



Republic of the Philippines
Office of the President

BCDA

Bases Conversion Development Authority

**Managing the Conversion
and Development Processes
(1992-1995)**

COVER STORY

An "Intelligent City" rising from within the heart of the Metropolis. A state-of-the-art port facility which is among the best in the bustling Pacific growth rim. A world-class premiere international airport. An ever-verdant mountain haven for vacationing families.

These are samplings of the BaseCon managed conversion and development of former military baselands into centers of industry, domestic and international trade and commerce, tourism and human development.

These are also among the centerpieces of the Philippines' determined march towards NIChood by the turn of the Century.

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CENTRAL BUSINESS
DISTRICT

Fort Bonifacio



INTERNATIONAL
CONTAINER PORT

Subic



PREMIERE
INTERNATIONAL
AIRPORT

Clark



ENVIRONMENT-
FRIENDLY TOURISM

John Hay

NORTHWESTERN LUZON GROWTH QUADRANGLE & BUFFER TRIANGLE



BASECON PROJECTS AS OF JUNE 30, 1995

(Millions)

FUNDS GENERATED

Sales of Corporate Shares	:	P	39,175
Sales of Real Estate	:		827
Interest & Other Income	:		308

	P	40,310	\$ 1,580
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INVESTMENTS GENERATED

Fort Bonifacio Dev. Corp.	:	P	71,227
SBMA	:		21,071
BCDA Holdings, Inc.	:		18,000
North Luzon Railways, Inc.	:		16,957
Heritage Memorial Park	:		6,825

	P	134,080	\$ 5,258
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ASSETS UNDER DEVELOPMENT

SBMA	:	P	31,237
Clark Special Economic Zone	:		26,221
Fort Bonifacio Phases II & III	:		13,800
Socialized Housing	:		4,885
Metro Manila Camps	:		4,818
John Hay Special Economic Zone	:		4,764

	P	85,725	\$ 3,362
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GRAND TOTAL	:	P	260,115	\$ 10,200
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Exchange rate reference: P25.50/US\$

Real Estate figures at market or appraisal values

two
three

THE PRESIDENT'S MESSAGE

I congratulate the men and women of the Bases Conversion Development Authority (**BaseCon**) for the work they have done over the past three years.



The accomplishments of **BaseCon**, its subsidiaries and affiliates, that are contained in this Report, are a testimonial to the capability of the Filipino people to tap to the fullest the opportunities presented to them, especially for economic and social advancement.

When the United States forces left the former baselands, we were presented with the opportunity of converting the military advantage once offered by these world-class facilities into economic and business advantages. With the investments and establishments now in place in several of these facilities, we are confident that the

country is well on its way towards fully benefiting from these opportunities.

The projects now being undertaken by **BaseCon** and its partners have very important contributions to the country's economic growth. This year, we intend to surpass the 5.5 percent growth we registered at the end of 1994. The industrial and business activities at the former baselands should figure significantly in sustaining these growth objectives in the future.

However, it is not just mere economic growth that we are after. We intend to disperse the fruits of this growth to the regions so they can be enjoyed by more of our countrymen. **BaseCon's** role in the development of the Northwestern Luzon Growth Quadrangle and the Subic-Clark-Manila Buffer Triangle is, therefore, very crucial. These growth areas would not

only stem the tide of rural-to-urban migration which has compounded the problems of the Metropolis, but would also pave the way for the entry of foreign and local investors into hitherto untapped development corridors in our country.

It must be underscored that **BaseCon's** projects are important showcases of investment opportunities in our country, as well as of the employment-generation potentials that well-planned development brings about. Its stewardship of several of the country's prime real estate and industrial resources carries with it the responsibility of creating development paradigms where there is a real balance between the generation of economic wealth and the development of people.

On this score, I congratulate **BaseCon** for carrying out successfully the bidding process for the selection of the strategic partner for the development of Fort Bonifacio. This has led to the establishment of the Fort Bonifacio Development Corporation and the Bonifacio Holdings, Inc., so-called "mega corporations" which should become worthy showcases of the Filipino's ability to carry out projects of this magnitude. Indeed, this is one endeavor we can be truly proud of - the bidding process alone involves one of the largest financial transactions, not just in the Philippines, but perhaps in the whole of Asia.

But the balanced economic-social

development paradigm would not be complete without the establishment of the **Philippine Centennial Village** which will house the families of soldiers formerly based in Fort Bonifacio. I am aware that this laudable effort is beyond the direct mandate of **BaseCon**, but is nevertheless an exemplary model of human development that springs forth from an economic endeavor.

In the end, the success of **BaseCon's** efforts will not be measured only in terms of new investments and the establishments of mega corporations, nor by the majesty of the edifices that will rise within its world-class facilities.

The other measure is its contribution to social development : employment and livelihood opportunities; the strengthening of local communities; the full utilization of the skills of our human resources; the improvement of standards of living in its host communities; and, the pervasive atmosphere of stable industrial peace in the zones where **BaseCon** operates.

Given its accomplishments during the past three years, I say there is reason to be confident that **BaseCon** shall, indeed, attain its goals.

Congratulations and Mabuhay!



FIDEL V. RAMOS
President of the Philippines

THE CHAIRMAN'S REPORT

Bases Conversion Development Authority

It is my pleasure to report on the accomplishments of the Bases Conversion Development Authority (**BaseCon**) and of its subsidiaries and affiliates as of the first semester of 1995.



outside of the US mainland, and signalled the eventual pullout of US Forces from the Philippines by November 1992. The phase-out coincided with the expiration of the RP-US Bases Agreement.

This Report is set against the backdrop of government's all-out effort to bring various parts of Luzon back on their feet following some major events which took place at the start of the decade.

These are the 1990 earthquake which wrought heavy damage to Central and Northern Luzon; the 1991 eruptions of Mt. Pinatubo; and the pullout of United States forces from their bases in the country.

It will be recalled that the eruptions of Mt. Pinatubo hastened the evacuation of nearby Clark Airbase, then the largest facility of the United States Air Force

The effect of the natural calamities which visited the area and the departure of US Forces would have been doubly adverse were it not for the work done by a joint Legislative-Executive Bases Conversion Council (LEBC). The group had been studying the consequences of the phase-out long before it took place.

The LEBC output served as the platform for a landmark and well-tooled piece of legislation: Republic Act 7227, or the Bases Conversion Development Act.

Republic Act 7227 gave birth to the **Bases Conversion Development Authority (BaseCon)**.

The law vested **BaseCon** with the mandate to accelerate the sound and balanced conversion into alternative productive uses of the Clark and Subic military reservations and their extensions, to raise funds by the sale of portions of Metro Manila military camps, and to apply said funds for the development and conversion to productive civilian use of the lands covered under the 1947 Military Bases Agreement, and to promote the economic and social development of Central Luzon in particular, and the country in general.

BaseCon views its mandate as a responsibility for **people**: the employees of the bases who lost their jobs and means of livelihood; the small businessmen and entrepreneurs who had to close down with the bases; military personnel and their families who will be relocated; and, the victims of the eruptions of Mt. Pinatubo, and, to a certain extent, those displaced by the 1990 earthquake.

FULFILLING THE MANDATE

BaseCon is mandated to privatize the development effort as contained in the law and further clarified in Executive Order No. 62, series of 1992. A policy limiting outright sale of real estate to the barest minimum has been adopted and governs both the privatization and development efforts.

The policy aims to preserve some ownership and equity for future generations. **BaseCon**, therefore, has preferred the joint-venture mode over that of either BOT (which does not transfer ownership), or sale (which completely surrenders the future to a private entity).

