

**Tourism Infrastructure and Enterprise Zone  
Authority**

**Development and Management of  
Club Intramuros Golf Course**

**Project Information Memorandum**

**November 18, 2019**

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# 1 Context

The Philippines is a sovereign state in archipelagic Southeast Asia with over 7,000 islands across its three island groups: Luzon, Visayas, and Mindanao.<sup>1</sup> It is considered as one of the mega biodiversity countries in the world with a high percentage of flora and fauna endemism that can be attributed to its topography consisting of mountainous terrains, dense forests, plains, and coastal areas.<sup>2</sup> With its natural resources, Philippines has become a hub for industries such as agribusiness, manufacturing, and tourism.

The Philippine tourism industry has been steadily increasing with the growth of foreign and domestic tourists across its regions. In 2018, tourism has contributed around Php2.2 trillion to the economy or 12.7% of the country's Gross Domestic Product, demonstrating the strong tourism demand in the country.<sup>3</sup> Foreign travellers increased by 8.3%, from 6.6 million in 2017 to 7.2 million in 2018.<sup>4</sup> Another year-on-year increase is foreseen by end-2019, with already 5.6 million foreign visitors accounted from January to August 2019, a 14.1% increase for the same duration in the previous year. Along with the foreign tourists, the number of domestic/local travelers has also been increasing, almost breaching the 45 million mark for 2018.<sup>5</sup>

This continuous progress in the industry was due to the efforts behind the "It's More Fun in the Philippines" branding and the emergence of world-renowned tourist destinations like Palawan, hailed as one of the best islands in the world,<sup>6</sup> Boracay as one of the best beaches in Asia.<sup>7</sup> The industry was also supported with the government and the private sector's investments in tourism infrastructures such as airports, resorts, hotels, and other leisure facilities.

## ***The Golf Industry***

Golf tourism has been a growing activity globally with more people undertaking trips with the main purpose of playing golf, or with golf as a secondary activity. According to the International Association of Golfing Tour Operators, 56 million play golf worldwide, with majority coming from the United States, Canada, Europe, Japan, and the United Kingdom. Of this 56 million, around 5% to 10% travel overseas each year for the purpose of playing golf, demonstrating the growing international golf tourism market.<sup>8</sup>

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<sup>1</sup> Philippines National Government Portal, About the Philippines, accessed on November 12, 2019 (<https://www.gov.ph/about-the-philippines>).

<sup>2</sup> UNDP, About the Philippines, accessed on November 12, 2019 (<https://www.ph.undp.org/content/philippines/en/home/countryinfo.html>).

<sup>3</sup> Philippine Tourism Satellite Account, Derived Indicators, accessed on November 12, 2019 ([http://www.tourism.gov.ph/Tourism\\_demand/PTSA.pdf](http://www.tourism.gov.ph/Tourism_demand/PTSA.pdf)).

<sup>4</sup> DOT, Visitor Arrivals to the Philippines by Country of Residence (January to December 2018), accessed on November 12, 2019 ([http://www.tourism.gov.ph/Tourism\\_demand/Arrivals2018.pdf](http://www.tourism.gov.ph/Tourism_demand/Arrivals2018.pdf)).

<sup>5</sup> DOT, Regional Distribution of Overnight Travelers in Accommodation Establishments (January to December 2018), accessed from the DOT website on November 12, 2019 ([http://www.tourism.gov.ph/Tourism\\_demand/RegionalTravelers2018.pdf](http://www.tourism.gov.ph/Tourism_demand/RegionalTravelers2018.pdf)).

<sup>6</sup> Travel + Leisure, The 15 Best Islands in the Worlds, accessed on November 12, 2019 (<https://www.travelandleisure.com/worlds-best/islands>).

<sup>7</sup> TripAdvisor, 2019 Travelers' Choice Awards, accessed on November 12, 2019 (<https://www.tripadvisor.com.ph/TravelersChoice-Beaches-cTop-g2>).

<sup>8</sup> Final Report on the Best Use Study for the Club Intramuros Golf Course. The study was conducted by Arch Haus Asia Consultants, Inc. and CEST Incorporated as commissioned by TIEZA. The Final Report was completed in January 2013.

