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Reprinted with permission, from the 2005 book “*Local Government Fiscal and Financial Management: Best Practices*” Edited by Hon. Juanita Amatong (currently with the Bangko Sentral ng Pilipinas and former Finance Undersecretary).

Santa Rosa City, Laguna, Philippines

Overview

The City of Santa Rosa has, in the past decade, emerged as a rapidly developing industrial and urban center. It is the hub of commercial and industrial activities in the province of Laguna. It is host to 50 major multi-national and local manufacturing companies, including the largest Coca-Cola plant outside the United States. It has earned the appellation of “*Little Detroit of the Philippines*” for having the biggest concentration of car manufacturers and assemblers, including Ford, Honda, Toyota, Nissan, Star Motors, and Columbian Motors, in the country.

These companies provide local employment, generate export earnings, increase local revenues and serve as instruments for the transfer of technology, with linkages to its local economy. Middle and high-end residential areas, such as Laguna Bel Air, La Residencia and San Lorenzo South (*among many more*), a first-class golf club, the Sta. Elena Golf Club. It is also home to the country’s only world-class theme park, the Enchanted Kingdom. These have established Santa Rosa as a bustling and a highly competitive LGU.

Profile of Santa Rosa

Santa Rosa was Barrio Bukol of the Municipality of Binan, when the latter was discovered by the Spanish Conquistador Juan de Salcedo while exploring the Laguna Lake Region in 1571. Binan was later annexed to the town of Cabuyao to be separated from it in 1688. Barrio Bukol was then taken out of Binan and set up as a new political entity named Santa Rosa. It derived its name from its patron saint Santa Rosa de Lima of Peru which was reputed to have generously given material and spiritual blessings and favors to its devotees for the past 207 years.

Composed of 18 barangays and 117 residential subdivisions, with a land area of 54.1 square kilometers, Santa Rosa is located in the south **corridor** of Luzon, about 45 kilometers south of Metro Manila, along the coastline of Laguna Lake. It serves as a major gateway to the provinces of Batangas, Quezon, and Cavite via the South Luzon Expressway (SLEX). Its proximity to Metro Manila makes it a strategic site for domestic and international business, with Metro Manila’s Ninoy Aquino International Airport (NAIA) and the Manila International Container Port just an hour or two away. It is also

within commuting distance from Makati, the country's main business and financial center.

From a population of 41,335 in 1970, its number increased by 348 percent in a thirty-year period. Between the years 1991 and 2000, population increase was 200 percent. In 2000, Santa Rosa's population was 185,000, with a population density of 4,427.6 persons per square kilometer (*note: population stands at 266,943 per NSO's latest survey of August 1, 2007; I have no data on its population density*). These increases are due to the high rate of in-migration from neighboring provinces and the spread of population caused by the urban sprawl of Metro Manila.

The Industrialization of Santa Rosa

Until the 1970's, Santa Rosa was just a sleepy town, with its people largely dependent on basic agriculture and family-owned enterprises for livelihood. At that time, it was a 4th class municipality. Later, it moved up to 2nd class in 1996 and eventually to a 1st class municipality in 2000. By 2004, Santa Rosa had qualified to become a city. Two major developments gave the strong push towards its industrialization:

- the declaration of the provinces of Cavite, Laguna, Batangas, Rizal and Quezon (CALABARZON) as a growth center, and
- the establishments of **ecozones** in Laguna and its municipalities.

On September 24, 1972, Presidential Decree No. 1 was signed, adopting the Integrated Reorganization Plan which, among others, created Region IV (Southern Tagalog) from several provinces, including Laguna, with **Quezon City** as its regional center.

Twenty years later, on May 17, 2002, Executive Order No. 103 created CALABARZON as Region IV-A, out of Region IV (Southern Tagalog).

CALABARZON is the large-scale project complex which is transforming an agro-rural based economy into a thriving industrial/urban based economy. The project was envisioned to play a pivotal role in the development of Region IV and provide jobs and livelihood to its populace. Next to Metro Manila, CALABARZON has emerged as the most urbanized geographic unit in Luzon and one of the most populated areas in the country.

The other factor which has accelerated the industrialization efforts of Santa Rosa was the enactment on February 21, 1995 of Republic Act No. 7916, the "*Special Economic Zone Act of 1995*." Its adopted policy was to encourage economic growth through the development of special economic zones called Ecozones. To implement the law, the Philippine Economic Zone Authority (PEZA) was created out of the former Export Processing Zone Authority (EPZA) established in 1972. Among other things, this law provided fiscal incentives, such as exemption of business enterprises from national and local taxes, **except** for real property taxes on land owned by developers. In lieu

of the business taxes, 5 percent of the gross income earned by said businesses are to be paid and remitted as follows: 3 percent to the national government, and 2 percent, directly to the treasurer's office of the municipality or city where the enterprise is located.

RA 7916 also established Ecozones in areas designated by the national government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions. The goal was to create employment opportunities, generate foreign exchange and encourage the dispersal of economic activities in the countryside.

Seventeen ecozones have been established in Laguna, almost one-third (1/3) of which are located in Santa Rosa. The 5 ecozones occupy more than 300 hectares of the City, namely:

- Laguna Automotive Park, Santa Rosa (50 hectares)
<http://www.greenfield.com.ph/>
- Laguna Techno Park I, Santa Rosa-Binan (71 hectares)
- Laguna Techno Park II, Santa Rosa-Binan (68 hectares)
- Laguna Techno Park III, Santa Rosa-Binan (89 hectares)
<http://www.lagunatechnopark.com.ph/>
- Toyota Santa Rosa Special Zone Industrial Complex, Santa Rosa (25 hectares)

Note: Currently there are more

- *Daystar Industrial Park*
- *Meridian Industrial Park*
- *Sta. Rosa Business Park*

These developments have been instrumental in the fast-paced economic and social transformation of Santa Rosa and Laguna.