



SUBIC BAY FREEPORT CHAMBER OF COMMERCE

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Position of the Subic Bay Chamber of Commerce (SBFCC) on Issues Surrounding the Supposed Cutting of Trees in an Alleged Urban Forest within the Subic Bay Freeport

The SBFCC is aware of reports regarding the alleged cutting down of trees in a parcel of land, officially designated as "Parcel 35", which used to be the cite of a Mini-Golf Course and its adjacent areas, and which is claimed to be within a forest reserve. In order to be able to understand the facts behind these reports, SBFCC requested for documents from the Subic Bay Metropolitan Authority (SBMA) that will provide factual information on this issue, and therefore help clarify the matter for the benefit of its members as well as other Freeport locators and the public in general. Any issue regarding the environment is, and will always be, of primary concern to the SBFCC and its members, as well as the general public, locators and non-locators alike. Accordingly, SBFCC firmly believes that it is in the best interest of all concerned that the facts behind these reports be fully disclosed and well understood.

On the basis of the documents and other information made available to SBFCC, as well as those gathered independently by SBFCC, the following were established:

1. On October 22, 2007, Kyung An Co. submitted a proposal to build a hotel-casino project in and around an area popularly known as the Mini-Golf Course;
2. The Mini-Golf Course was originally reclaimed and developed by the U.S. Navy from swamplands in the 1960's for recreational purposes;
3. In 1992, under SBMA's Urban Design Guidelines, the Mini-Golf Course and adjacent areas were referred to as Parcel No. 35 in the Central Business District (CBD) and was designated as a resort, retail, and recreational area;
4. Whereas, in the 1996 SBMA-commissioned Kenzo Tange Master Plan, Parcel No. 35, formerly the Mini-Golf Course and adjacent areas, was declared as a high-end tourism area;
5. Kyung An Co. proposed a committed development amount of P2.5 billion over six years to develop the area;
6. On December 7, 2007, the SBMA Board of Directors approved in principle Kyung An's proposal;
7. On December 7, 2007, the SBMA Board of Directors also approved two other proposals: the MBK Grand Leisure Inc. and Wonderpark Inc., beside the same area and subject to completion of the new CBD Master Plan, of which Kyung An's proposed project is also part of;

Parentetically, on September 30, 2007, invitations for eligibility for the development of the CBD Master Plan project was published; where 12 companies submitted Letters of Intent; where by October 17, 2007, seven were found to be eligible and sent bid documents; where five actually purchased bid documents; where three: Berkman International, Design Science, and Palafox/Woodfield Consultants submitted Technical and Financial Proposals;

Whereas, on January 25, 2008, after evaluation of the technical proposals, Design Science was found to be highest rank followed by Palafox/Woodfield Consultants; and on 14 March 2008, the SBMA Board of Directors approved the evaluation of the Bids and Awards Committee; on 16 April 2008, the Financial Proposal of Design Science was opened and found to be in accordance with the "Instruction to Bidders"; further discussions were made between SBMA's Planning & Development Office and Design Science starting 27 May 2008;