In the Philippines, industry experts estimate that there are around 80,000 Filipino and 25,000 foreign golfers. As of 2013, there are around 100 golf clubs such as the Summit Point Golf and Country Club and the Orchard Golf and Country Club, which have been the proud sites of some of the most prestigious international and local tournaments, like the Johnnie Walker Classic, the World Amateur Golf Championships, the World Cup, the Asian PGA, and the Philippine Open.

### ***The Intramuros***

Luzon, the largest and most populous among the island groups, is home to the national capital, Manila City. The city is the location of the chief seaport of the country and is a hub for manufacturers that produce industrial-related products such as chemicals, textiles, clothing, and electronic goods.<sup>9</sup> It is also one of the cities comprising the greater metropolitan area Metro Manila, and is one of the top tourist destinations with its combined historic and modern sites including the Walled City of Intramuros, Chinatown in Binondo, Manila Ocean Park, National Museum Complex, and Rizal Park.<sup>10</sup>

The Intramuros, which means “within the walls,” is a 64-hectare area that features historic walls, fortifications and nine bastions. The Walled City was the locus of Spanish Imperial power in Asia and was home of the most important offices of state, such as the Palace of the Governor-General, the Royal Audiencia, and the Cabildo. It was also an integral area for the trade belt Manila-Acapulco Galleon Trade.<sup>11</sup>

In view of its importance to Philippine history, it was bestowed with several titles and recognitions over the years. In 1979, Intramuros was recognized as a “Monument to the Hispanic Period of Philippine History” by virtue of Presidential Decree No. 1616. Fort Santiago was declared as a National Shrine in 1951 and the walls and fortifications as National Monuments. San Agustin Church, one of the several churches within the area, was inscribed in the World Heritage List by the United Nations Educational Scientific and Cultural Organization (UNESCO) in 1993. In 2014, the walls and fortifications was declared as National Cultural Treasure by the National Museum of the Philippines.<sup>12</sup>

To ensure the preservation of the site, the Intramuros Administration was created for the purpose of restoring and administering the development of Intramuros. As such, the Administration shall ensure that the general appearance of Intramuros shall conform to Philippine-Spanish architecture of the Sixteenth to the Nineteenth Century.<sup>13</sup>

Today, Intramuros is home to several churches, universities, restaurants, hotels, and other commercial and leisure establishments and has become one of the main destinations for local and foreign tourists in Manila, welcoming over two million tourists for the first half of 2019 alone.<sup>14</sup>

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<sup>9</sup> DTI, About NCR, accessed on November 12, 2019 (<https://www.dti.gov.ph/regions/ncr>).

<sup>10</sup> City of Manila, Tourism, accessed on November 12, 2019 (<http://manila.gov.ph/tourism/>).

<sup>11</sup>Intramuros Administration, Intramuros Map, accessed on November 12, 2019 (<https://drive.google.com/file/d/1dkpkioRgn5fQs7dQtjA5FBLeiyC5kDtl/view>)

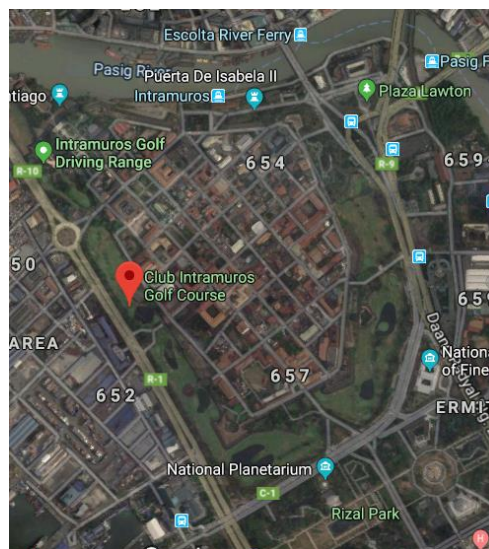
<sup>12</sup> Ibid.

