

DOWNTOWN REVITALIZATION IN CAGUAS, PUERTO RICO
CASE STUDIES, BEST PRACTICES AND RECOMMENDATIONS

By

IVELISSE JUSTINIANO

A THESIS PRESENTED TO THE GRADUATE SCHOOL
OF THE UNIVERSITY OF FLORIDA IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS IN URBAN AND REGIONAL PLANNING

UNIVERSITY OF FLORIDA

2012

© 2012 Ivelisse Justiniano

I dedicate this dissertation to my loved ones, especially
to my mom and dad for their encouragement.

ACKNOWLEDGMENTS

I would never have been able to finish my thesis without the guidance of my committee members, help from friends, and support from my family. I would like to acknowledge my committee members for their guidance and patience. My deepest gratitude is to my chair, Dr. Andrés Blanco for his constant support, motivation and caring. I would also like to thank my co-chair Dr. Dawn Jourdan for her support and motivation.

I would also like to thank my family for their support throughout this stage of my life. I thank my parents' for giving me the encouragement to pursue my goals and dreams during all my life. I can't forget about my uncles and my cousin Marisol who have been helping me unconditionally since I moved to Florida. I also thank Jany and Jamile for always caring about me and supporting all my decisions.

I thank my long time best friend and sister Matilde who have been with me unconditionally no matter the distance. To my grad school friends who have always been with me giving me support and cheering me up whenever I need it, especially Jessica, Gareth, Brittney, and Mariana.

Most importantly, I would like to extend my gratitude to the Planning Office of the City of Caguas, Puerto Rico for giving me the opportunity to work with them as an intern, in particular; Carmen, Anilda, Arvin and Zaid for their help.

TABLE OF CONTENTS

	<u>page</u>
ACKNOWLEDGMENTS	4
LIST OF TABLES	7
LIST OF ABBREVIATIONS	9
ABSTRACT	10
CHAPTER	
1 INTRODUCTION	12
2 BACKGROUND	16
Historical Overview	17
Urban Traditional Center	18
Present Context	20
Population and Housing	20
Economy	22
Summary	23
3 LITERATURE REVIEW	30
Urban Renewal Programs	30
Downtown Revitalization	31
Vacant Land and Abandoned Property	32
Community Participation	34
Public-Private Partnerships	34
Unaffordability and Gentrification	35
Main Street Approach	36
Best Practices	38
4 METHODOLOGY	41
Cities Selection and Analysis	42
Caguas Downtown Site Information	43
Summary	43
5 CASE STUDIES ANALYSIS	45
Burlington, Vermont	45
History and Problems	45
Projects and Strategies	46

Business Development.....	48
City Policies.....	48
Transportation and Parking	49
Housing	49
Impacts	50
Summary	51
Asheville, North Carolina	51
History and Problems	51
Projects and Strategies	52
Impacts	55
Summary	55
Greenville, South Carolina	56
History and Problems	56
Projects, Tools and Strategies.....	56
Transportation	57
Housing	58
Financial Incentives.....	59
Impacts	59
Summary	60
6 ANALYSIS OF CAGUAS	61
Introductory Remarks.....	61
Revitalization Plans	61
Economic Development.....	62
Development Incentives	63
Business Development.....	64
Transportation and Parking	64
Housing	65
7 DISCUSSION	69
Principles	69
Characteristics	71
Caguas Policies Problem.....	73
Recommendations	74
8 CONCLUSION.....	77
LIST OF REFERENCES	80
BIOGRAPHICAL SKETCH.....	86

LIST OF TABLES

<u>Table</u>		<u>page</u>
7-1	Downtown Revitalization Best Practices for Small Cities.....	76

LIST OF FIGURES

<u>Figure</u>		<u>page</u>
2-1	Aerial Image of the City of Caguas in 1937	24
2-2	Caguas Downtown Delimitation.....	25
2-3	Population from 1960 to 2010. A) City of Caguas and B) Caguas Downtown	26
2-4	Areas of major commercial activity within the urban center	27
2-5	Vacant and abandoned buildings in the urban center.....	28
2-6	Shopping Centers Surrounding the CUT	29
6-1	Major Developments in the CUT. A) Lincoln Center Plaza, B) HIMA Medical Center, C) Laboratorio Borinquen and D) Gatsby Center	66
6-2	Location of the Four Major Developments in the CUT.....	67
6-3	Parking Facilities in the CUT	68

LIST OF ABBREVIATIONS

ARPE	Regulations and Permits Administration (<i>Administración de Reglamentos y Permisos</i>)
ARRA	American Recovery and Reinvestment Act
CBD	Central Business District
CDBG	Community Development Block Grants
CRA	Community Redevelopment Agencies
CRP	Community Revitalization Partnership
CUT	Urban Traditional Center (<i>Centro Urbano Tradicional</i>)
HUD	US Department of Housing and Urban Development
NC	North Carolina
NTHP	National Trust for Historic Preservation
ODECUT	Downtown Economic Development Office (<i>Oficina de Desarrollo Económico del Centro Urbano Tradicional</i>)
PACUT	Urban Traditional Center Area Plan (<i>Plan de Rehabilitación del Centro Urbano Tradicional</i>)
PR	Puerto Rico
SC	South Carolina
US	United States
VT	Vermont

Abstract of Thesis Presented to the Graduate School of
the University of Florida in Partial Fulfillment of the
Requirements for the Degree of Master of Arts in Urban and Regional Planning

DOWNTOWN REVITALIZATION IN CAGUAS, PUERTO RICO
CASE STUDIES, BEST PRACTICES AND RECOMMENDATIONS

By

Ivelisse Justiniano

May 2012

Chair: Andrés G. Blanco
Co-chair: Dawn Jourdan
Major: Urban and Regional Planning

Urban centers or downtowns were the areas where the majority, if not all, the social and economic activities took place in the past. Almost everyone wanted to live in these centers but not everyone could afford it due to high land values. However, the changes in technology, personal automobile and socio-economic patterns over the years produced decentralization to the suburbs causing a decrease in population and businesses in the urban centers. This has caused decline in the vitality of downtowns. In order to reverse this decline, cities around the world have been using different strategies including changes to their planning policies. Some of the changes to their zoning codes try to promote economic development by attracting new uses to downtown.

This thesis focuses in the city of Caguas, Puerto Rico and the practices and strategies being use to revitalize its urban center. The research examines best practices in downtown revitalization using case studies from other cities in North America that have been successful in re-energizing their downtown area. The question to be

addressed is: “are the policies and revitalization practices in Caguas, Puerto Rico suitable to allow a successful revitalization of its downtown?”

The methodology used for this study consisted of case studies. Data was collected from government websites, census data, and field visits by the author. The analysis shows that revitalization practices in Caguas are not effective in increasing the urban center population and commerce. Findings and recommendations developed in this research will inform and help to enhance policies aimed at downtown revitalization.

CHAPTER 1 INTRODUCTION

Across America, many urban centers have been in decline while suburban areas have been growing and prospering. This decaying process started around the 1960s and 1970s. Some of the causes that contributed to this process were the construction of housing and commercial developments in the suburbs and the acquisition of the personal automobile. Other events that also contributed to the decline of downtown were the well-intentioned programs of urban renewal developed by the federal government. With the urban renewal projects many neighborhoods and historic buildings in different downtowns were knocked down affecting the aesthetics of the area.

Urban centers have been forgotten and neglected by many municipalities for decades. This decentralization represents several problems for cities; for example, residents and businesses relocating in the suburbs has caused decline in property value and loss of tax revenues in the urban centers. Some common indicators of decaying urban centers are: vacant lots, abandoned buildings, crime, jobs relocation, high unemployment rates, and poverty concentration, among others. Downtowns that are struggling have also been characterized by poor infrastructure and low economic activity.

Because of these poor conditions, many cities are now trying to revitalize their downtowns. Revitalization, redevelopment, and urban renewal are common terms often used to describe improvement efforts in the urban center. Some have been successful while others are still trying to find a way to overcome these problems. City governments have the challenge of attracting new business and developers to the area while trying to

persuade existing ones to stay. The fact remains that in order to successfully revitalize a downtown, effort is needed by the city, community and businesses. This means that public-private partnerships are essential. Moreover, it needs their commitment and support.

