

Mark's at the Meliá

By : RAFAEL HERNANDEZ COLON

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The other day my wife Nelsa and I had a wonderful dinner in Mark French's new banquet rooms recently inaugurated in a historic building right near the Meliá Hotel in Ponce, where he has his restaurant. Mark's cuisine is world-class and his restaurant has given many Puerto Ricans and stateside tourists a reason to visit Ponce.

Talking to Mark and Melody, his charming wife, I began to reflect on the importance of entrepreneurs in Puerto Rico. At the beginning of our quest for economic development, we had such a success in promoting job creation through incentives for mature corporations that our thinking today still runs in that direction when we address economic development.

Yet, at this stage the importance of entrepreneurs who may create a relatively small number of jobs but who are out there in large numbers, is paramount to our economic policy. Entrepreneurs are the driving force in the U.S. economy, particularly in the field of research and the development of new technologies. They deserve better attention here, not through grand schemes to supposedly provide venture capital that never reaches entrepreneurs at start-up time, but through credit from the development banks, technical assistance, and overcoming the overpowering permits barrier.

At this stage of Puerto Rico's economic development, it is high time to pool public and private resources to stimulate economic activity. And again, as I have previously pointed out in these columns, we must look toward the local level in order to harness these forces.

In Ponce, Doral Bank, enterprises, and entrepreneurs like Mark and others have come together to prepare a tourism development plan that will greatly benefit not only Ponce, but the entire southern region. Hoteliers—large and small—are involved. So are the local Chamber of Commerce, shopping centers, tour operators, and of course, the municipality of Ponce. The Puerto Rico Tourism Co. has provided technical assistance.

The idea is to create a Tourism Development Corp. under the provisions of the Law for Autonomous Municipalities. This law, which was approved during my last term as governor, provides for the creation of special, nonprofit, corporations for municipal development. At the time the law was approved, we envisaged citizen participation as a necessary tool for effective local government. This participation is even more necessary today.

The purpose of the special corporations is to promote activities, enterprises and municipal, commonwealth, and federal programs. They should be directed toward integral development, which will

result in enhancing the well-being of the inhabitants of the municipality. This goal is to be pursued in areas such as social services, development of public lands, housing, commerce, industry, agriculture, recreation, health, the environment, sports and culture.

The special corporations aren't subject to personnel, purchasing, budget, or other administrative processes that impart rigidity to public administration. They are, however, subject to the intervention of the Commonwealth comptroller.

The corporations may be created in two ways: The first is that three or more residents who may not be municipal employees will present to the mayor a petition to register the corporation with the Commonwealth State Department. If the mayor finds it convenient that the corporation be created, he or she will then submit the matter to the municipal Legislature. Once, approved, the corporation will be created by filing in the State Department.

The other way is to create a nonprofit corporation through the provisions of the General Law for Corporations, and execute an agreement specifying the nature and amount of the contributions to be made to the corporation by those who will create the corporation. This type of corporation may be created only through the participation of institutions of higher learning and commerce or industrial enterprises and/or associations such as the Manufacturers Association or the Chamber of Commerce of Puerto Rico.

In each case, one-third of the members of the board of directors will be appointed by the mayor and the other two-thirds by the participants. Thus, there is a merger of the public and private interest within a corporate structure created to promote a particular aspect of the development of the municipality.

The special corporation for the development of tourism in Ponce would direct its efforts toward developing and maintaining Ponce's tourist attractions, it would engage in historic preservation and environmental concerns, development of facilities necessary for tourists, upgrading the tourism-related infrastructure, sales and marketing. Ponce has a broad band of unique tourist attractions, from our historic zone with 19th century neoclassic architecture, to nine museums, which include the Museo de Arte de Ponce, one of the finest collections of paintings in Latin America, Hacienda Buena Vista, a beautifully kept 19th-century coffee plantation, Tibes, the ceremonial park that encloses the history of the original inhabitants of our island, and the majestic Serrallés Palace up on the Vigía from where you have an impressive panorama of the city, the Caribbean, and Caja de Muertos, an island off the coast with beautiful white sand beaches open to the public.

But in order to capitalize on these assets special packages must be developed in order for tourists from on and off the island to enjoy them. The corporation would identify the tour operators that would be interested in creating these packages to be marketed in and out of Puerto Rico. Towards that end, it would establish alliances with the Convention Bureau and cruise ship operators. But most of all it would implement an advertising and marketing campaign that would put Ponce on the tourism map.

This initiative by private enterprise and government is the kind of effort necessary today to further stimulate job creation and economic development in Puerto Rico. The strategy of the past, concentrating in central government promotion of mature corporations through tax incentives and low-cost labor, must be complemented today with policies to assist entrepreneurs, such as Mark French, and the pooling of private and public resources to focus on development in specific areas.

