

## Revitalizing our urban centers II

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Volume: 33 | No: 36

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Issued : 09/15/2005

Law 212 of 2002 provides the tools for the rehabilitation of our urban centers that suffer an appalling decay due to the exodus brought about by urban sprawl. The problem affects all cities and towns in Puerto Rico and demands a well-directed governmental response as well as involvement from the community and the private sector. It requires a sustained effort for a prolonged period. Law 212 is the legislative instrument we need, but laws are only as good as the administrators who put them into effect. The jury is out on the administration of this law.

The law provides for a Directory of Urbanism improperly located within the Department of Transportation & Public Works (DTOP by its Spanish acronym) which, together with local mayors, will define or delimit the heart of the cities and towns that constitute a city center. I consider the directory improperly located because DTOP doesn't distinguish itself for aesthetical or conservational considerations. Autonomous municipalities such as Carolina, Caguas, Ponce, Guaynabo, and Bayamón, with or without historic zones, define or delimit their own city centers.

The historical evolution of the city or town, the population density of the original core, its infrastructure, the income levels and economic activity, and the continuity of the urban grid extending from the core are all taken into consideration in fixing the geographical boundaries of what will be deemed the urban center for the purposes of Law 212. At present, the directory and the autonomous municipalities have demarcated some 20 urban centers and work in progress to delimit the centers of the remaining cities and towns.

As soon as the urban centers are delimited or set apart, the directory or the municipalities, as the case may be, must prepare the rehabilitation plans for the urban centers. These plans, intended to breathe life into the city centers, follow certain courses of action or steps intended to converge on the desired objective.

The steps are: zoning that permits mixed uses of land and buildings within the city centers; sidewalks widened and upgraded so residents can walk to stores, pharmacies, laundries, health services, restaurants, movie houses, etc.; public transport to access the periphery of the town or city; putting urban furniture such as benches on the sidewalks, plazas, parks, and bus shelters in place; and installing wrought-iron lamp posts connected by underground cables and doing away with the unsightly oversized wooden poles connected by a visually contaminating maze of aerial cables. All of these accoutrements and more go into the rehabilitation of our urban centers.

High-population density is promoted through the rehabilitation plans. Multistoried housing is favored with ground floors devoted to commercial or office uses. Economic activity is deemed a high priority in the rehabilitation plans and so are recreational and cultural activities. In Ponce and Caguas, river walks have been developed for strolling, enjoying the scenery, or jogging, if you wish. They don't have the expanse, the aesthetic level, nor the shops, restaurants, and amenities of the San Antonio River Walk, but they are a good beginning in providing the infrastructure for imaginative private entrepreneurs to develop the amenities around them.

The rehabilitation plans identify vacant lots and deteriorated buildings to promote new construction, including demolishing old buildings that are beyond repair. At the same time, the rehabilitation plans identify the buildings that can be rehabilitated. Rehabilitation of buildings with historic or artistic value is costly and demands professional expertise not readily available throughout the island. It is, however, a most gratifying task since through the preservation of these buildings we preserve our architectural heritage, the buildings that shape the urban face of the towns and cities bequeathed to us by the generations of Puerto Ricans who preceded us. This architectural legacy is an important part of our cultural identity as a people.

The above elements, and some others I won't go into now for lack of space, are the elements the rehabilitation plans bring into a coherent whole. The plans vary according to the diagnosis and needs of a particular city or town toward which they are directed. They will include public and private projects. The plans are administered by the directory or by the municipalities that are autonomous. The directory, under the able leadership of architect Diana Luna—sadly she is no longer there—undertook in three years an extensive number of public projects throughout the island and the San Juan metro area. To name just a few: the rehabilitation of the plazas of Coamo, Minillas in San Juan, Guánica, Cabo Rojo, and Mayagüez; a parking lot in Barranquitas; the restoration of Parque Lluberas in Yauco; and doing away with aerial cables and placing them underground with wrought-iron lamp posts in Aibonito, Coamo, Guayanilla, Naranjito, Yauco, Mayagüez, Isabela, Juana Díaz, and San Lorenzo.

Public projects, no matter how many may be constructed in coming years, never will be enough to rehabilitate the urban centers. They can shape the contours of the rehabilitation area and attend to certain particular needs of infrastructure or of a recreational or cultural nature, but they aren't enough. They are just a beginning.

Private investment is of the essence. The deterioration is enormous, and only the private sector can undertake the amount of construction necessary to make the plans work. Important incentives have been provided to stimulate private economic activity, which will achieve the objectives of the rehabilitation plans.

The most important of these incentives, which apply only within demarcated urban centers and for projects in accordance with the rehabilitation plans, are the following:

- A special deduction for the salaries of the employee's of new businesses that establish themselves in urban centers.
- An exemption from the Consumer Affairs Department regulations as to the tariffs for buildings for parking in the urban centers plus a credit of 10% of the gross income from the operation of the parking lot.
- Interest derived by financial institutions financing projects within city centers are tax-free for the financial institution.
- A credit of 100% or 70% is granted for whatever amount—no limit—is invested in rehabilitating a house or building or constructing a new building in the city center. This may be for a housing project, an office project, a parking building, a hospital, or whatever. The credit is against the income tax to be paid by the individual or entity making the investment. It can be prorated for 10 years and is negotiable.
- Rent derived from a rehabilitated or new building is free of taxes, and the properties are free from property taxes.

These powerful incentives are necessary to overcome the costs that make investments in urban centers unattractive and are essential to achieve the objective of rehabilitation. The directory and autonomous municipalities must be on guard against developers that intend to qualify projects outside the urban centers that don't need these incentives. Law 212 is a necessary tool to rehabilitate the urban centers. The integrity in its administration must be preserved at all costs so it can achieve its purpose.