It is fundamental that before starting a revitalization plan, the urban center needs to be assessed by studying the area's problems and potentials to set viable alternatives for decision making. Then the stakeholders can establish goals and missions to help with the planning process and setting strategies. These should be based on realistic expectations that represent the community's aspirations. Then goals can be established.

There is plenty of literature based on downtown revitalization issues. Case studies describing many strategies for successful economic development, public-private partnerships, finance tools and organizational structures are always being discussed from the classroom to the government offices. However, the majority of findings and strategies that are more widely known are based on experiences from large urban areas. While small and big cities may have common elements there are also many others that set them apart.

Because of this, it should be said that there is no silver bullet when it comes to downtown revitalization. Great cities don't make progress by accident, they need agents of change. Cooperation from the community, public and private organizations, commercial entities and government agencies at all levels are highly required to be successful.

Revitalization also requires adaptation instead of trying to directly adopt and implement programs that have worked in other cities (Burayidi, 2001). Cities working with revitalization projects to improve their downtowns should perform an assessment of the area, its population, the infrastructure, accessibility and an analysis of the market area for a better understanding of their territory. Cities should need innovation in order to capitalize their community assets. Furthermore, small cities should understand their competitive advantage or a specific market within their geographical area.

This research examines and evaluates the current efforts of the City of Caguas, Puerto Rico and its program to revitalize its downtown area based on a series of best practices derived from the literature and case studies of small cities in North America that have been successful in re-energizing their downtown areas. These “small cities” were selected based on factors such as city’s total population less than 150,000 and a downtown’s population of 12,000 or less so it could be comparable to Caguas. One of the benefits of revitalizing a downtown is the unique opportunity it brings in preserving the historical and cultural characteristics of a city. The big question is how it should be done? This and other related questions will be answered throughout this study.

Chapter 2 provides a background of the history of Caguas, its downtown, and the present context of the city. Chapter 3 examines the literature relevant to downtown revitalization. Chapter 4 outlines the methodology used to complete this research. Chapter 5 presents three case studies of small cities that after many years of working hard to revitalize their downtowns found success with their approaches. Chapter 6 provides an analysis of the current practices and strategies used by the city of Caguas to revitalize its urban center. Chapter 7 presents a discussion about the best practices

found through cases studies and the literature and a comparison of which ones are being used in Caguas, it also includes some recommendations. Chapter 8 presents a conclusion that tie together the theories presented in the literature review with what have happened in Caguas. Also, suggest additional strategies and tools that can be used in the city of Caguas to improve their approach to downtown revitalization.

CHAPTER 2 BACKGROUND

The downtown that serves as the focus of this thesis is located in the City of Caguas, Puerto Rico. Caguas is one of the biggest cities in the island of Puerto Rico and is located in the central-eastern region, approximately 20 miles from the island's capital, San Juan. According to the 2010 Census, the city of Caguas had an estimated population of 142,893 inhabitants which represents a 1.7% increase since the year 2000 (U.S. Census Bureau, 2010c). Caguas has an advantage that only few cities in the island have in that it is an autonomous municipality, meaning that it is an independently incorporated city and can take over different responsibilities from the central government (Collins et al., 2006).

It was on August 30, 1991, when the central government of Puerto Rico approved law Num. 81 of Autonomous Municipalities (Santana et al., 2007). This law simplified the process of permit requirements for construction and development projects allowing municipalities to sidestep the never-ending lists for project approval from the Puerto Rico Planning Board and the Administration of Permits and Regulations (ARPE) (Collins et al., 2006, p.300). Eight years later, on July 30, 1998 Caguas became an Autonomous Municipality, acquiring the faculty of adopting their own land use plans and the responsibilities of enforcing zoning regulations and managing the permitting process (Collins et al., 2006).

Since the election of a new mayor in 1997, Hon. William Miranda Marín, and the implementation of the Autonomous Municipalities law in 1998, Caguas economic base began to improve leading the City to various successful economic development projects (Santana et al., 2007). However, the urban center of the city which is an area with a

long and rich history did not enjoy the same fate. What once was a thriving area began to lose commerce and population and was afflicted by abandonment, crime and poverty.

To understand the problems that the urban center of Caguas faced and is still facing, and recognize the potential benefits that revitalization efforts can have there, it is important to know the history of the area and what is its current situation.

Historical Overview

Founded in 1775, the city of Caguas sustained a compact form for many years during its growth and development (Figure 2-1). The urban traditional center of Caguas (hereafter known by its acronym in Spanish CUT) urban design is an example of the Hispanic-American model introduced by the Spanish during the colonization era. On the first decades of the 20th century, the CUT area was surrounded by sugar, snuff and coffee plantations (Municipio Autónomo de Caguas, 2005). The presence of these markets made the CUT become a popular area for the establishment of small businesses and residences.

Most of the urban fabric of the CUT was built between 1900 and 1930, when the town leaders began the construction of public facilities. With the improvements in infrastructure and the establishment of large factories such as the American Tobacco Co. and several sugarcane plants, the population and commercial activity in the CUT continued to grow within the first established area (Municipio Autónomo de Caguas, 2005). It was not until 1908 when the first urban extension of the CUT, Campo Alegre, began to be built. The extension of the road network spurred the construction of more neighborhoods until 1930 when the rest of the CUT district was finally established (Municipio Autónomo de Caguas, 2005).

Along with the urban expansion during the fifties and sixties began the urban renewal projects that impacted the CUT. In the north and south areas of the CUT, the project *La Placita Renewal Project* removed large sections of the historic part of the city to create space for new developments that did not integrate with the traditional urban fabric of the city (Municipio Autónomo de Caguas, 2005).

The population growth continued to rise during the sixties. It is estimated that between 1961 and 1968, 12,978 new houses were built and that the city's population increased from 60,000 in the late 1960s to 125,000 people in the 1980s (Municipio Autónomo de Caguas, 2005). To accommodate this large population numerous housing projects prompted in the rural areas, thereby increasing the urban sprawl and changing the urban form of Caguas. Investment in housing developments, shopping centers and new industries occurred in a large scale in the suburbs while affecting the CUT which suffered a major population and commercial decline.

Urban Traditional Center

Today, the CUT is an area of 197 acres that is localized within one of the city's wards known as "Barrio Pueblo" (Santana et al., 2007). The oldest blocks are organized around the public square, Plaza Palmer, and from there, as shown in Figure 2-2, the CUT area is delimited by three avenues to the north is José Mercado Avenue, and south and west is Rafael Cordero Avenue. These limits were established by the city's land use plan because the structures within this area are historic and have the architectural and urban characteristics of the Spanish era.

Recognizing the continuous decline of the CUT the local government hired different consultants to conduct studies to assess the socioeconomics and the infrastructure conditions in the urban center as an effort to address the poor conditions

of the area. The first study of the area was conducted in 1982 by a private consulting company, Basora & Rodríguez Associates. In 1990, another consulting firm prepared a report titled “Economic Rehabilitation of the Traditional Urban Center in Caguas” (known in Spanish as *Rehabilitación Económica del Centro Urbano Tradicional de Caguas*). By 1993, a third document was produced this time titled “Phases and Faces of the Caguas Central Business District Revitalization” (Municipio Autónomo de Caguas, 2005, Memorial 3).

In 1997, the city’s land use plan was completed and approved by the island’s governor in July 28, 1998. That same year, an American consulting firm, DiMambro and Associates Inc., completed a study of the urban area titled *Caguas 20/20: Strategic Urban Design Study for the Urban Zone of Caguas* (Santana et al., 2007). This study established a planning framework to integrate the CUT with the surrounding urban area. The study included these recommendations:

- Identify and restore buildings and sites of historical value;
- Improve the street infrastructure to facilitate cars and pedestrian traffic, improve lighting conditions, and provide more parking;
- Restoration of the urban fabric in residential areas;
- Promote commercial and housing development in vacant lots;
- Encourage clusters of commercial uses instead of scattered commercial development along the transportation corridors;
- Design new city entries where the main corridors connect with the CUT;
- Examine alternatives to road extension and expansion inside and around the CUT (Municipio Autónomo de Caguas, 2005, Memorial 3)

Present Context

Compared with other urban centers in the island, Caguas CUT is one of the most active urban centers in Puerto Rico thanks to the efforts and initiatives of the local government. Still, the role of the CUT as a healthy economic and commercial center in Caguas has declined due to the expansion of the urbanized areas in the city. Caguas economic identities have determined the type of developments that have occurred, both in the city and its urban center.