<sup>13</sup> Presidential Decree No. 1616 or Creating the Intramuros Administration for the Purpose of Restoring and Administering the Development of Intramuros, as Amended by Presidential Decree No. 1748

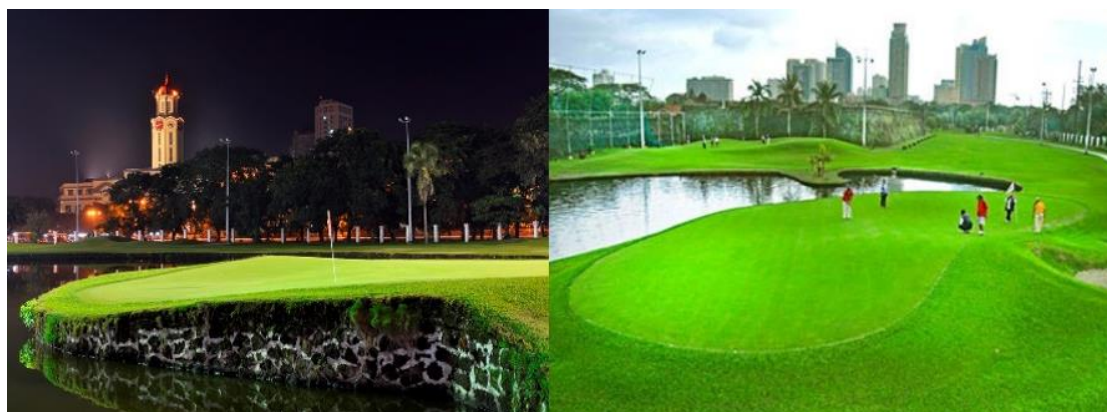
<sup>14</sup> Manila Bulletin, “2.12 million tourists visited Walled City of Intramuros in 1st semester of 2019,” accessed on November 12, 2019 (<https://news.mb.com.ph/2019/10/04/2-12-million-tourists-visited-walled-city-of-intramuros-in-1st-semester-of-2019/>).

### ***The Club Intramuros Golf Course (CIGC)***

CIGC is an approximately 20-hectare golf and leisure club located outside the wall ruins of Intramuros in Manila. It is an 18-hole par-66 course, with a total span of 4,326 yards. It is a short course that can be played for two hours, making it an ideal choice for business people and tourists looking for a quick round of golf. CIGC welcomes a significant number of golf players from Korea, China, Japan, and America, among others.<sup>15</sup>



CIGC is one of the first public golfing facilities in Asia, established in 1907. In 1995, CIGC was redesigned by renowned golf course Architect Andy Dye, and the refurbished course was unveiled the following year. Dye transformed the course to a challenging layout and designed it to be weather resistant to accommodate golfers who want to play during wet or dry season. CIGC also has lighting facilities surrounding the golf course, making it one among the few golf courses to support night golfing.



By virtue of Presidential Decree No. 1763 or Transferring, Ceding and Conveying to the Philippine Tourism Authority Certain Parcels of Land of the Private Domain of the Government Located in the City of Manila for Tourism Development Purposes, the management, operations and maintenance of the CIGC was transferred in 1981 to the Philippine Tourism Authority, the predecessor of TIEZA.

### ***Tourism Infrastructure and Enterprise Zone Authority***

The Tourism Infrastructure and Enterprise Zone Authority (“**TIEZA**”) is a government corporation, was created by virtue of Republic Act No. 9593 or the Tourism Act of 2009 on May 12, 2009, replacing the Philippine Tourism Authority (PTA). TIEZA is mandated to continue

<sup>15</sup> Final Report on the Best Use Study for the Club Intramuros Golf Course

the functions previously exercised by PTA under Presidential Declaration 564, unless otherwise inconsistent with the provisions of RA 9593.

TIEZA acts as Department of Tourism's implementing arm in providing support infrastructures and facilitating investments in tourism enterprise zones (TEZ) nationwide. This is carried out through its main functions — infrastructure development; designation, regulation and supervision of TEZs; management of its existing assets or facilitation of their privatization; and administration of the collection of the Philippine Travel Tax.

As the country's builder of tourism infrastructures, TIEZA brings development to areas with high cultural, historical, religious, heritage and/or eco-tourism values, helping shape a deep sense of awareness and pride for the Filipino's traditions, natural bounties and uniqueness as a race.