BaseCon's areas of operation span Northwestern and Central Luzon down to Metro Manila where the American and Philippine baselands are located.

These areas consist of:

- the military camps in Metro Manila (except Camps Aguinaldo and Crame);
- the Buffer Triangle of Subic, Clark and Manila;
- and the Northwestern Luzon Growth Quadrangle partially bounded by Poro Point and Baguio City.

These cover about 30,000 hectares in land area of which about five thousand are enclosed within military fences and designated as Special Economic Zones. In these areas are five airports (three of which are of international standards) and six golf courses excluding new golf courses currently being developed.

Within these metes and bounds, projects and investments in tourism, commerce and industry have been studied and are now materializing.

Infrastructure has become a major concern: road, rail, sea and air transportation; water and waste disposal; power generation and distribution; local and global communication; and financial operations to fund these projects.

The housing of relocated families, meanwhile, has proven to be a major undertaking, optimizing BaseCon's capabilities in technology, financing and human relations.

The investments in industries, enterprises and infrastructure today generate employment opportunities in Central and Northwestern Luzon. They could partially stem the tide of migration by the unemployed to Metro Manila.

INITIAL GAINS

BaseCon's activities over the past two years have been devoted largely to planning and organization.

BaseCon's basic strategy is to organize subsidiaries in the form of corporations registered with and subject to the Securities and Exchange Commission. As functions and projects are transferred to these

implementing arms, the operation is privatized by selling control of these corporations to private entities and individuals.

As of June 1995, there are five such enterprises with two more being organized. More details about these activities are supplied in the Operating Report.

The Subic Bay Metropolitan Authority (SBMA) is an affiliate agency. Created by the same law, RA 7227, it became operational before BaseCon due to the expedient transfer of the Subic Naval Base operations to the Authority.

Three major advances took place during the period under review :

- **The organization and privatization of the Fort Bonifacio Development Corporation (FBDC)** which media dubbed the "Deal of the Century" since it featured the largest single real estate transaction in the Philippines (and perhaps in Southeast Asia).

The transaction also created the largest corporation registered with the Philippine Securities and Exchange Commission (P71.2 billion paid-up), channelled P39 billion in cash to the government's coffers and ballooned property values in the vicinity overnight.

- **Subic's \$42 million International Airport** that brought in the Asian hub of the Federal Express group of companies.

The navigational and communications equipment installed in this airport make it the best in the country.

- **The P6.5 billion Heritage Memorial Park**, now under construction in Fort Bonifacio.

It incorporates unique financial and ownership concepts and a design which makes it one of the most environment-friendly among memorial parks in the country today.

While socialized housing is not a direct mandate, **BaseCon** has nonetheless devoted major investments in time and money on this activity. Fort Bonifacio residents are the first beneficiaries. They can now own highly subsidized homes just across the road from where they now live on temporary permits.

Medium-rise condominium buildings have been partially completed at the Philippine Centennial Village and will total about 6,000 units by the end of 1996, at a cost of approximately P2.0 billion.

Additional housing for Villamor Air Base and Camp John Hay have been identified and are under process.

At the end of June 1995, **BaseCon** has generated P40.31 billion in cash for the government through the sale of real estate and other income. Investments already in place amounted to P134.8 billion. Under gestation are investments estimated at P85.7 billion as of the middle of June 1995. These total P260.1 billion.

CHALLENGES

Because we are operating in an environment of reinvigorated democracy. We ensured that our projects carry two important hallmarks: **public consultation and transparency.**

We have invited substantial public scrutiny of our projects on the principle that local government and local community support are critical to the success of these projects.

It was, therefore, inevitable that opposition from some quarters should arise. One such case was the opposition to the entry of a strategic partner into the development of Club John Hay. After a series of widely-based community consultations, it was felt that the host community was not ready for a development project of the nature and magnitude recommended by **BaseCon** and its proposed strategic partner.

Also under intense public scrutiny, particularly through media, was the

strategic partnership formed for the development of Fort Bonifacio. While the issues raised would have been better addressed in court than in public, the din caused by the discussion of the issues in media was a healthy exercise of legitimate public opinion processes that must accompany a project of this size.

We are prepared to address these and similar concerns as expressions of the growing pains of people empowerment as embodied in the new Local Government Code and the people-oriented thrust of Philippines 2000.

Another challenge has been to undertake what are basically private sector activities within the rules and regulations of government processes and strictures. The magnitude of corporate funds and assets, the complexity of financial transactions and the uniqueness of concepts required extensive advice, counsel and sympathy from the higher reaches of government administration, which were always generously shared and extended.

ACKNOWLEDGMENT

The gains achieved by **BaseCon**, its subsidiaries and affiliates would not have been possible without the inspiration and direction of President Fidel V. Ramos, himself.

Although **BaseCon** is directly under the

Office of the President, he has not hesitated to dispatch us to other branches and agencies of government in the pursuit of flagship and other mega projects.

We are grateful for the President's confidence in our capability. We look forward to preserving this faith.

The **BaseCon** Board of Directors has been a consistent and reliable source of expertise about, and insights into the major concerns of the organization. They have unselfishly shared their time and commitment with **BaseCon's** affairs beyond the norm for government agencies, or even for the private sector. In that sense, this report is also theirs, but we would nevertheless like to record our debt of gratitude and appreciation.

In the final analysis, this report is a recounting of the triumphs and trials of our Staff. Under the outstanding leadership, through both acknowledged expertise and personal example, of Vice Chairman and Executive Vice President Rogelio L. Singson, our small and over-worked staff has delivered the goods in the required quality, on time and within the budgeted costs.

We hope to soon reciprocate this dedication and reward these achievements.



VICTOR A. LIM

OPERATING REPORTS

*T*he Operating Reports are being presented on a format parallel to the organization of the members of BaseCon's Board of Directors into so-called Board Committees.

