain the economic and social growth of the country;

**WHEREAS**, the provision of well-planned areas with the appropriate infrastructure facilities will encourage and facilitate the establishment of industries which in turn contribute to economic and social growth;

**WHEREAS**, maximum benefit from such industrial areas can be derived by creating an Authority with the responsibility to plan, coordinate and when necessary, actually undertake the construction of such areas as well as manage their operations in a professional and efficient manner;

**WHEREAS**, it is also the policy of the State to harness the full potentials and capabilities of veterans and AFP retirees so that they could participate fully in the enhancement of the economic development of the country;

**WHEREAS**, the PHIVIDEC was created for the purpose of pooling the economic resource potentials of these veterans and retirees;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution of the Philippines, in order to effect the desired changes and reforms in the social, economic and political structure of our society do hereby create the PHIVIDEC Industrial Authority and make as part of the law of the land the following;

**SECTION 1.** *Declaration of Policy.* It is hereby declared and reiterated to be the policy of the Government to encourage, promote and sustain the economic and social growth of the country and that the establishment of professionalized management of well-planned industrial areas shall further this objective.

**SEC. 2.** *Creation of the PHIVIDEC Industrial Authority.* — To carry out the above policy, a body corporate to be known as the PHIVIDEC Industrial Authority is hereby created. The Authority as hereinafter referred to shall be a subsidiary of the PHILIPPINE VETERANS INVESTMENT DEVELOPMENT CORPORATION created under PD 243, as amended by PD 853. The functions of the Authority are hereby declared governmental and proprietary.

**SEC. 3.** *Creation of the PHIVIDEC Industrial Areas.* — To further carry out the above policy, there are hereby created the PHIVIDEC Industrial Areas, hereafter referred to as the Areas, which shall hereafter be proclaimed, designated and specified by Presidential Proclamations.

The public land and foreshore and offshore areas portion of the Areas so proclaimed shall be surveyed by the Bureau of Lands and conveyed in absolute ownership to the

Authority, except as hereinafter provided, for the nominal sum of one peso for each parcel of land. Thereafter, the proper Register of Deeds shall register the same and issue the corresponding original certificate of title to the Authority.

The first Area which the Authority shall develop shall be that located in the municipalities of Tagoloan and Villanueva in the Province of Misamis Oriental, bounded on the West by Macajalar Bay, on the North by the Taganga Creek, on the East by the Kiamo and Kirahon plateaus and the South by the Tagoloan River containing an area of 3,000 hectares more or less: *Provided, however,* that the foreshore area from Tagoloan River, Municipality of Tagoloan, up to the Taganga Creek, Municipality of Villanueva, and the offshore area 400 meters toward the sea from the inshore limit between the Tagoloan River and the Taganga Creek, shall be ceded, transferred and conveyed in absolute ownership to the National Steel Corp. for the nominal sum of one peso. The meters and bounds of this Area are specified in Annex "A" which is hereby made an integral part hereof.

The Authority shall respect existing private rights until such time that it takes possession of the properties acquired either by voluntary or forced sale for the construction of infrastructural facilities and other facilities needed by the Area; and provided, further, that any new improvements to be introduced by landowners or claimants during this period shall be first approved by the Authority in writing.