First, Caguas is the center for trade and economy, and the regional government facilities in the central-eastern region of Puerto Rico. Despite these characteristics and that the city is the main provider of jobs in the region, Caguas is considered by many people a dormitory town or a satellite of San Juan because most of the residential population works or study in the San Juan metropolitan area. This situation is one of the reasons for the many housing projects that have been built in Caguas. Unfortunately, these investments have taken place in the suburbs and not in the CUT.

Population and Housing

A recent article titled “While Puerto Rico struggles, Caguas thrive” compares the city’s positive economic growth with the island’s recession. For example, according to the 2010 U.S. Census, the island’s population “decreased by 2.2% over the past 10 years, while in Caguas there has been a population growth of 4.9%” (Santiago, 2011, p.38). Nevertheless, the article fails to distinguish that this increase in population has been in the suburbs since the residential population in the CUT has declined sharply (Figure 2-3).

According to the U.S. Census Bureau information, the population in the CUT has been decreasing continually during fifty decades. For instance, the population

decreased from 8,500 residents in 1960 to 4,062 residents in 1970, and from 3,217 residents in 1980 to 3,050 residents in 1990, and finally from 2,580 residents in 2000 to 2,248 in 2010. This population decrease in the CUT translates to a 73.6% or 6,252 less residents than its highest population in 1960 (U.S. Census Bureau, 2010c). Considering that the CUT area is 197 acres, the residential density of 11.4 persons per acre in 2010 is well below the density of 43 persons per acre in 1960. These drastic changes in population can have negative effects in the city's ability to promote a variety of social, educational, cultural and economic activities in the CUT.

As for the housing situation, the 2010 census identified 1,362 housing units in the CUT (17.4% less than in 2000) of which 355 units or 26.1% were vacant. This would mean a change of 17.4% less housing units when compared to the 1,649 units in 2000 (U.S. Census Bureau, 2010c). In regards to housing tenure, rental units are more abundant in the urban center with the majority of the rentals being Section 8 voucher holders. From the 1,007 units occupied in 2010, 737 units were rentals while 270 were occupied by its owners (U.S. Census Bureau, 2010c).

Due to the decline of the area the majority of the owners prefer to rent their properties taking advantage of the Housing and Urban Development rental subsidy program Section 8. This represents a problem since many of the families who rent are not set in one place; they are constantly moving from place to place, reducing the stability with respect to population. Also, even if they wanted to invest in a property in the CUT these low-income families face obstacles as they don't have the money to cover the costs of homeownership.

Economy

Caguas urban center has always been known as a traditional and significant commercial space in the east region of Puerto Rico. Before shopping centers were built in the area this was the place where the majority of the people went to shop. Currently, most of the businesses in this area are small retail stores selling low-cost merchandise. As shown in Figure 2-4, most of the commercial activity in the CUT is concentrated in the Paseo Gautier Benitez, around the public square Plaza Palmer and adjacent blocks. There are also several professional service and government offices located within the CUT.

In an article from 2011, Caguas was described as “a growth oasis in the middle of the island” due to an increase in registered businesses and “retail sales increased 11.1% from 2010 to 2011” (Anonymous, 2011, p.22). Unfortunately, the CUT does not enjoy this increase in sales as many businesses have had to close their doors due to the fierce competition that represent the shopping malls and their commodities.

According to data from the City’s Finance Department in 2004 there were 1,098 commercial establishments in the CUT but in recent years, as of March 2010 there were “456 active businesses” (Anonymous, 2010). As it can be seen in Figure 2-5, the physical appearance of the area has deteriorated causing many buildings to be vacant because of the poor conditions of the spaces that surround them.

Figure 2-6 shows ten shopping centers that the author identified that are located less than 2 miles away from the CUT. Among these are a Super Wal-Mart and Las Catalinas Mall that is located just across José Mercado Avenue, one of the main entrances to the CUT. This mall has over 100 shops, more than 3,000 parking spaces and many restaurants and stand-alone stores around it. As in many other cities, in

Caguas, consumers favor shopping centers given its central location, and the availability of parking, among other amenities.

Summary

The CUT has lost its luster as a central living neighborhood and commercial area. With no nightlife, few housing units and a decreasing population, the CUT goes to sleep when the workday crowd leaves. The environment and the infrastructure conditions of the area impact the circumstances in which people live, how they function and how they do their businesses. The mayor and other city officials are aware that the problems affecting the CUT need more than a simple revitalization plan and capital improvement programs. Therefore, the local government has joined forces with the local community and private investors in a number of projects and initiatives looking to improve the area conditions and economic activity. According to Santiago (2011) there have been, since 2008, "\$122.25 million in public and private projects" in the CUT (p. 40). However, it can be noticed from the 2010 census data that there haven't been any increase in the urban center population. After this fact, the question is if the strategies and practices that Caguas has taken to address its downtown revitalization are been effective or not.



Figure 2-1. Aerial Image of the City of Caguas in 1937.
Source: Municipio Autónomo de Caguas, 2005, p.6