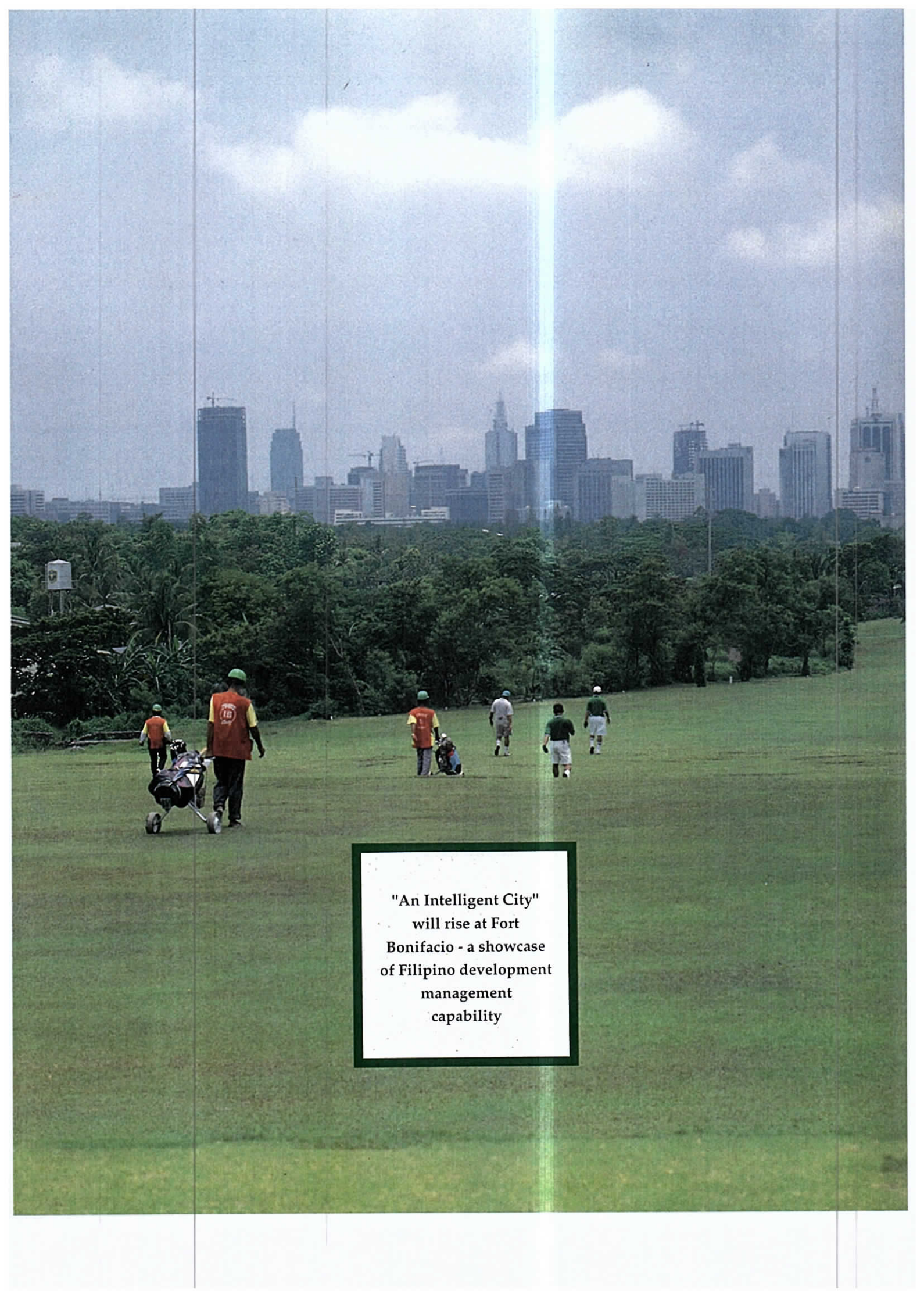
The Board Committees are a result of management innovation which allows for the hands-on participation of the directors in BaseCon programs and projects. The formation of the Board Committees have also resulted in a more thorough pre-processing of Board matters, allowing for shorter but more meaningful collegial discussion of such matters.

The Board Committees are :

- The Board Committee for Metro Camps
- The Board Committee for Affiliates and Subsidiaries
- The Board Committee for Infrastructure Projects

There is a separate group on Corporate Planning and Administration which acts as an Audit Committee on office services headed by Isaac S. Puno, III.

This also has its set of projects, but these projects are intrinsically internal in nature and subsumed in the external projects. The composition of the group also changes to suit the challenges being presented.



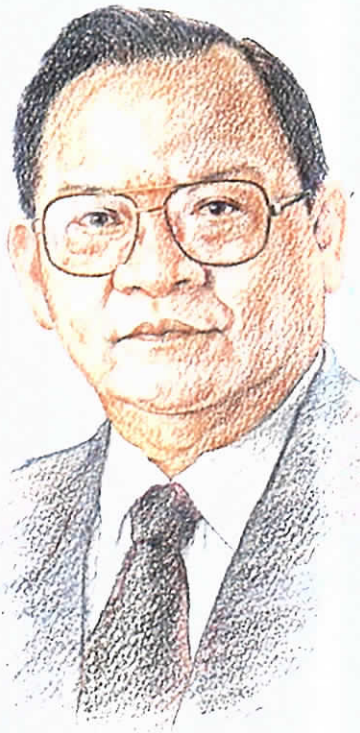
**"An Intelligent City"
will rise at Fort
Bonifacio - a showcase
of Filipino development
management
capability**

METRO CAMPS

Fort Bonifacio

BaseCon's mandate to manage the disposition of land occupied by military units in Metro Manila is provided for in RA 7227. The purpose is to generate funds for the conversion and development of the American baselands and, in line with the government's policy, to relocate military units away from the overcrowded Metropolis. The funds generated also partially provide for the modernization of the Armed Forces of the Philippines, and contributions to other government agencies.

Fort Bonifacio, then Fort William McKinley now also Fort Andres Bonifacio, was the largest United States military facility in



Chairman
DIR. VICTORINO A. BASCO
Members
DIR. TEODORO B. JAVIER
DIR. ASTEYA M. SANTIAGO
Project Managers
HENRY L. YAP (Metro Camps)
JUANITA V. CANTA (Housing and Relocation)
ANTONIO REX S. CHAN (Housing and Relocation)

the country. Being such, it accommodated units from every branch of service as well as residences for servicemen's families, as it does today for the Armed Forces of the Philippines.

It is also the site of the Philippine Army Headquarters, as well as other semi- and non-military entities such as the National Defense College and the Philippine National Oil Corporation. The

United States American Battle Monument (Cemetery) is also located in this reservation.

The total area that has been transferred to BaseCon in the Fort is approximately 650 hectares.

This real estate has been divided into five main uses:

- a central business district surrounded by mixed-use and high-end residential segment;
- an institutional zone;
- a vast memorial park;
- socialized housing projects; and
- a small area occupied by and sold to the Department of Energy and the Philippine National Oil Corporation.

The Central Business District

In a model process that exemplified the transparency and consultative modes emphasized by the government, approximately 215 hectares of Fort Bonifacio land were invested as capital for a corporation whose 55 percent equity was bidded out and sold to a consortium of Filipino and Asean companies.

The bid was for P33,283.88 per square meter for a total of P39.17 billion for the 55 percent equity and has resulted in a P71.2 billion paid-up capital.

At these prices, the objective of constructing

an Intelligent City of the Future is assured, if the investors to the new company, Fort Bonifacio Development Corporation (FBDC), are to turn a profit. Bovis Asia has been retained as Program Manager and HOK of the United States has been commissioned to design the Master Development Plan (MDP).

The MDP will also cover about 200 additional hectares adjacent to the Central Business District which still belong to **BaseCon**. These are identified as Phases 2 and 3 with mixed-use areas beside the CBD and residential areas behind Forbes Park and Dasmariñas Villages, respectively. Whoever will eventually develop these additional plots will be required to conform to this MDP.

The Institutional Zone

Schools and a hospital are expected to be located in an institutional area.

Schools and a hospital are expected to be located in an institutional area. A range of schools and a hospital with international high-end standards have registered their interest. This area is designated for long-term leases so that the institutions locating there may use their capital for

buildings and equipment, rather than for real estate.

The section measures slightly over 25 hectares and is programmed to supply the educational and medical services for both the Fort Bonifacio center in particular, and the Asean region in general through the superior standards that these institutions are expected to maintain.

The Heritage Memorial Park

The Heritage Memorial Park is a joint venture with the Public Estates Authority (PEA) and Philippine National Bank (PNB) as Project Manager and Underwriter, respectively. It covers approximately 105 hectares and is valued at par for about P6.5 billion.

The eastern edge of this property lies directly under the line of flight from the Ninoy Aquino International Airport, severely restricting the use of the land for structures or residences.

These sections have, therefore, been designated for low-rise structures such as parks, golf courses or memorial parks.

On this area will be built the Heritage Memorial Park. It is bounded by the

American Battle Monuments and AFP's Libingan ng mga Bayani on two ends, and a recreation area to be built by FBDC on the side.