**SEC. 4. *Purposes and Specific Powers.*** — The purposes and specific powers of the Authority are as follows:

- a. To operate, administer and manage the PHIVIDEDEC Industrial Areas and other areas which shall hereafter be proclaimed, designated and specified in subsequent Presidential Proclamation; to construct, acquire, own, lease, operate and maintain infrastructure facilities, factory buildings, warehouses, dams, reservoirs, water distribution, electric light and power systems, telecommunications and transportation networks, or such other facilities and services necessary or useful in the conduct of industry and commerce or in the attainment of the purposes and objectives of this Decree;
- b. To take water from any public stream, river, creek, lake, spring, waterfall or underground aquifers as may be necessary for the attainment of the purposes of this Decree; to alter, straighten, obstruct or increase the flow of water in streams or in water channels intersecting or connecting therewith or contiguous to its works or any part thereof; and to undertake land reclamation as well as own, hold, purchase or lease foreshore areas within or adjacent or approximate to the Areas;
- c. To acquire and hold agricultural lands in excess of the areas permitted to private corporations or associations by the Constitution;
- d. To determine and regulate the enterprises to be established within the Areas in order to ensure the implementation of its plans for the sound development and operation of the Areas in furtherance of the herein declared national policy;
- e. To construct, operate and maintain or otherwise to grant the use of or to rent, lease or let, for a consideration and under such terms, arrangements and conditions it may deem reasonable and proper, and any and all port facilities, including stevedoring and port terminal services, or any concession properly incident thereto or in connection with the receipt, delivery, shipment and transfer in transit, weighing, marking, tagging, fumigating, refrigerating, icing, storing and handling of goods, wares and merchandise; *Provided, however,* That where the piers and/or harbors are owned and or operated by private

persons, the fees and charges to be levied shall not exceed that being collected by the Government for similar services;

- f. To fix, assess and collect charges and fees, including rentals, for the lease, use, omit or occupancy of lands, buildings, structures, warehouses, all the facilities and services mentioned herein and other properties owned and administered by the Estate; and to fix and collect the fees and charges for the issuance of permits, licenses and the rendering of services not enumerated herein, the provisions of law to the contrary notwithstanding;
- g. To sell, lease, or otherwise dispose of, lands and other properties owned or administered by the Authority for such use by the Area enterprises, for such housing or commercial purposes within the Areas and for such maximum industrial development of the Areas;
- h. To levy, assess and collect a real property tax on real properties within the Areas. The appraisal values and tax rates shall be in accordance with the rules and regulations promulgated by the Secretary of Finance for chartered cities. The Authority shall retain three-fourths of the real property tax collected and remaining one-fourth shall be turned over to the local government or governments, as the case may be, which, previous to the establishment of the Areas were collecting a real property tax from real properties within the area: *Provided*, That such share of the real property tax of the local government or governments shall not be less than what they were receiving prior to the establishment of the Areas: *Provided, finally*, That realty taxes accruing within the Areas at the time the Authority has not taken over actual possession of a portion or portions of the properties therein shall continue to be collected by the respective local governments.
- i. To grant such franchise for and to operate and maintain within the Areas electric light, heat or power systems, transportation, communication within, to and from the Areas, warehousing, ice plant or cold storage;
- j. To prescribe and enforce within the Areas rules and regulations for pollution control;
- k. For the due and effective exercise of the powers conferred by law and to the extent requisite therefor, to exercise exclusive jurisdiction and sole police authority over the Areas;
- l. To promulgate such rules and regulations as may be reasonable, necessary and desirable for the attainment of the objectives of this Decree; such rules and regulations shall be binding on the persons, proprietorships, partnerships and corporations residing or located in the Areas;
- m. To recommend the establishment of other Industrial Areas as it may deem advisable, and to recommend the issuance of a proclamation to fix and delimit the site of the Areas;
- n. When essential to the proper administration of its corporate affairs or when necessary for the proper transaction of its business or for carrying out the purposes of this Decree, to contract in indebtedness and issue bonds;
- o. To create and operate and/or contract to operate such agencies, functional units, office and departments of the Authority as it may deem necessary or useful for the furtherance of any of the purposes of this Decree;
- p. To adopt, alter and use a corporate seal which shall be judicially noticed, make contracts, lease, own or otherwise dispose of personal and real property; sue and be sued, and otherwise do and perform any and all acts and things that may be necessary or proper to carry out the purposes of this Decree;
- q. To perform all other functions enumerated in Section 2 of Presidential Decree No. 243, as amended by Presidential Decree No. 353.