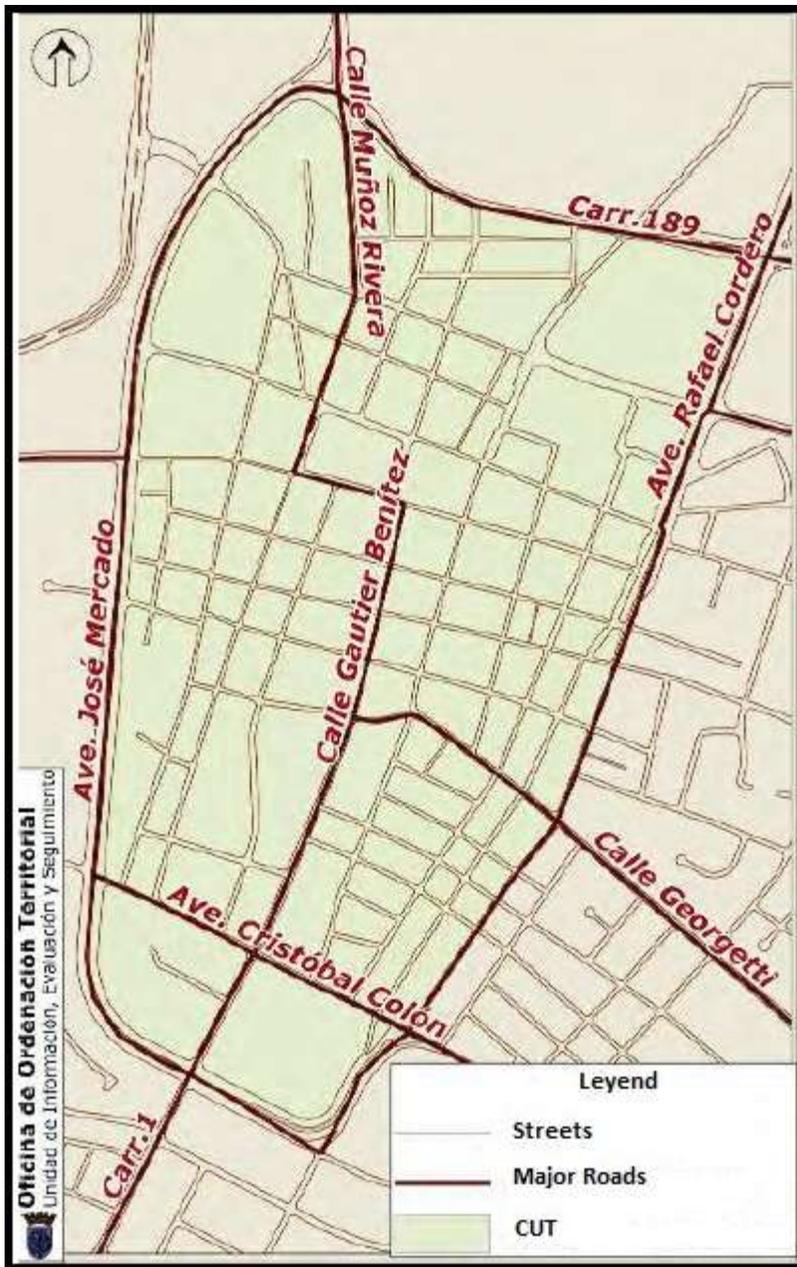
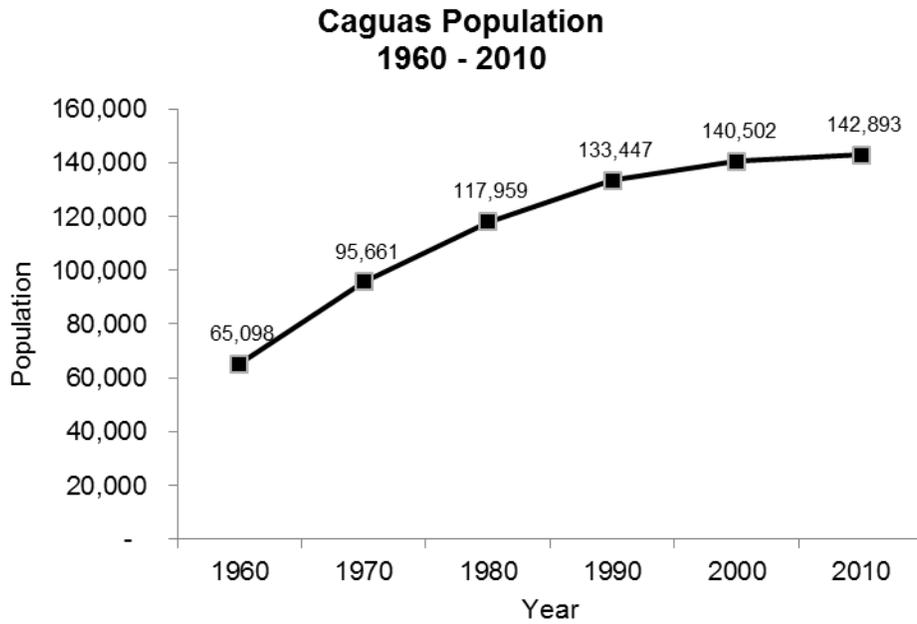
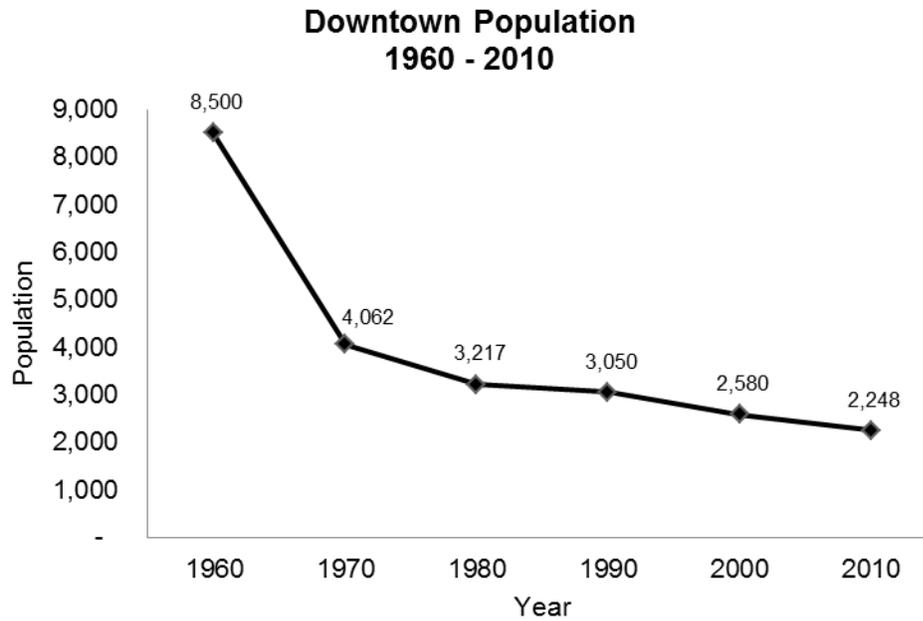


Figure 2-2. Caguas Downtown Delimitation
 Source: Municipio Autónomo de Caguas, 2005, p.3



A)



B)

Figure 2-3 Population from 1960 to 2010. A) City of Caguas and B) Caguas Downtown
Source: Municipio Autónomo de Caguas, 2005; U.S Census Bureau, 2010c

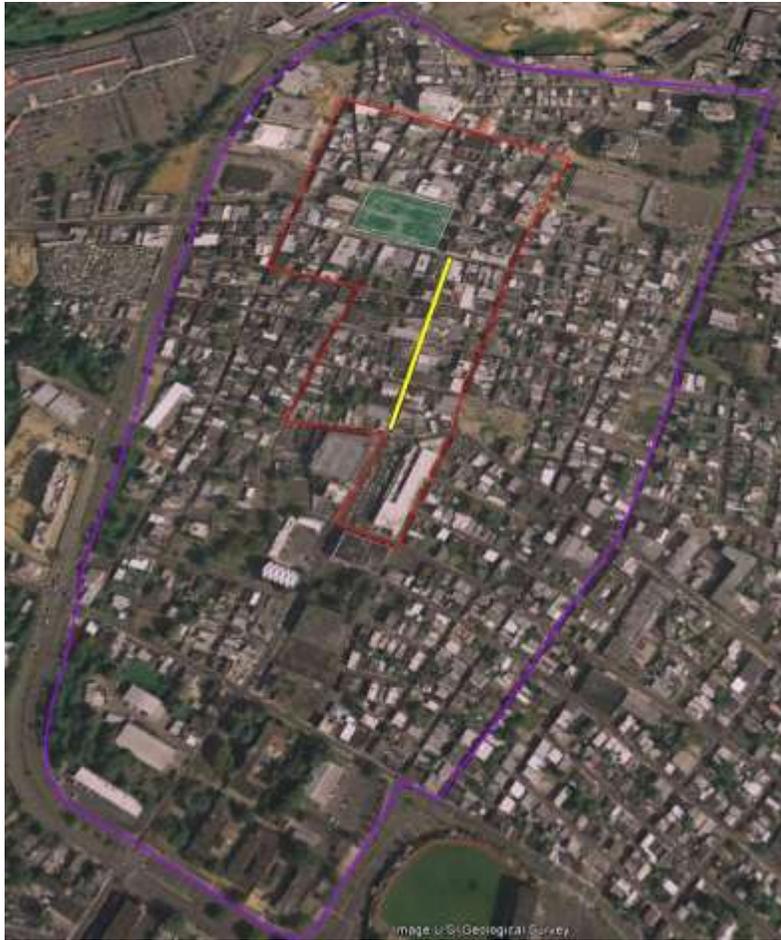


Figure 2-4. Areas of major commercial activity within the urban center
Source: Google Earth, 2012