Although it will be basically a memorial park, it is designed to also serve as a public park and an environmental, open air space; the lungs for the area to complement the modern and people-friendly central business district about a kilometer north.

On a bowl-shaped terrain, an artificial lake with an island in the center will be excavated. The island will be a public park where no tombsites will be built.

The land will continue to be government property but buyers of cemetery plots will hold certificates that endow holders with perpetual usufructory rights as long as they own these certificates.

The principal feature of this scheme is the certificates which are similar to corporate stock certificates, and might eventually be allowed to be listed in the Philippine Stock Exchange on an appropriate board.

The Relocation and Housing Area

A relocation and housing program is in progress for families residing in the areas

within **BaseCon's** jurisdiction in Fort Bonifacio. **BaseCon** looks at this program as one of its direct contributions to the country's perennial housing shortage and squatter problems.

A wholistic approach will provide housing units for relocated residents of Fort Bonifacio with built-in living communities tailored to their aspirations and unique needs.

The complexes will have their own recreational areas, commercial district, school and church yards, and community organization. The location was also chosen so that residents could continue to live in the same vicinity and political district from which they came.

BaseCon has set into motion the plan for the construction of 6,000 housing units for completion by 1996. By the end of June 1995 approximately 500 units were ready for occupancy and will be augmented by another 1500 units by year-end.

Phase 1 has been named the **Philippine Centennial Village** in honor of our heroes who fought for Philippine Independence and who worked hard to preserve such independence for the past 100 years. Phase 2 will be named **Pamayanang Diego Silang** in honor of one of our country's bravest freedom fighters.

Meanwhile, an agreement was signed with the Housing and Urban Development Coordinating Council (HUDCC) for assistance in relocating other families who may prefer to move elsewhere. HUDCC will also help **BaseCon** provide livelihood training through homeowners associations.

Other Projects

Through a joint venture with the Retirement and Separation Benefits System, (RSBS), the provident fund of the Armed Forces of the Philippines, an area south of **BaseCon's** properties in Fort Bonifacio will be developed. This project involves the construction of public parks, community athletic facilities and a public golf course the income of which will be shared with the Philippine Veteran's Affairs Office and the Department of National Defense.

VILLAMOR AIR BASE

The Villamor Air Base divides into three main areas: the **BaseCon** properties consisting of a total of 108 hectares, the Philippine Air Force installation occupying 99 hectares, and Airmen's Barrio and community institutions making up the balance of 53 hectares.

BaseCon activities revolve around the plans to build a new international airport terminal by the Asia's Emerging Dragons Corporation, a group of outstanding Chinese-Filipino entrepreneurs, on a BOT basis. The terminal is currently being designed, and is scheduled to be inaugurated in 1998. A railroad terminal may also be located in this vicinity.

The Villamor golf course will continue to be a public golf course. It is planned to be placed under the management of the RSBS/BaseCon joint venture. The RP Golf Association, a national sports association, has been invited to use it as their home course for practice and internal tournaments.

The Airmen's Village is located on one corner of the air base, together with an aeronautical college, a high school and Catholic church. The complex has been turned over for development to the National Housing Authority as a housing area.

JUSMAG PROPERTY

This 1,391-square meter property in Heroes Hill, Quezon City once housed the offices

of the Joint United States Military Advisory Group, and is one of the smaller facilities used by the United States in the country.

This property was sold in February through a public bidding held late last year.

CAMPS MELCHOR, ATIENZA, BAGO BANTAY AND CLAUDIO

These are smaller camps scattered around Metro Manila. The first three are in Quezon City while the fourth is in Parañaque. They are approximately four hectares each and were utilized for various purposes, from unit home bases to quarters for families.

Bago Bantay has been vacated and is proposed to be developed into a residential area. Atienza and Melchor are currently still occupied by military units, but are expected to be vacated by year-end. Their disposition has not yet been decided due to tentative plans of the Department of Public Works and Highways to run a major road through the camp site. Camp Claudio is awaiting relocation of naval units to new locations outside Metro Manila.



"With its world-class port facilities, Subic will rival the best in the Asian region."

AFFILIATES & SUBSIDIARIES

Subic Bay Metropolitan Authority



Chairman
DIP. JAIME Y. LADAO
Members
DIP. TEODORO B. JAVIEP
DIP. ROBERTO A. FLORES
DIP. JOSE M. VILLEGAS JR.
Project Manager
GERARDO C. GARCIA

Basecon is authorized to establish implementing arms in pursuit of its programs.

The normal form is a corporation registered with and subject to the Securities and Exchange Commission (SEC). The exception to this rule is the Subic Bay Metropolitan Authority (SBMA), which is also an Authority created by the same Bases Conversion Act which created BaseCon.

The corporations have their own boards of directors and sets of officers who are

autonomous except for oversight functions performed by BaseCon to ensure fidelity to their basic objectives. This is done through periodic reports and common directors.

With the exception of SBMA, the BaseCon chairman also chairs the subsidiary boards. These corporations are wholly owned by BaseCon.

Joint ventures with the private sector is the mode chosen by BaseCon to comply with the instruction to privatize. The corporate

route facilitates commercial and industrial operations as soon as privatization removes them from government restrictions. It then places these operations under the management of carefully and transparently chosen expert partners. The corporate format also allows for eventual listing in the Philippine Stock Exchange as both an exit mechanism for the government investment and as a channel for wide distribution to the public.

BaseCon also invests in joint ventures with other government entities for specific objectives or projects. Examples of these are the Heritage Memorial Park and construction of relocation sites for the Philippine Army and Philippine Air Force.

With a force of some 8,000 volunteer workers, the Subic Bay Metropolitan Authority (SBMA) under **Chairman Richard J. Gordon** transformed this once-

Subic's strategic location and state-of-the-art facilities have proven to be come-ons to local and international investors.

Since work began at the Subic Freeport zone, some 181 new companies have already set up shop in the area, pouring in a total of P26.2 billion in fresh investments. With these came employment opportunities for 16,341 persons.

bustling naval base into a business center that houses a commercial international airport that is now the Asian hub of one of the world's biggest courier services, Federal Express.

Since work began at the Subic Freeport zone, some 181 new companies have already set up shop in the area, pouring in a total of P26.2 billion in fresh investments. With these came employment opportunities for 16,341 persons. Within the next five years, employment is projected to reach 193,000.

Investor Influx

Subic's strategic location and state-of-the-art facilities have proven to be come-ons to local and international investors.

Among the major companies that have come into Subic are:

Enron Subic Power Corporation, Coastal Subic Bay Terminal Inc., Federal Express Corporation, Subic Bay Development and Management Corporation Inc., Universal International Group of Taiwan, Acer, Inc., Subic Bay Resort and Casino Inc. and Subic Telecom Co., Inc.

With a force of some 8,000 volunteer workers, the Subic Bay Metropolitan Authority (SBMA) under Chairman Richard J. Gordon transformed this once-bustling naval base into a business center that houses a commercial international airport.

APEC is expected to affect the shape of the economic destinies of many countries.

Subic and APEC

The summit will be graced by the heads of state of some 17 countries. This international conference is not only characterized by the stature of the personages in its guest list, but also by the worldwide impact of the items in its agenda. It is expected to significantly affect the shape of the economic destinies of many countries.

In view of this major international event, SBMA is currently beefing up its accommodation capabilities. The Subic International Hotel is undergoing improvements, while a Malaysian company is bringing in a non-floating ship hotel even as it builds another hotel within the zone.



