

## Administration at crosspurposes

By : RAFAEL HERNANDEZ COLON

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We are going to build a city with the metro that will extend to the suburbs and to satellite municipalities where the majority of the people live; a city whose principal centers of government, work, studies, culture and recreation will have a metro station close to them; a city with the bus system integrated to the metro and which will work without undue delays; a city with a medical district whose physical deterioration will not affect the view; a city with a district for scientific investigation tied to academia and to private enterprise; a city with a varied cultural district that includes an offer of theater and music; a city full of parks.

This is the vision of the Acevedo administration for San Juan. They call it “Ciudad Mayor” and 50 projects have been identified to develop this vision. The projects will inject into our economy \$3 billion in 10 years. Two light trains, one to Caguas and the other to Carolina, are in the planning stage. By year’s end, they will establish an express bus route from Sagrado Corazón station of the urban train to Old San Juan and 20 bus routes of the Metropolitan Bus Authority have already been integrated to the metro.

The principal offices of government agencies will be relocated to sites close to the urban train and there will be an improvement to the medical center in Río Piedras, including a cancer center. Twenty parks, gardens and urban forests are under construction or rehabilitation. The Conservatory of Music will be moved to the old Asilo de Niñas in the Miramar area in Santurce, and a new venue will be provided in Bellas Artes for concerts by the Symphonic Orchestra. The old Paramount and Music Hall theaters, also in Santurce, will be rehabilitated. The district for research and development under the Trust for Science & Technology will be developed in the area where the penitentiary was in Río Piedras.

This is an excellent conception of the future we want for San Juan, our capital city. It is predicated on the efficacy of the metro as the means for mass transportation. The metro is supposed to make San Juan and its metropolitan area work as a city. Something like what the subway and buses do for New York City. The question is whether the metro per se has this capability?

Dr. Carlos Severino, dean of the social sciences department of the University of Puerto Rico in Río Piedras, who has studied the development of cities and matters of urbanism, recently stated in a Spanish daily that the principal characteristics of a city is the density in its land use. A city, he says, should have a density between 3,000 and 4,000 persons per square kilometer. San Juan and its metropolitan area have a density of 750 people per square kilometer.

Poor planning for the use of land and bowing to pressures from developers sprawled San Juan into the low-density metropolitan area that exists today. If we are to realize the vision the administration has for

San Juan, then the trend toward the suburbs must be reverted so the city can acquire the density that will significantly increase the use of the metro, which is the key to the realization of that vision.

And here is where we find the administration working at crosspurposes. Developers prefer the suburbs because the cost of land decreases as you move away from the city centers. In order to get them to develop projects in the city centers, you must provide the incentives that will make these projects as profitable as the projects in the suburbs.

During the '70s, we became aware of the trend to the suburbs and the effect this was having on city centers, which were being depopulated. The Legislature and the Planning Board approved laws and regulations directed toward stemming the trend to the suburbs, but to no avail. Finally, in 2002, the Calderón administration approved a law that seemed to work. The law required the preparation of plans for the rehabilitation of our urban centers. The plans were to be adopted by the municipalities that had historic zones, such as San Juan, Caguas and Ponce or by a Directory of Urbanism created within the Department of Public Works for those municipalities without historic zones. The Directory was charged with delimiting the urban centers in the municipalities without historic zones.

The plans would identify the public projects necessary for rehabilitation of the centers and the private sector was invited as a partner to develop residential, commercial or parking projects within the centers. To induce the private sector to undertake these projects, the law provided various tax incentives, the most important of which was the tax credit for the costs of construction within the urban centers. This tax credit was for 75% of the costs in urban centers that did not have a historic zone. If the municipalities had a historic zone, the tax credit was for 100% of the costs of construction.

The secretary of the Treasury under the Calderón administration issued a directive (*circular*) that defined the costs of construction as the hard costs incurred in the construction by the developer. This was in full accordance with the law and with the intent of the Legislature. As the developers and proprietors began learning of this incentive, projects started flowing into the urban planning offices of San Juan, Caguas and Ponce. These municipalities have historic zones that define the urban centers. So, the law became immediately effective in these three cities. The other cities and towns without historic zones had to wait until the Directory defined these centers.

The flow of projects that created a great deal of enthusiasm in San Juan, Caguas and Ponce with regard to the rehabilitation of their urban centers was halted last year by regulations approved by the Treasury Department of the Acevedo administration. The Treasury came up with a formula for the definition of costs that reduced the 100% incentive provided by the law. In some cases, the incentives turned out to be zero. This led the municipalities of San Juan, Caguas and Ponce to file a suit in Superior Court against the administration.

To achieve the vision the Acevedo administration has for San Juan, policy must flow in the same direction from all government agencies. Working at crosspurposes is a self-defeating proposition.