Figure 2-5. Vacant and abandoned buildings in the urban center

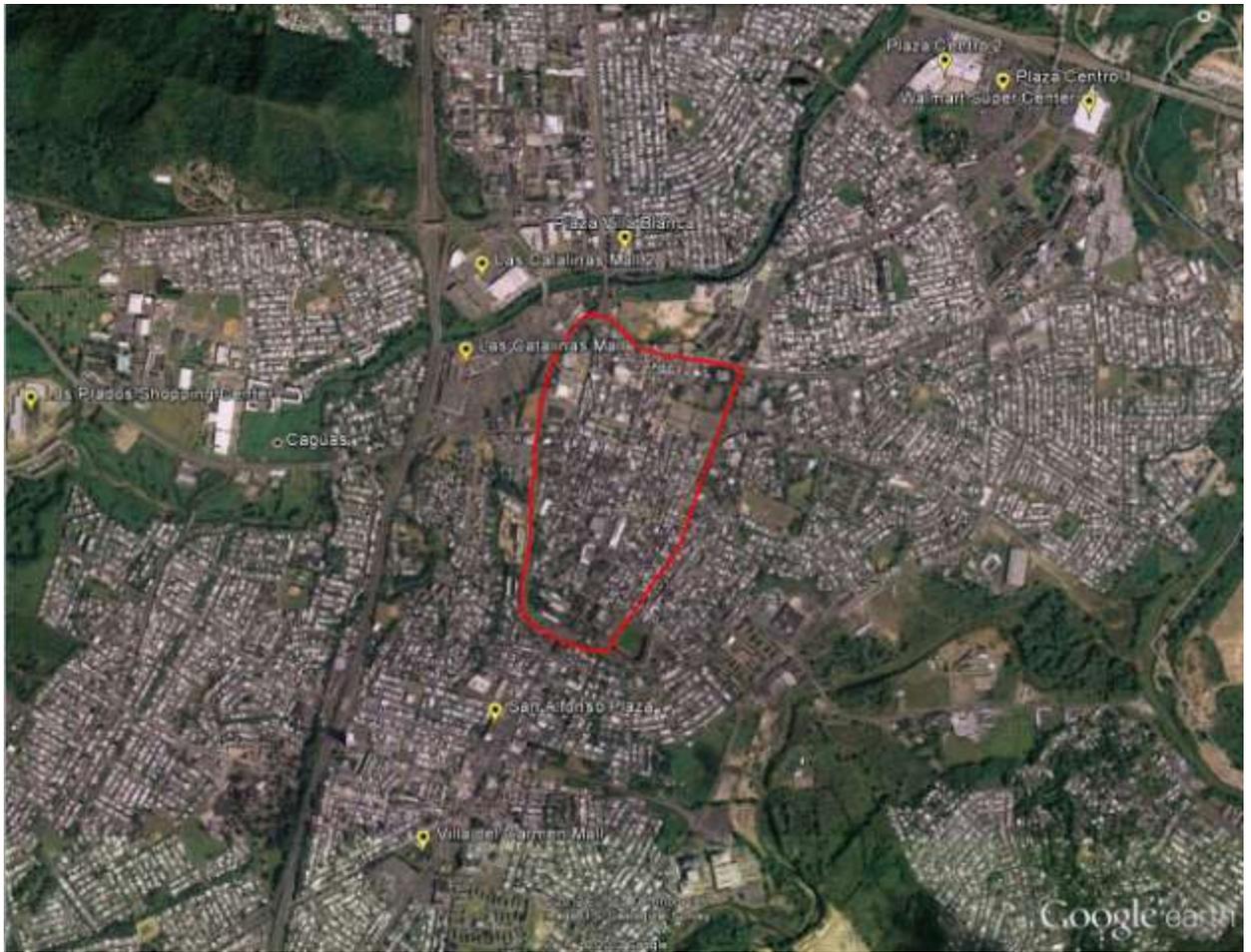


Figure 2-6. Shopping Centers Surrounding the CUT
Source: Google Earth, 2012

CHAPTER 3 LITERATURE REVIEW

Many cities have seen their downtown's vitality affected after years of commercial and residential developments toward the suburbs. Vacant and abandoned properties, poverty, segregation and blight are some of the common problems affecting downtowns. Realizing the historical and cultural value of their downtowns, many cities have engaged in revitalization projects to bring life back to their downtowns. Some have been successful while others keep on the trial and error learning process. A common question regarding this topic is: what are the best practices and strategies to carry out downtown revitalization projects? The truth is that there's no one size fits all solution. Similar approaches can be taken but they need to be tailored to fit the area where it is going to be applied. This literature review discusses and examines topics related to downtown revitalization.

Urban Renewal Programs

At the beginning of the 1960s the federal government developed different programs aimed at solving the problems in urban centers. These well-intentioned programs were effective in achieving some of their goals but they also created adverse effects on many urban centers around the nation. Throughout different cities entire blocks and neighborhoods in the urban centers were demolished making a big impact in the area. Those who were able to move out from the city center left, leaving behind the poor, elderly and disabled people (Bright, 2000; Faulk, 2006).

Urban renewal programs in many cities were a failure. Many neighborhoods were knocked down and families displaced. These failure efforts created anger and discouraged many in the public and private sectors turning their attention away from the

city center (Kemp, 2001). Between 1970 and 1980 some cities started to take local approaches to revitalize downtown. Bright (2001) explains that after two decades of out-migration “revitalization planning and implementation efforts” along with community participation and local government support the city center conditions began to improve (p. 15).

Downtown Revitalization

Besides improving critical conditions, downtown revitalization projects are aimed at bringing economic development to the area. Downtowns are traditionally the centers of both business and culture but commercial and residential growth in the suburbs has contributed to its decline. Revitalizing downtowns involves many activities, such as “business and tourist attraction”, restoring and improving the area’s infrastructure, improving the visual environment, property rehabilitation, and business retention programs, among others (International Economic Development Council [IEDC], n.d.). The purpose of these initiatives is to create an attractive environment to increase the number and variety of businesses in downtown.

Leinberger (2005) explains that revitalization implies “more residents and more jobs”, as well as visitors carrying more money into the area (p.5). Despite of the fact that there is a low business activity in stressed downtowns, these areas have always been a magnet for service business and other office based activities. A full range of municipal services tend to be located in downtown areas because of their centralized location.

However, because of the physical, social, and economic problems many continue to neglect downtown as an asset to achieve community economic development (Persky & Wiewel, 2000). Following this thinking, R.W. Robertson (1993) indicated:

The downtown areas of cities in North America have the potential of contributing to the economic welfare of the entire community. In order to reach this potential, a strategic approach should be followed, and this process should be comprehensive, open and consultative [...]. (p.30)

Other authors agree with the economic potential behind downtown revitalization.

These projects not only bring life back to the area, revitalization also help to restore “the economic and cultural heart of the community” (Tyler, 2000). In *Downtown improvement manual*, Berk (1976) suggested that before making decisions or setting up plans it is necessary to perform an assessment of the area’s problems and potentials. Moreover, K.A. Robertson (1995) considers that it is necessary that a “redevelopment strategy” respect the culture and history of the downtown community, including the “economy of the region” (p.436).

Like fingerprints, downtowns are different from each other. Each one has its unique characteristics, physical condition, and assets requiring a customized approach (Kemp, 2001; Leinberger, 2005). Building on downtown’s unique assets will led to successful strategies. City officials have to be creative and innovative when working on revitalization projects. Finding a strategy and something that distinguish their downtown from suburban areas is key to attract people and investment back (Norquist, 1998).

Finally, in her article *Ten Steps to a Living Downtown*, Moulton (1999) described two important characteristics for a downtown to be competitive: it must provide an appealing “physical environment” of good quality that attracts people to move there and “an investment motive for downtown home ownership” (p.10).

Vacant Land and Abandoned Property

Whenever you review downtown revitalization literature vacancy and property abandonment are two of the main problems representing a barrier to revitalization

efforts. These problems are serious and impose economic and social costs both to the city and the community as they become eyesores, deteriorating rapidly and easily becoming focus for drugs and crime affecting the value of properties nearby (Persky & Wiewel, 2000). A review of the literature indicates that the reuse of vacant land and structures can represent an opportunity for the economic growth and recovery of a diverse range of urban areas (Accordino & Johnson, 2000).

A paper by Pagano & Bowman, *Vacant Land in Cities: An Urban Resource*, identified vacant land as a “key competitive asset for implementing a number of economic development strategies” (p.1). The urban center is always within an area that is economically valuable because of its proximity to main transportation and communication nodes. These areas are an opportunity for the city to put into practice some economic development strategies that will help in creating new jobs, increase tax revenue and improving transportation infrastructure to eventually attract more people to live in the area (Kemp, 2001; Persky & Wiewel, 2000).

Downtown revitalization also strengthens local government budgets by getting vacant land back on the tax rolls (Municipal Research and Services Center, 1997). It brings increased numbers of residents to support downtown commercial centers. There are many tools that cities use to address these trends such as code enforcement, tax foreclosure, eminent domain, and grants for aesthetic improvements (Accordino & Johnson, 2000).