"Clark International Airport will be the country's premiere airport and a testimonial to the Filipino resolve to rise above the ashes of adversity to greater heights."

Clark Development Corporation

The Clark Development Corporation (CDC) is the first implementing arm organized by **BaseCon** in 1992. It took over the administration and rehabilitation of the Clark Air Force Base which had been devastated by ashfall from the eruptions of Mount Pinatubo.

To date, some 50 new companies have settled at Clark with a combined total of P1.9 billion in fresh investments. These, in turn, have created some 8,900 jobs for the people of Central Luzon. These companies are expected to increase their investments to P8.5 billion and employment to 36,000 within the next five years.

People-moving and entertainment facilities are being prepared for the Philippine Centennial Celebration of the declaration of Independence in 1898. The main international exposition of the celebration is planned to be located at Clark where ten to fifteen countries are expected to build and maintain pavilions for the duration of the exposition.

The airbase facilities have been rehabilitated and are currently maintained by CDC for occasional ceremonial use. Part of it is leased out to a private sports organization which uses the airfield for both airplanes and balloons. The management of these facilities will soon be turned over to the newly-organized Clark International Airport Corporation.

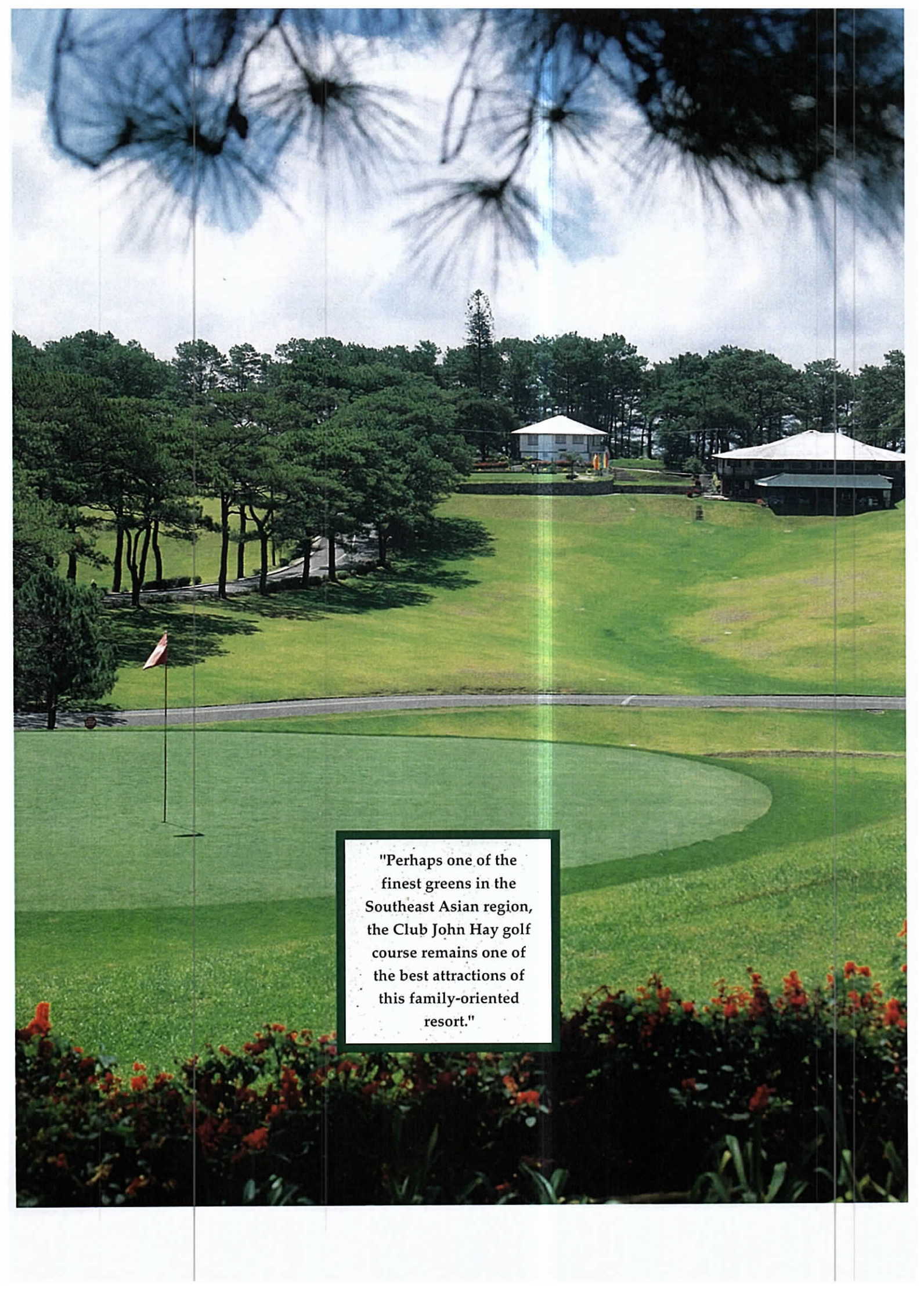
Clark International Airport Corporation

The Clark International Airport Corporation (CIAC) will manage and operate the Clark International Aviation Complex. This is an area covering approximately 1,600 hectares, including two aircraft runways that are probably the best in Southeast Asia.

The current Philippine air industry policy calls for the Clark International Airport to be the country's premiere airport by the year 2002. In the interim, a new terminal will be constructed in the Ninoy Aquino International Airport (NAIA) complex to improve the first impression of air travelers as they land in Manila.

Although already rated as an alternate airport for Manila, the Clark airport must be made operational and ready to receive regular international flights before June 1998 for the Philippine Centennial Celebration. A large traffic of domestic and international air travelers is anticipated through the Clark Airport for the international exposition and trade fair.

The airport complex, besides the airport structures and runways, includes aircraft maintenance and retrofitting shops, cargo marshalling depots including a railroad yard, the site for the centennial celebration which will be converted into a cultural/entertainment area after the celebrations, and other tourism and commercial activities that could be related to an airport.



"Perhaps one of the finest greens in the Southeast Asian region, the Club John Hay golf course remains one of the best attractions of this family-oriented resort."

John Hay-Poro Point Development Corporation

Camp John Hay in Baguio City was the "rest and recreation" resort of the US Air Force in Asia. On the other hand, Wallace Air Station, or Poro Point as it is more popularly known, was a weather and signal station on the small peninsula jutting out of San Fernando, La Union. Both have been declared as Special Economic Zones by separate presidential proclamations, as prescribed in the Bases Conversion Law.

BaseCon has envisioned the combination of these two former baselands into an integrated tourist destination featuring the pine trees and mountain air of Baguio with the beaches and water sports of the La Union seashore. Thus, the John Hay-Poro Point Development Corporation (JPDC) was organized to manage both SEZs.

Community consultations in the two localities indicated that the high-density tourist program has not yet dovetailed with the aspirations of the local residents. Therefore, a scaled-down and less intensive plan is in the process of formulation and implementation.