The mandate of TIEZA include:

1. Designate, regulate, and supervise the Tourism Enterprise Zones (TEZ's) established under the Act;
2. Develop, manage, and supervise tourism infrastructure projects in the country;
3. Supervise and regulate the cultural, economic and environmentally sustainable development of TEZs towards the primary objective of encouraging investments therein;
4. Ensure strict compliance by the TEZ Operator with the approved development plan. Pursuant thereto, the TIEZA shall have the power to impose penalties for failure or refusal of the tourism enterprise to comply with the approved development plan, which shall also be considered a violation of the terms of registration; and
5. Continue to exercise functions previously exercised by the PTA under Presidential Decree no. 564, not otherwise inconsistent with the other provisions of the Act.

### ***Joint Venture***

In recognition of the integral role of the private sector in nation building, TIEZA implemented the Public-Private Cooperation Program which include the issuance of the TIEZA Joint Venture Guidelines for selected TIEZA properties and TEZs.

On August 29, 2019, the TIEZA Board of Directors approved the Joint Venture Guidelines pursuant to the provisions of Republic Act No. 9593 or the Tourism Act of 2009, as affirmed by the Office of the Government Corporate Counsel. Through this program, TIEZA can secure more private sector support in financing, managing, and operating tourism facilities.

## 2 Overview

The design, financing, construction, operation and maintenance and management of the Club Intramuros Golf Course (the “**Project**”) of TIEZA is a Public-Private Partnership Project to be undertaken in accordance with the TIEZA Joint Venture Guidelines and its Annexes (collectively, the “**TIEZA JV Guidelines**”).

The Project is aligned with the vision of the National Tourism Development Plan 2016-2022, cutting across the Plan’s Strategic Programs to promote tourism investments and business environment and the marketing of the Philippines as a tourist destination while simultaneously offering a glimpse of the country’s culture.<sup>16</sup>

It is expected to contribute to the country’s tourism, particularly for the golf industry. Specifically, the benefits expected from the Project include:

- Promotion of the Manila City and the Intramuros as a historical and cultural tourist destination that offers recreational activities;
- Preservation of the historic and cultural significance of the Intramuros vicinity;
- Improvement of the golf course and its facilities, at par with other golf courses in the country and in Asia;
- Promotion of the golf course as a host to golf tournaments, both for local and international organizations;
- Development/restoration of the greenery that helps improve air quality within a highly-urbanized area;
- Increased number of local and foreign tourists and increased tourist spending; and
- Increased employment opportunities.

The Project involves retention of the site as a public golf course while encouraging private sector innovation and efficiency in the improvement of the course and its facilities’ design, operations, and management.

Key elements of the Project are summarized in Table 2 below:

**Table 2 : Project Overview**

Feature	Terms
<b>Project Scope</b>	<p>The Project involves the finance, design, construction, operation and maintenance, and management of the Club Intramuros Golf Course and its facilities. Currently, it is a Par 66 golf course set amidst lush greenery with rolling fairways, lagoons and sand traps straddling the Intramuros Wall. Its approximately 20-hectare area includes the following amenities:</p> <ul style="list-style-type: none"> <li>a) Club House with shower and dressing rooms</li> <li>b) Kitchen and bar</li> <li>c) Restaurant with al fresco dining</li> <li>d) Driving range</li> <li>e) Half-way house</li> <li>f) Caddy’s house</li> <li>g) Pro shop</li> <li>h) Function rooms</li> </ul>

<sup>16</sup> DOT, National Tourism Development Plan 2016-2022, accessed on November 12, 2019 (<http://www.tourism.gov.ph/NTDP.aspx>).

	<p>i) Music lounge j) Parking area</p> <p>The site shall remain as a public golf course which does not offer memberships but may grant playing rights.</p> <p>The private sector may: (a) redesign and reconstruct the whole golf course and/or its facilities; or (b) rehabilitate and/or upgrade the golf course and/or its facilities. The design and construction/rehabilitation works are subject to the Intramuros Administration's approval.</p>
<b>Concession Period</b>	25 years
<b>Legal Framework</b>	TIEZA JV Guidelines <sup>17</sup>
<b>PPP Structure</b>	Contractual Joint Venture (JV)
<b>Revenue Source</b>	<p>To be determined by the Winning Bidder based on the proposed development but may include any or all of the following:</p> <ul style="list-style-type: none"> <li>• Golf revenues (green fees, playing rights, driving range fees)</li> <li>• Non-golf revenues (bar and restaurant, rental payments for function rooms, parking fees, etc.), if applicable</li> </ul>
<b>Bid Parameter</b>	To be disclosed in the Terms of Reference
<b>Capital Investment</b>	A minimum amount of Php 250,000,000.00 shall be committed by the Winning Bidder to fund, among others, improvements/rehabilitation, working capital, regular, periodic and preventive maintenance, and any other funding needed for the continued, effective, and efficient operation of the asset.
<b>Minimum Initial Annual Fixed Fee for TIEZA</b>	To be disclosed in the Terms of Reference
<b>TIEZA Percentage Share in Gross Revenue</b>	To be disclosed in the Terms of Reference
<b>Project Site</b>	The approximately 20-hectare land area <sup>18</sup> of Club Intramuros Golf Course located at Bonifacio Drive, Intramuros, Manila City