On the other hand, dealing with vacant land or abandoned property is not an easy task. In some cities the public sector is a barrier to progress. Hughes (2000) conducted a study in Philadelphia and found that at one point there were 15 public agencies

dealing with vacant properties making it impossible to developers to acquire the property. He described the situation as a “complex and politicized, maze of fragmented public authority [...] impeding progress when the private actors wanted to act” (p. 39). Hughes gave two recommendations on his study that cities should follow to further improve their system: create a land records database which will provide an inventory and coordinate decision making to improve organization. Other authors agree with this and suggest that a consolidated authority could help the permitting and acquisition process be easier while helping to restore the property market (Kromer, 2002; Pagano & Bowman, 2000).

Community Participation

As revitalization involves a series of different activities it depends on the public and private investment and citizen collaboration to be successful. The importance of community participation on revitalization efforts is discussed in the literature (Faulk, 2006; Persky & Wiewel, 2000; Tyler, 2000). Weston’s study (as cited in Kemp, 2001) highlighted that “community building itself will not revitalize distressed communities, but not initiative will succeed without it” (p.20). Faulk (2006) also argue that besides tailoring projects to the “needs of the community” this last one need to be involved in almost every aspect of the process. As pointed out in Bright (2000) “planning never happens without people who are going to have to live with the results day to day being involved, from the beginning” (p.78).

Public-Private Partnerships

Geddes (2005) defines public-private partnerships as “two or more organizations working together to improve performance through mutual objectives, devising a way of resolving disputes and committing to continuous improvement, measuring progress and

sharing gains” (p.1). To achieve success this process requires cooperation of all the organizations involved; government, developers, communities, financial institutions (Hyrá, 2008).

Faulk (2006) supports this idea adding that the process also needs: “public-private-nonprofit partnerships”, “proactive policies at the state and local levels”, and “continued leadership” (p. 633). Furthermore, Weston’s study (as cited in Kemp, 2001) explained that the public sector should be an “active partner in community building efforts, aggressively implementing policies that support community building and removing those that impede it” (p.23). Notwithstanding, the success of partnerships should not be seen as a ‘cure’ or ‘remedy’ for revitalization (Bojović, 2006). Partnership work is founded on “mutual support” with partners making every effort to “help each other” to accomplish their goals (Geddes, 2005).

Unaffordability and Gentrification

Common unintended side effects of downtown revitalization are unaffordability and gentrification. Revitalization projects always create a debate as improving downtown’s conditions will make it more attractive and at the same time will increase the properties prices so it is not going to be affordable for low-income people to live in that area.

Some cities are able to offer lower commercial rents and housing prices in their downtowns but once demand increase and the area becomes more attractive prices start to go up (Faulk, 2006). Leinberger (2005) explains that affordability is a major issue related to housing because low income workers whose jobs are located in downtown are not able to afford new residential developments due to the basic costs that are added to the construction and the “high demand generated for it” (p.16).

Smith and LaFavre (1984) reported that “gentrification leads to a restructuring of urban spaces and instead of revitalization it is a form of de-vitalization” (p.60). In a study about downtown Denver, Colorado, Progressive Urban Management Associates (2006) explained that downtowns should offer a variety of housing stock providing an environment that attracts a “multi-skilled” workforce, resulting in a population “economically-mixed” (p.7). In essence, to prevent gentrification and provide affordable housing the local city government need to make sure that it is required by the city’s revitalization plan (Leinberger, 2005).

Main Street Approach

The federal and state governments have established programs to support the preservation of the historic context in downtown. Incentives such as tax credits have been provided to rehabilitate historic structures. The Main Street Program of the National Trust for Historic Preservation (NTHP) was created in 1980 and has been successfully implemented or used as guidance by many cities (Tyler, 2000; K.A. Robertson, 2004). The program support small cities that promote the reuse of old buildings on their revitalization projects.

This approach support downtown revitalization by preserving and developing the area through comprehensive and strategic planning. Authors in the preservation and revitalization fields support the Main Street approach and its positive impacts in many small communities, even if they are officially affiliated to the NTHP or not, that successfully followed it to rehabilitate their downtown areas (See Tyler, 2000; Faulk, 2006; K.A. Robertson, 2004). After conducting a pilot program in three small downtowns; Galesburg, Illinois; Madison, Indiana; and Hot Springs, South Dakota, Skelcher (as cited in K.A. Robertson, 1995) found that it was viable for these cities to

implement the approach and successfully stimulate revitalization efforts in their downtowns (p.432).

The Main Street Approach consists of four elements:

- *Organization*: getting groups and individuals to work together “toward the same goal”.
- *Promotion*: marketing “unique characteristics” of the area and present an attractive image of downtown to attract people.
- *Design*: capitalizing on downtown’s assets and creating an appealing atmosphere.
- *Economic restructuring*: finding the money to make this happen.

Source: Office of Trade & Economic Development, (n.d.)

Cities can adapt these elements to their own needs to make it viable. Furthermore, it is suggested to combine these elements with eight principles for better results when developing strategies for downtown revitalization. These are:

1. *Comprehensiveness*: the revitalization project should include various initiatives to deal with the problems affecting downtown.
2. *Incrementation*: start with small projects to sharp the skills of the community to “tackle complex problems and ambitious projects”.
3. *Self-help*: foster community involvement by educating residents and business owners about the benefits of revitalization.
4. *Public-private Partnerships*: both sectors have interest in the wellbeing of the district and must “contribute time, money, and expertise”.
5. *Assets*: identify and capitalize downtown’s unique assets.
6. *Quality*: “high quality must be the main goal in all activities”.
7. *Change*: “skeptics turn into believers” to support the process.
8. *Action Orientation*: create visible changes to support the process.

Source: Office of Trade & Economic Development, (n.d.)

It is clear from the above discussion that revitalization is a long and consuming process. People must be patient and work on small-scale projects to create a strong foundation to reach successful results. Finally, it is important that before trying to follow or implement this approach, city officials and planners study cases where it was implemented to become more familiar with its components (K.A. Robertson, 2004).

Best Practices

The literature on downtown revitalization recognizes strategies, policies and incentives that are identified by different authors as best practices for this purpose. Ferguson (2005) completed a study based on eleven cities that are recognized for their “outstanding downtowns” reputations. As a framework for his study he compiled successful characteristics, elements and principles from other authors’ studies about small downtown’s revitalization projects.

The elements identified as needed for success are from Moulton (1999) who was previously considered at the beginning of this chapter. In her article, Moulton offered the following list of elements for success:

- Housing is a downtown priority;
- Downtown should be a well-defined or branded place;
- Must be accessible, with physical infrastructure maintained and beautification undertaken;
- Must have new and improved regional amenities; traffic generators that will attract users from throughout the region;
- Must be clean and safe;
- Must preserve and reuse old buildings;
- Regulations must be streamlined and be supportive of residential growth;

- City resources should be devoted to housing. Incentives available to promote housing;
- The edge of downtown should be surrounded by viable neighborhoods; and
- Downtown is never done; management continues on a daily basis (Moulton, 1999).

The other author considered is a well-known scholarly in the field of revitalization and other downtown topics, Professor Kent Robertson. He identified eight principles for success in his article “*Downtown Development Principles for Small Cities*”:

- Strong public-private partnership;
 - Development of a vision/strategic plan for downtown;
 - Mixed uses so downtown can be multi-functional;
 - Pedestrian friendly and walkable environment;
 - Take advantage of its own particular heritage;
 - Downtowns should be linked to the city waterfront (when applicable);
 - Establish design guidelines; and
 - Do not overstate the importance of parking.
- Source: Burayidi (Ed.), 2001, pp. 9 – 20

The third study considered, Waits, M.J. et al (as cited in Ferguson, 2005) identify characteristics for the “21st century creative downtown” based on Richard Florida’s works (p.3). These characteristics are:

- Cultural diversity;
 - Night life;
 - Networking opportunities;
 - Technology infrastructure;
 - Mixed-use development;
 - Compactness; and
 - Density.
- Source: Ferguson, 2005, p. 3

When making a comparison of these three authors suggested keys for successful downtowns all the ideas are related or even the same in some cases. Overall, it is important to reinstate that there’s no silver bullet and what was successful for one city’s

downtown is not guarantee to be the key for success in another city. Strategies and practices suggested by scholars are useful but they should always be tailored to each downtown circumstance for better results.