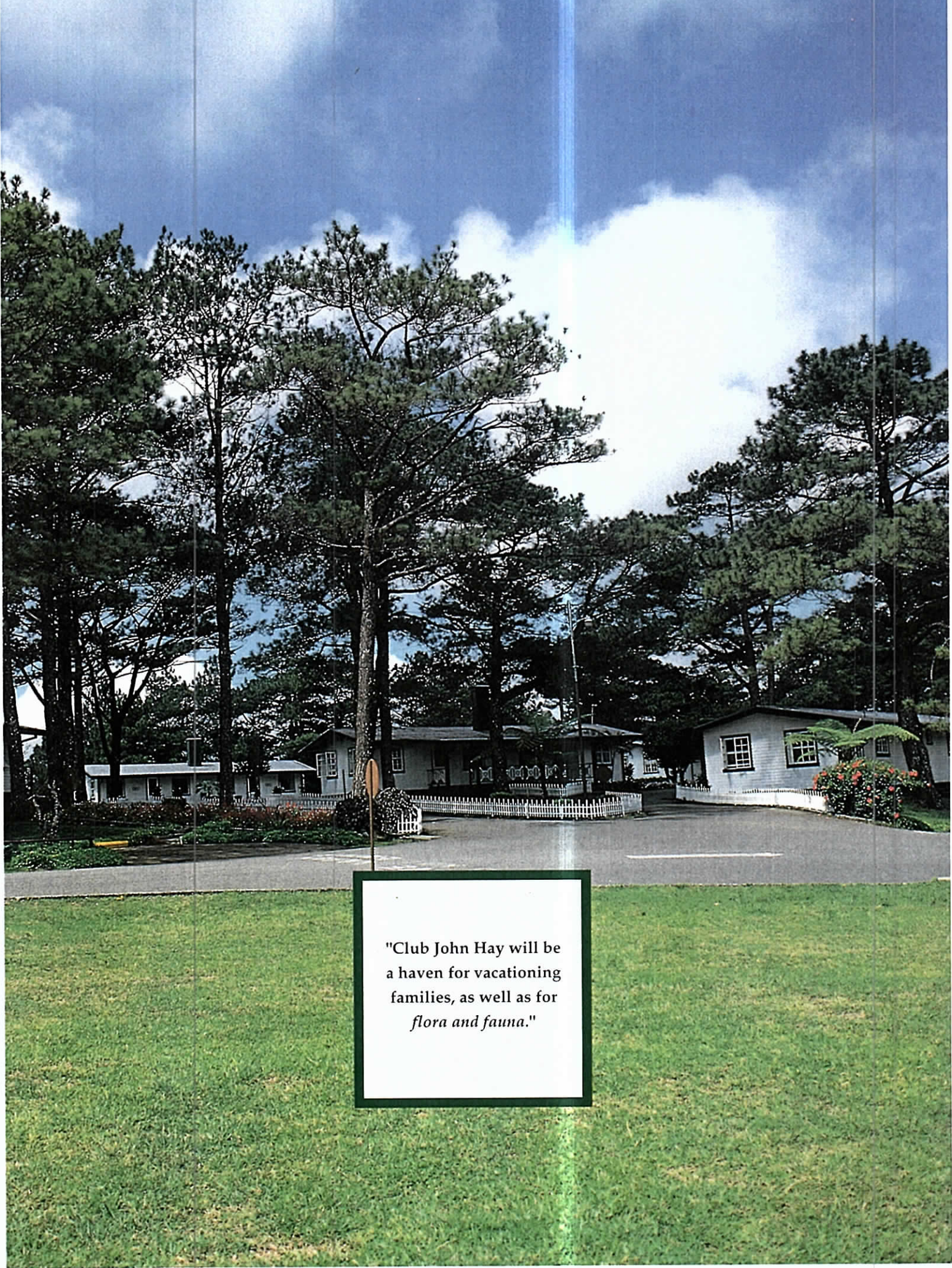
Club John Hay (CJH) in Baguio continues to offer its golf, picnic, entertainment and resort accommodations to both locals and visitors to Baguio. Although major improvements or repairs await more permanent decisions, CJH is perceived to have improved its community relations and clientele services since the time it was an American base.

Poro Point continues to be an Air Force signal station while its airport remains with the Air Transport Office, and the seaports with the Philippine Ports Authority. If developed separately from John Hay, Poro Point can consider other land uses to utilize its commercial potentials in the seaport and airport. Several such opportunities are currently being evaluated by its master planners.

The development of Club John Hay is expected to generate additional employment for the residents of Baguio City and the neighboring communities of La Trinidad, Itogon, Sablan, Tuba and the rest of the Northwestern Luzon Growth Quadrangle.

BaseCon has envisioned the combination of these two former baselands into an integrated tourist destination.

*twenty four
twenty five*



"Club John Hay will be
a haven for vacationing
families, as well as for
flora and fauna."

The influx of tourists also presents opportunities for the promotion of local arts and handicrafts, particularly the world-renowned Igorot woven ikat cloth and wood carvings.

The development of Club John Hay also calls for the upgrading of the Laoakan Airport and of the different major land transportation approaches to the mountaintop resort - the Agoo-Baguio Road and the Naguilian Road in particular.

The blueprints for Club John Hay, therefore, necessarily take into account the overall welfare of the local host communities.

The presence of the Asian Institute of Management (AIM) inside Club John Hay also establishes the resort as a scholastic center for the Cordilleras. AIM is now housed at the former Igorot Lodge.

Club John Hay continues to offer its golf, picnic, entertainment and resort accommodations to both locals and visitors to Baguio.

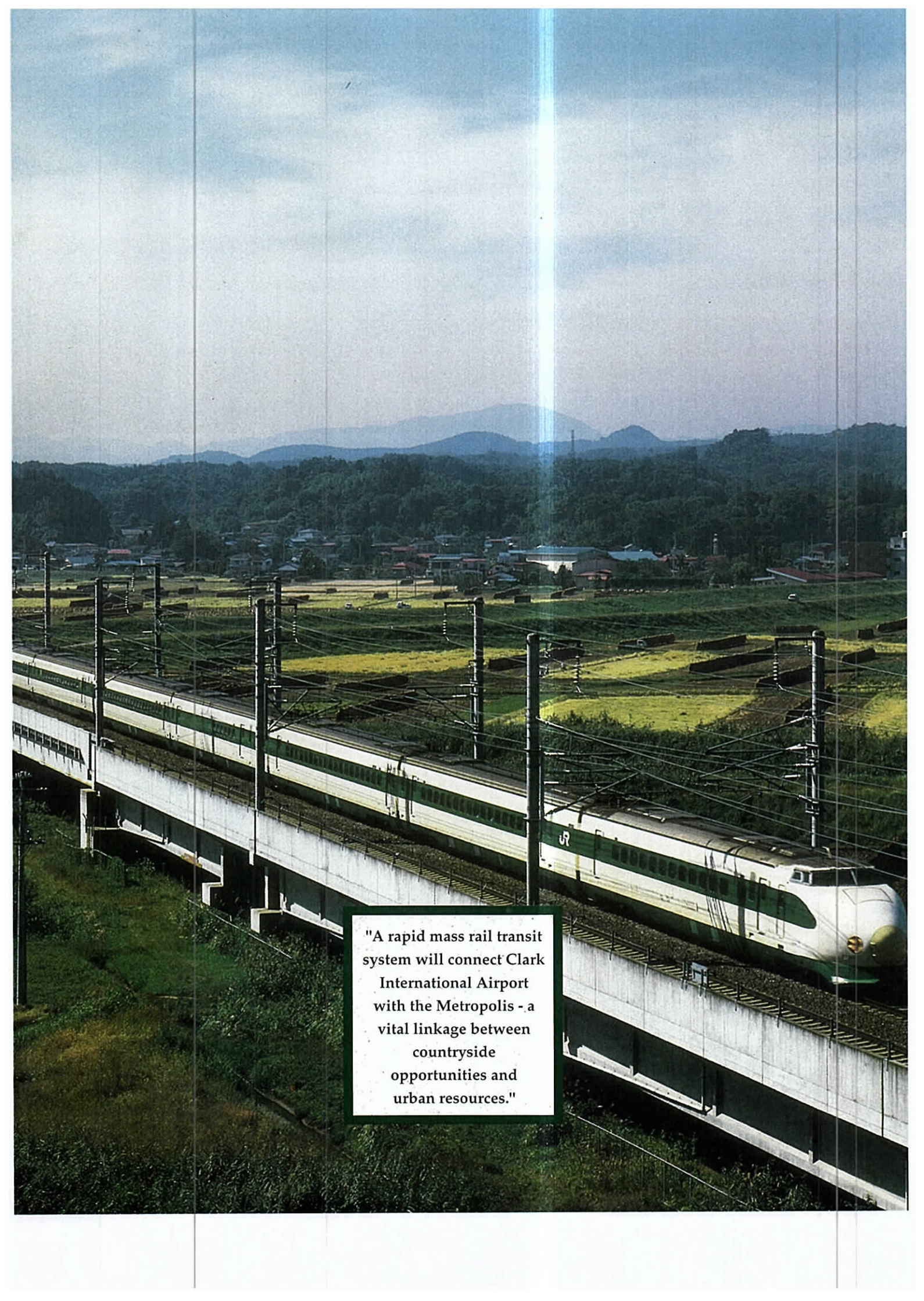
The development of Club John Hay is expected to generate additional employment for the residents of Baguio City and the neighboring communities of Benguet and the rest of The Northwestern Luzon Growth Quadrangle.