<sup>17</sup> <https://tieza.gov.ph/assets-management/investment/list-of-tieza-properties/>

<sup>18</sup> It is situated along Bonifacio Drive, Intramuros straddling the Wall before the Del Pan Bridge on the south bank of the Pasig River to the area fronting Manila City Hall up to Revellin. It consists of 7 parcels of land, as follows: (1) Lot 1 Block 193, Mla. Cad 13, Case 35; (2) Lot 1, Block 192, Mla. Cad. 13, Case 35; (3) Lot 4, Block 191, Mla. Cad. 13, Case 32; (4) Lot 1, Block 190, Mla. Cad. 13, Case 14; (5) Lot 5, Block 22, Mla. Cad. 13, Case 14; (6) Lot 4, Block 8, Mla. Cad. 13, Case 14; and (7) Lot 3, Block 18, Mla. Cad. 13, Case 14.



### 3 Competitive Selection Timetable

The key dates for the competitive selection process are outlined in Table 2 below.

**Table 2. Competitive Selection Timetable**

Milestone	Indicative Date
Submission and Acceptance of Initial Required Documents	November 20, 2019 – January 6, 2020, 12NN
Submission and Acceptance of Eligibility Documents	February 5, 2020, 12NN
Evaluation of Eligible Proponents	February 5, 2020, 2PM
Notice of Results to Eligible and Non-Eligible Proponents	February 10, 2020
Issuance of TOR to Eligible Proponents	February 17, 2020
Pre-selection Conference	March 4, 2020
Deadline for Submission of Technical and Financial Proposals	April 15, 2020, 12NN
Opening of Technical Proposal	April 15, 2020, 2PM
Presentation to JVSC of Technical Proposals by Eligible Proponents	April 24, 2020
Release of Results of the Evaluation of Technical Proposals	May 8, 2020
Opening and Evaluation of Financial Proposals	May 12, 2020
Approval of Winning Bidder	July 2020

The actual schedule may be changed by the JVSC at any time as it may deem reasonable.

### 4 Points of Contact

The Secretariat for the JVSC and the Public-Private Partnership Center may be contacted through the following information:

<p><b>MR. EMMANUEL LUIS V. BAYANI</b>  <i>Project Officer</i>  <b>THE CLUB INTRAMUROS GOLF COURSE PROJECT</b>            Address: 7th Floor, Tower 1, Double Dragon Plaza, Double Dragon Meridian Park            Macapagal Avenue corner EDSA Extension, 1302, Bay Area, Pasay City            Tel: 8249-5900 to 79 loc 733/ 735            E-mail: <a href="mailto:jvsc.secretariat@tieza.gov.ph">jvsc.secretariat@tieza.gov.ph</a>            Website: <a href="http://www.tieza.gov.ph">www.tieza.gov.ph</a></p>
<p><b>MS. JUSTINE E. PADIERNOS</b>  <i>Officer-in-charge- Director III</i>  <b>PROJECT DEVELOPMENT SERVICE</b>            Public-Private Partnership Center            Address: 8th Floor, One Cyberpod Centris, EDSA cor. Quezon Avenue, Brgy. Pinyahan,            Quezon City            Tel: (+632) 8709-4146 loc 6301 or 6102            E-mail: <a href="mailto:jepadiernos@ppp.gov.ph">jepadiernos@ppp.gov.ph</a> or <a href="mailto:jzsafe@ppp.gov.ph">jzsafe@ppp.gov.ph</a>            Website: <a href="http://www.ppp.gov.ph">www.ppp.gov.ph</a></p>