CHAPTER 4 METHODOLOGY

An overview of downtown revitalization policies at national and county level were done through research. Also, economic and process management theories were considered by studying literature related to the downtown revitalization topic. These gave insight on downtown revitalization projects and understanding the challenges and possible achievements that can be obtained from this practice.

Case studies are valuable for understanding some particular events in a better context. Since there are not successful examples of downtown revitalization in Puerto Rico this research uses case studies from cities in the United States that have been successful in revitalizing their downtowns. It involves a review of comprehensive and strategic plans, and policies to understand how revitalization strategies are used in different cities to revitalize their downtowns.

Case study review and research was conducted on successful strategies for downtown revitalization. Many sources were referenced in order to contextualize Caguas's downtown and develop appropriate strategies for improvement. This method was selected because it helps find what revitalization strategies and policies are more appropriate to be used in Caguas downtown's revitalization.

Among the most successful strategies for downtown revitalization are:

- Develop a community vision for downtown
- Use public/private partnerships
- Enhance downtown's sense of place
- Emphasize a multifunctional downtown
- Apply the Main Street Approach

The research is a public policy analysis and is based on revitalization strategies best practices. The objective of this research is to determine whether or not Caguas policies and strategies to revitalize its downtown are suitable to allow revitalization to be successful. A list of best practices was derived from three case studies and compared with what the city of Caguas have done so far. Secondary research including websites and downtown revitalization materials were reviewed to assess best practices. Larger centers with similar downtown challenges were also considered, in brief, especially if strategies were scalable.

The research conducted for this study is from existing sources and include analysis of measures such as the Main Street Approach to support downtown revitalization through comprehensive and strategic planning. There are a variety of incentive programs that had been used by different cities working toward downtown revitalization and that have been a helpful tool for small cities.

Cities Selection and Analysis

Since there's no one size fits all solution, downtown revitalization practices take different forms in different cities. Case studies were identified and evaluated for their applicability to these social and organizational issues. The critique of the case studies also provided a literature basis for specifying criteria for developing the research instruments. Case studies of small cities that share multiple characteristics (population, low income neighborhoods, vacancy, and external threats) with Caguas and that have achieved some degree of successful downtown revitalization with their strategies include: Burlington, Vermont; Greenville, South Carolina and Asheville, North Carolina.

In order to understand the policies and strategies used in these downtown areas and their purpose, strategic plans, comprehensive plans and downtown master plans

were reviewed for each city. These cities have programs and initiatives that encouraged the revitalization of their downtown and have been successful in bringing a major shift in population, retail, housing and vacancy patterns.

Caguas Downtown Site Information

Initially a census data research for the City of Caguas was carried out. Downtown revitalization plans and strategies were reviewed to learn and understand the city's government perspective and their partnership's goals. For a detailed assessment of Caguas downtown situation different vacancy and abandonment indicators were analyzed on a neighborhood level. This assessment allowed a detailed examination of these neighborhoods in terms of the abandonment and the economic impact they have experienced. Potential improvements, gentrification issues, and further decline as a result of urban redevelopment projects are pointed out before the assessment.

Recommendations are made based on field visits and observations, and where Caguas's downtown is today in regards to infrastructure improvement and community involvement, compared with its revitalization plans. The context of this research has been constructed to provide research overviews as well as goals, objectives, strategy and recommended strategies, but also to provide insights into what other cities are doing to reach goals and objectives that are similar to those of the city of Caguas. These best practices will be one mean of comparison to the strategies and programs that the City of Caguas has outlined to their downtown revitalization.

Summary

In order to understand how downtown redevelopment policies affect the success of different projects to accomplish this, three cities in U.S. were selected as case study examples and reviewed. This research is based on proven best practices models from

cities with similar population, high vacancy ratios and other similar conditions. These small cities integrated different policies and land uses and activities within their downtown areas, making it an economic and cultural vitality center. These cities implemented successful and innovative approaches to downtown economic development. Information on the revitalization policies and strategies were obtained from the city's downtown comprehensive and strategic plans.

As part of the conclusions of this study, recommendations are made as to what measures support downtown redevelopment goals in Caguas and what the best practices are for achieving those goals. This mainly qualitative approach is intended to provide context solutions to Caguas's downtown revitalization obstacles.

CHAPTER 5 CASE STUDIES ANALYSIS

The case studies considered in this chapter are meant to give examples of successful downtown revitalization cases in small cities. The three city downtowns discussed ahead took similar approaches to revitalize their downtowns. These case studies are evaluated each one on its own and a background of each city and downtown area are also reviewed. Several policy, and funding and finance mechanisms are available to help cities with downtown revitalization.

The revitalization process is examined to see what procedures and difficulties needed to be overcome to make revitalization efforts work. Lastly, the results of each revitalization program are analyzed to see if the community met its goals with the projects. By doing so, a firm understanding of the communities should be achieved with thoughts and best practices ideas of how those strategies can be applied to downtown Caguas.

Burlington, Vermont

History and Problems

The city of Burlington in Chittenden County is the largest city in Vermont. According to the 2010 U.S. Census the city population for that year was 42,417, a 9.1% increase since the year 2000 (U.S. Census Bureau, 2010b). Since 1925, land use planning has played a central role in shaping the city of Burlington (City of Burlington, 2011). The efforts and commitment of Burlington's government and its citizen's working together to keep the city's urban center alive has paid off. Because of these efforts Burlington has received numerous awards and accolades. Most recently, the city was named first place in the list of "100 best places to raise a family", 2010 "Prettiest Town

in America” by Forbes and in the 2008 “Top 10 Places to Live” by CNN Money (Churchstmarkeplace.com, 2011).

Like many other urban centers, Burlington’s Downtown was victim of the urban renewal policies in the 1950s and 1960s. Many historic buildings were knocked down, neighborhoods eliminated, and vacancy rates in the area were increasing and making the historic context of downtown change significantly. With a declining city economy both government and citizens became worried and decided to work together looking for solutions to revitalize their downtown.

Projects and Strategies

Over the last two decades the city has developed more than forty programs, projects and initiatives to maintain an economically sustainable community. The City took a serious approach to planning and decided to move on and started to define their goals and mission. Burlington Downtown’s long-term vision plan was first developed during the period of 1989 to 1990 and it still remains viable for downtown’s future. Burlington’s Shared Vision was the first step of the city to direct downtown revitalization. The vision established that downtown should always remain an urban center with “distinctively Vermont characteristics” (Downtown Burlington Development Association, 1989, p.2). Planning principles and the characteristics that Burlington should preserve are outlined in the plan but making clear that a plan without action is nothing. The planning principles included:

- Partnerships and Cooperation
- Seize the Opportunities
- Think Urban

Characteristics to preserve included:

- Diversity
- Human Scale
- Regional Resource Center
- Density

Recommendations for action included:

- Cooperation
- Housing
- Education , Services and the Arts
- The Waterfront
- Transportation

Source: Downtown Burlington Development Association, 1989, pp. 2 – 10

The city's first implemented strategy was the creation of the *Downtown Partnership*. This was a public-private initiative between the city government and the business community to address together issues that include transportation and parking, downtown development, safety, and marketing (City of Burlington, 2011, p.VI-7). The goal of this partnership was to lead downtown's economic path and ensuring success while keeping an eye on competition and focusing on downtown's future (Downtown Partnership, 2011). The good management skills and the commitment showed by this partnership was a key for downtown success.

A community planning initiative named the *Legacy Project* was created in 1999. The purpose was to collaborate with citizens gathering ideas to create a comprehensive plan for the economic, environmental, and social health of the city's downtown (City of Burlington, 2009, p.19). This plan was all based on citizen's visions for their city and the common vision was to achieve a thriving economy while countering sprawl. Of the major principles established to guide future development the most important were to increase participation in decision making, support long-term solutions and concentrate mixed-used, high density development within the urban center (City of Burlington, 2000, p. 11).

Some of the funding sources and finance mechanisms that the City used are: grants from the Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG), HOME Investment Partnership Act, Section 8, and Low Income Housing Tax Credits (LIHTC).