BCDA Holdings, Inc.

BaseCon has eyed the eventual transfer of its non-governmental and commercial operations to an implementing arm which would subsequently be privatized as a joint venture with carefully chosen private sector partners. BCDA Holdings, Inc. was established and registered with the SEC in preparation for this project.

The process was started in late June 1995 and is expected to be completed in January 1996 when the selected partners will have invested into an expanded company with a paid-up capital of about P20 billion. The company will be controlled and managed by private sector partners.

*twenty six
twenty seven*



"A rapid mass rail transit system will connect Clark International Airport with the Metropolis - a vital linkage between countryside opportunities and urban resources."

INFRASTRUCTURE

Multi-modal Transportation Linkages

The viability of the intensive development of the former baselands in Central and Northern Luzon is anchored on an efficient transportation system that will connect them to the Metropolis.

The Metro Manila Skyway and Circumferential Road 6 projects are the major arteries connecting the North and South Luzon Expressways. As such, the skyways will provide the most convenient access to the North Luzon highway for prospective airline passengers for the Clark International Airport, particularly those originating from Makati,



Chairman
DIR. NESTOR S. MANGIO
Members
DIR. ASTEYA M. SANTIAGO
DIR. ROBERTO A. FLORES
DIR. VICTORINO A. BASCO
Project Managers
ARTURO F. PANGILINAN
ALEX T. SOLOMON

Manila and other points of Metro Manila.

A Memorandum of Agreement (MOA) with the Canadian Highways International Corporation (CHIC) of Ontario, Canada leading to a joint venture is **BaseCon's** participation in these highway projects. CHIC has completed a feasibility study on the construction of portions of the Metro Manila Skyway and C-5. These have been submitted to the Department of Public Works and Highways, and the Philippine National Construction

twenty eight
twenty nine

**The skyways
will provide the most
convenient access to
the North Luzon highway
for prospective
airline passengers for
the Clark International
Airport.**

Corporation for approval and possible joint venture.

Although agreements have been reached with the above authorities, official approval is still awaited. Construction work is scheduled to begin after the 1995 rainy season.

North Luzon Expressway

The expansion of the North Luzon tollway has become imperative to make travel to and from Clark and Subic fast and efficient.

BaseCon took active part in the

negotiations for the widening and improvement of the stretch from San Fernando to Dau, the section from Subic to Tipo, and the spur from Dau to the Clark Airport.

Other players in this project are: the Philippine National Construction Corporation, the Department of Public Works and Highways, the First Philippine Infrastructure Development Corporation (FPIDC), otherwise known as Benpres.

The formation of the strategic partnership was highlighted by a groundbreaking ceremony at the San Fernando Interchange of the North Luzon Tollway

**The expansion
of the North Luzon tollway
has become imperative
to make travel
to and from
Clark and Subic
fast and efficient.**

in November of last year. The President was the guest of honor.

The ground-breaking ceremony for the Binictican-Barrio Tipo Road to the Subic Special Economic Zone was held on April 30, 1995.

The project is expected to be finished in time for the Asia-Pacific Economic Cooperation (APEC) Summit at Subic in October of 1996.

Rapid Rail System

Another crucial feature of the development

Another crucial feature of the development of the Clark International Airport is the establishment of a Rapid Rail System (RRS) that will connect it with the Manila domestic airport and Subic seaport.

The restoration of the Clark International Airport from the rubble of Mt. Pinatubo's aftermath is a tribute to Filipino industry and determination.

of the Clark International Airport is the establishment of a Rapid Rail System (RRS) that will connect it with the Manila domestic airport and Subic seaport.

A Spanish group led by the Construcciones Y Auxiliar de Ferrocarriles S.A. (CAF) indicated their interest by signing a Memorandum of Understanding (MOU) with BaseCon, the Philippine National Railways (PNR) and a Filipino private sector group represented by the EUROMA Development Corporation.

This MOU was reaffirmed in Madrid in September 1994 during President Fidel V. Ramos' state visit to Spain. The MOU was

**The Rapid Rail System
will also effectively
relieve vehicular traffic
congestion from Central Luzon
to and within
Metro Manila.**

later converted into a Memorandum of Agreement (MOA) during the State Visit of His Majesty, King Juan Carlos to the Philippines in April 1995. The series of agreements culminated in the Joint Venture Agreement which was signed in the presence of President Ramos at Clark on June 15, 1995.

The project calls for the rehabilitation of the PNR line from the Manila Domestic Airport to the Clark International Airport. It will have four main services: an express service (rapid rail), a traditional suburban service, cargo service, and an urban subway connecting with a multi-modal network. The tracks will go underground within Metro Manila.

Although the principal objective is to supply rapid access to the Clark International Airport for Metro Manila passengers, the other services will effectively relieve vehicular traffic congestion from Central Luzon to and within Metro Manila.

Mass Transport and Countryside Development

The rail system that will connect Clark International Airport with Metro Manila is more than just an airport transit service.

With state-of-the-art tracks and coaches, the system is envisioned to provide fast, efficient and comfortable travel to and from

**With the availability
of such a
transportation facility,
the possibilities for
the further development of
Central Luzon expand.**

Clark. Initial estimates indicate that travel time from the airport to Makati would take only a maximum of three-fourths of an hour.

With the availability of such a transportation facility, the possibilities for the further development

of Central Luzon expand. Since travel from the country's premiere financial district would take only less than an hour, more enterprises would be encouraged to move into the available sites in the region.

In addition, workers and students presently crowding the blighted residential areas of Metro Manila may return to the provinces

Workers and students presently crowding the blighted residential areas of Metro Manila may return to the provinces since commuting to and from would no longer be a problem.

since commuting to and from would no longer be a problem.

Even Makati-based executives (and those who will be based in the future Central Business District of Fort Bonifacio) might consider residing in the cooler, cleaner

environs of Bulacan, Pampanga and even Tarlac.

This way, Metro Manila might find some relief from its overcrowding. And the countryside might find itself the beneficiary of a bigger share of development opportunities.