8. On June 6, 2008, the SBMA Board approved Kyung An's request to assign the leasehold rights to Grand Utopia, Inc.; the development was called the Ocean 9 Casino-Hotel project;
9. Grand Utopia obtained the services of the Yamasaki Group to build the project; and around August 2008 the Yamasaki Group tapped Palafox Associates as its local partner (PDI – 1 December 2008 report) to take charge of the environmental compliance certificate (ECC) and the environmental impact study (EIS) (PDI – 5 March 2008);
10. On August 19, 2008, SBMA's Ecology Department inventoried Parcel No. 35 and found 366 live trees where 212 are less than 8 inches in diameter, 7 trees more than 1 meter in diameter, and the rest have diameters in between;
11. On 3 September 2008, SBFCC received an anonymous letter from supposed to be Concerned SBMA Employees requesting to save the trees which are about to be destroyed;
12. On 5 September 2008, the SBMA Board approved the awarding of the SBF Comprehensive Master Plan Project to Design Science, Inc.
13. On 11 September 2008, the Ecology Center, in a letter to Grand Utopia suggested that the trees be saved and incorporated in the development plan;
14. On September 11 2008, Palafox Associates received a letter from Concerned SBMA Employees requesting to protect the trees (ref: Arch. Palafox DZMM interview dtd 7 Dec 2008);
15. On 16 September 2008, during a SBMA/SBFCC Liaison Meeting, SBFCC raised the issue about the cutting of the trees basing from the anonymous letter;
16. On 22 September 2008, according to Eric Park, executive manager of Grand Utopia, Palafox signed the subcontract with the Yamasaki Group (ref: Robert Gonzaga-PDI dtd 5 Mar 09);
17. On October 29 2008, Palafox Associates begged off from the Grand Utopia Hotel project;
18. On 30 November 2008, newspaper report from the Philippine Daily Inquirer came out alleging that 366 trees would be destroyed in Parcel No. 35, out of which 37 are century-old trees; this was followed by many more newspaper reports, radio and television interviews;
19. On 5 December 2008, a consultancy group and nongovernment organization, Kanlunan, composed mostly of professors and experts from the University of the Philippines Los Banos, tapped by Grand Utopia to conduct a study, submitted the Initial Environmental Examination Report (IEER) to SBMA, where it recommended that an equivalent reforestation of 8 hectares of land is a better option than balling the trees; they also recommended that 51 of the trees should be retained on site;
20. On 5 February 2009, the Council for the Built and Natural Environments (CBME), the biggest group of architects in the Philippines, composed of the United Architects of the Philippines, Philippine Institute of Environmental Planners, Philippine Association of Landscape Architects, Geological Society of the Philippines, Integrated Chemists of the Philippines, National Master Plumbers Association of the Philippines, Philippine Association of Agriculturists, Philippine Institute of Interior Designers, and the Society of Filipino Foresters, conducted a fact finding mission and validated that the proposed project site is in a commercial district, there is no natural forest in the proposed project site, and that no tree has been cut or felled; CBME also concluded that vegetation in the project site can neither be considered virgin forest, or a natural old-growth forest, and that there are no century-old trees in the area;

Now, wherefore, the Subic Bay Freeport Chamber of Commerce, represented by its Board of Directors, wishes to officially state its position as follows:

Whereas, there will understandably be a perceived clash between “nature” and “development”, especially in cases where the initial stages of development are perceived to encroach against nature;

Whereas, if all encroachments against nature are to be disallowed, we will not be able to build anything anywhere anymore;

Whereas, developments that make life convenient for people, like the Subic-Clark-Tarlac Expressway where natural hills were cut and lands paved; the reclamation of 20,000 hectares of land around the Manila Bay that destroyed corals and mangroves and which now houses the SM Mall of Asia and the Phil. Senate Building among others; resorts and real estate developments, to name a few, are but examples of how commercial and infrastructure development may invade nature in pursuit of development, but which are nonetheless acceptable due to the benefits they bring and the control and minimization of any adverse environmental impact;

Whereas, the SBFCC thinks that there could be a reasonable balance between the conservation of nature and commercial and infrastructure development;

Whereas, zoning guidelines are used to determine the boundaries of protected areas and commercial development;

Whereas, the Subic Forest National Protected Area is 10,000 hectares, equivalent to two and half times the entire city of Manila;

Whereas, it has been determined that the supposed “urban” forest at issue, Parcel No. 35, is outside the protected forest, is less than 2 hectares in size, and is in a commercial district per zoning guidelines;

Whereas, it has likewise been determined that Parcel No. 35 could not have been a virgin forest since the trees were introduced during development, nor could the trees in it have been more than 50 years old;

Whereas, the allegation that some 300 heritage trees will be destroyed in an “urban” forest has spiraled into a huge controversy that threatens to erode the good image of the Subic Bay Freeport Zone;

Whereas, the members of the Subic Bay Freeport Chamber of Commerce live and work in and around the Subic Bay Freeport Zone and are affected by the controversy;

Whereas, Grand Utopia manager, Mr. Erik Park stated during a Senate hearing that they are willing to alter their development plans to make way for the trees anyway;

Now, therefore, the Subic Bay Freeport of Commerce concludes that on the basis of the documents and information made available to it, the Ocean 9 Casino-Hotel project will not affect the protected forest, will increase tourism in the area, will allow more workers to be employed, will generally be beneficial to the Subic Bay Freeport.

SGD: SBFCC BOARD of DIRECTORS