*thirty two
thirty three*

STATEMENT OF RECEIPTS, INVESTMENTS AND COMMITMENTS

For the Period January 1993 to June 1995
(In Thousand Pesos)

RECEIPTS

Initial Appropriations (Schedule 1)		P 275,346
Sale of Real Estates (Schedule 2)	14,105,868	
Less: Cost of Sales	1,118,214	12,987,654
Other income (Schedule 3)		308,158
TOTAL RECEIPTS		13,571,158

PROJECT INVESTMENTS*

Clark Development Corp.		97,457
Club John Hay		36,142
John Hay-Poro Point Development Corp.		37,495
Fort Bonifacio Development Corp.		81,011
BCDA Holdings, Inc.		100,003
TOTAL INVESTMENTS		352,108

PROJECT COMMITMENTS*

Socialized Housing		3,200,000
Subic Conversion		1,100,000
Clark International Airport Development		2,160,000
Clark Development Corp.		600,000
John Hay-Poro Point Dev't Corp.		520,000
Fort Bonifacio Dev't Corp.		800,000
Metro Manila Skyway		3,450,000
National Shrine		100,000
North Luzon Railways Corp.		8,577,000
Relocation of Non-Military		800,000
TOTAL COMMITMENTS		21,307,000

TOTAL INVESTMENTS AND COMMITMENTS	21,659,108
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SURPLUS (ADDITIONAL FUNDS NEEDED)	P (8,087,950)
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* Exclude costs of fixed assets

SCHEDULES

(In Thousand Pesos)

SCHEDULE 1

INITIAL APPROPRIATIONS

1.	Equity Contributions	P	83,250
2.	Subsidy Support		185,348
3.	Other Sources		6,748
TOTAL APPROPRIATIONS			275,346

SCHEDULE 2

SALE OF REAL ESTATES

1.	Share in the Sales of:		
	Fort Bonifacio Development Corp.		5,386,580
	Heritage Park		500,000
	Phil. National Oil Co./Dept. of Energy		309,916
	Jusmag Property		17,500
			6,213,996
2.	Receivables		
	Balance of Heritage Park	2,505,292	
	Balance of the FBDC Sales	5,386,580	7,891,872
TOTAL SALES			14,105,868
COST OF SALES			
	Taxes and Fees	1,073,692	
	Appraisal Fees	88	
	Administrative Overhead	44,434	1,118,214
NET SALES			12,987,654

*thirty four
thirty five*

SCHEDULE 3

OTHER INCOME

1.	Interest Earnings		294,589
2.	Rental Income		271
3.	Management Fee		12,521
4.	Miscellaneous		777
TOTAL OTHER INCOME			P 308,158

BOARD OF DIRECTORS



VICTOR A. LIM
Chairman and President

Chairman
Clark Development Corporation
Clark International Airport Corporation
John Hay-Poro Point Development Corporation

Vice Chairman
Fort Bonifacio Development Corporation

Professor
Asian Institute of Management



ROGELIO L. SINGSON
Vice Chairman and Executive Vice President

President
John Hay-Poro Point Development Corporation

Member - Board of Directors
Subic Bay Metropolitan Authority
Clark Development Corporation
Clark International Airport Corporation
Fort Bonifacio Development Corporation



VICTORINO A. BASCO
Director



ROBERTO A. FLORES
Director



TEODORO B. JAVIER
Director



JAIME Y. LADAO
Director



NESTOR S. MANGIO
Director



ASTEYA M. SANTIAGO
Director



ATTY. JOSE M. VILLEGAS, JR.
Director



JUSTICE OSCAR I. GARCIA
Corporate Secretary

MANAGEMENT DIRECTORY

OFFICE OF THE PRESIDENT

President - Victor A. Lim

Staff:

1. Marilou Arleen G. Zabat
2. Alman F. Alvia
3. Samuel G. Garing

OFFICE OF THE EXECUTIVE VICE PRESIDENT

Executive Vice President - Rogelio L. Singson

Staff:

1. Estelita S. Lopez
2. Angela S. Castañeda
3. Ernesto C. Constantino

CORPORATE PLANNING

Project Manager IV - Isaac S. Puno, III

Staff:

1. Aileen Anunciacion R. Zosa - Project Manager II
2. Benedicto Clark T. Miranda
3. Maria Cristina M. Cenon

METRO CAMPS

Project Manager IV - Henry L. Yap

Staff:

1. Rowena Marianne R. Evidor
2. Lorna O. Alvis
3. Jose Manolo E. Abad
4. Rhoel R. Buenviaje
5. Jesusa L. Calma
6. Jeanine D. Austriaco
7. Rita Carolyn A. Huerta

Housing and Relocation - PMO

Project Manager IV - Juanita V. Canta

Staff:

1. Antonio Rex S. Chan - Project Manager II
2. Alex T. Solomon - Project Manager II
3. Peter Dennis C. Ranada
4. Gerardo P. Abiog
5. Angelina C. Lantin
6. Ferdinand V. Sunga
7. Joseline C. Aquinde
8. Christopher A. Ladores

SUBSIDIARIES - PMO

Project Manager IV - Gerardo C. Garcia

Staff:

1. Arturo F. Pangilinan - Project Manager II
2. Elizardo C. Agsalud - Department Manager II
3. Emmanuel Jose S. Borlongan
4. Wilfrido C. Santos
5. Amalia M. De Leon
6. Josefa Catherine C. Tayaban

PUBLIC AFFAIRS OFFICE

Department Manager - Ed S. Javier

Staff:

1. Marcia Milagros D. Perez
2. Rod S. Enriquez

CORPORATE COUNSEL AND LEGAL OFFICE

General Counsel - Atty. Nicolas A. Zarate

Staff:

1. Atty. Regina Salve R. Lapuz
2. Benilda H. Donton

MANAGEMENT INFORMATION SYSTEMS

Department Manager - Ma. Esperanza M. Espino

Staff:

1. Benjamin S. Mojica
2. Nelia P. Ferido
3. Susana R. Ramos
4. Roderick R. Raguindin

ADMINISTRATIVE AND FINANCE DEPARTMENT

Officer-in-Charge - Isaac S. Puno, III

Staff:

1. Erleda S. San Juan
2. Hedda Lourdes Y. Rulona
3. Norma S. Pabustan
4. Maria Lourdes S. Diolanda
5. Ma. Sonia T. Mendoza
6. Antonio G. Zabat
7. Marilou D. Solidor
8. Dionisio O. Francisco
9. Antonette C. Del Rio
10. Christian C. Rivera
11. Rolando N. Federiso
12. Cleto S. Bacsal
13. Wilfredo B. Felicen
14. Danilo B. Buena
15. Roberto R. San Jose
16. Reynaldo K. Corpuz
17. Antonio R. Rivadeneira

COMMISSION ON AUDIT (COA)

Resident Auditor - Nilda M. Blanco

Staff:

1. Ma. Lina P. Ocampo

thirty eight
thirty nine

DIRECTORY

BASES CONVERSION DEVELOPMENT AUTHORITY

- **Prof. Victor A. Lim**

Chairman & President

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SUBIC BAY METROPOLITAN AUTHORITY

- **Richard J. Gordon**

Chairman

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CLARK DEVELOPMENT CORPORATION

and

CLARK INTERNATIONAL AIRPORT CORPORATION

- **Romeo S. David**

President

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President

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Fax Nos. (632) 811-0653; 811-0880

JOHN HAY-PORO POINT DEVELOPMENT CORPORATION

- **Rogelio L. Singson**

President

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