Business Development

The City established four different organizations to provide guide and assistance to those who wanted to start a new business, expand, or just relocate into Burlington's downtown. These organizations are:

- *Vermont Small Business Development Center (VTSBDC)*: “one-on-one assistance with the process of researching, starting, operating, expanding and closing a small business”;
- *Micro Business Development Program (MBDP)*: “offers low and moderate-income entrepreneurs assistance for starting, expanding or improving their businesses. Services include: one-on-one business counseling, business planning and loan packaging assistance, peer marketing support group, workshops and training, credit coaching, and household financial education”; and
- *Women's Small Business Program (WSBP)*: “provides women with business skills and support to start, operate, and expand micro-businesses. It offers many workshops and introductory courses” (City of Burlington, 2010, p.4).

Each organization offer free assistance helping entrepreneurs to develop a business plan in accordance with the city regulations.

City Policies

The City of Burlington downtown main land use and economic development policies are as follow:

- “Encourage the adaptive reuse and historically sensitive redevelopment of underutilized sites and buildings”;
- “Promote and strengthen a mixed economy, and work actively to retain existing businesses and jobs”;
- “Promote and support locally owned small businesses”;

- “Partner with the private, not-for-profit, and other government sectors to support existing businesses, and attract future development”; and
- “Invest in the necessary public improvements, particularly transportation, to strengthen the Downtown, both as a Regional Growth Center, and as city neighborhood” (City of Burlington, 2011, p. II-1).

Transportation and Parking

For a better downtown functionality the city considered that besides improving accessibility and parking it was very important to create a better and secure pedestrian environment. Traffic calming devices such as bicycle lanes, textured crosswalks, speed limit, and speed humps were promoted in downtown area (Warner, 2010). There are different parking options for downtown visitors, including three garages, six surface lots and on-street metered parking.

Other strategies implemented to bring more people downtown:

- The parking division increased the time on meters from 2 hours to 3 hours for a better utilization of the meters;
- A two hour free parking program for transient parkers and downtown businesses (City of Burlington,2009);
- Discounted passes on buses and extending service hours on certain routes, for example the ones between downtown and the university; and
- Design guidelines were implemented like more transit stops, fewer car lanes, shorter pedestrian crossings for safety, more bike lane, and landscape medians (Warner, 2010, p.2).

Housing

The city has promoted housing policies with the goal of balancing rental housing and homeownership in its downtown. They’ve been able to do so through different key centers and other tools such as:

- *Burlington’s Neighborworks Homeownership Center*: this center aims to help citizens from different income levels to purchase a property by providing them education on “debt and credit management skills”;

- *Rental Opportunity Center*: “to offer professional assistance to landlords and tenants and find appropriate matches between the two”;
- The City utilizes Section 8 program vouchers to help low-income families rent homes at a lower price; and
- A housing tenure ladder: “supports individuals and non-profit organizations to help people move from homeless shelters to transitional housing, from transitional housing to rental, and from rental to ownership” (Warner, 2010, p.1).

Impacts

Burlington’s downtown had a rapid growth in population going from 3,109 in 2000 to 3,800 in 2010 (Vermont Housing Finance Agency, 2011). One of the main reasons of downtown success can be attributed to the city’s responsible management team that issues licenses, administers sponsorships and maintains downtown’s public and private assets. The city offers different cultural and recreational activities to keep attracting locals and visitors to downtown and use advertising at a regional level to promote tourism. As a result of the implemented policies and strategies there are 3,800 households living in Downtown in a diverse housing stock in a mix-use area that includes retail, recreation and commercial activities (Vermont Housing Finance Agency, 2011, p. 2).

Lessons Learned

- Public-private partnership
- Promote citizen participation
- Promote local business
- Cooperation
- Define roles and responsibilities
- Take advantage of downtown assets
- Invest in existing infrastructure to support growth
- Good management team and maintenance
- Promote downtown through advertising
- Use marketing strategies
- Improve accessibility
- Improve aesthetics and create “a sense of place”

- Better parking policies
- Design guidelines
- Mix-Use development
- Promote arts and entertainment
- Population diversity
- Housing policies to help low income families
- Create improvement district
- Work on each neighborhood individually
- Create events to attract families and young people
- Conduct a retail feasibility study of the area
- Strong land use and zoning policies
- Identify challenges before they become threats

Summary

The City of Burlington is a successful example of downtown revitalization with an activist government and community working together towards their city's future. They do have had problems and challenges like any other city but the government and its community work together to keep their downtown thriving. The city's organizations and its citizens have a serious commitment in sustaining downtown's vitality. And they seem to be more than energized to keep working on it while keep building on their urban center assets. Several revitalization projects are being completed for a total of \$1.6 million in downtown improvements (Mayor's Newsletter, 2011).

Asheville, North Carolina

History and Problems

Asheville is another successful example of downtown revitalization and shows how important are to have a clear vision and a remarkable organization. Asheville is a city in Buncombe County located on the west side of North Carolina. According to the 2010 U.S. Census Bureau the city population for that year was 83,393, a 21.1% increase since the year 2000 (U.S. Census Bureau, 2010a). Downtown Asheville was the main shopping and business hub until early 1970's. During this decade, due to suburban

expansion many businesses left downtown to relocate on new commercial developments (City of Asheville, 2011). Minor redevelopment efforts occurred but downtown started to be considered by many people to be dead. According to Whalen (2010) “Asheville was an aging city with a boarded up downtown, and a moribund local economy”.

Projects and Strategies

First revitalization efforts were in 1977 with the creation of the Asheville Revitalization Commission. The plan called *A Revitalized Downtown* was developed with the mission of making downtown more livable and developing its strengths by enhancing the neighborhoods with the character of villages. In 1979, a private developer made a proposal that was very controversial. It proposed to build a shopping mall by demolishing and replacing eleven blocks of Downtown but it wasn't approved (City of Asheville, 2011, p. 11). By 1981, a critical consensus downtown's future took place with the city stepping in as a changing agent. The City took a very important action, hiring a person with previous downtown revitalization experience to ensure that the emerging visions were implemented and sustained. This person was soon named City Manager and help with establishing different plans, guidelines and divisions for a successful revitalization approach. During this period the City Council approved the creation of different offices to help the Asheville Revitalization Commission with the revitalization efforts.

These are the offices and their missions:

- *Downtown Task Force*: determine a process for moving the revitalization efforts forward;
- *Downtown Commission*: develop the Central Business District (CBD) as the region's primary office, retail, hotel, and cultural center;

- *Downtown Development Office*: serve as a catalyst for the public and private sector as well as to be part of, and support for, a broader system of downtown groups;
- *Asheville Downtown Association (ADA)*: liaison between the city and the downtown business community (Anderson, 2006, p.7).

As a strategy the city began the process of writing a city wide comprehensive plan that resulted in the adoption in 1987 of the “Asheville City Plan 2010”. This plan called for a revitalized downtown. The City Plan addresses key topics for the future of downtown:

- **Economic Development**: the city center will be the focal point of office and retail development and a center of employment;
- **Housing**: downtown will be a safe and vibrant neighborhood with a diverse population and a wide range of housing options; and
- **Transportation/Accessibility**: downtown will be accessible from throughout the community via safe and efficient multi-modal transportation system with an attractive streetscape (City of Asheville, 2011, p.5).

Although Asheville is a ‘big city’ in terms of population standards, the City Manager recommended incorporating the Main Street model of the National Trust for Historic Preservation to their revitalization efforts. The Downtown Development Office staff and volunteers assisted to conferences, studied publications and visited cities that used this approach benefitting with different ideas and knowledge (Anderson, 2006, p.4). Another interesting strategy implemented by the staff to involve the citizens on the revitalization efforts was to publish in the local newspaper monthly inserts about the progress of development. Other strategy was the “hard hat tours” where people could go with the city staff on a tour through the construction sites. Along with the Tourism office they launched a marketing campaign with the theme, “Come See Downtown Revitalization in Action” (Anderson, 2006, p.13). There was a good response and support from the citizens thanks to these strategies.

The Asheville Downtown Master Plan was completed with the help of the community shaping their vision for downtown and setting out strategies to reach that vision. Seven strategies were developed under three categories:

Experiencing downtown

- Strategy 1: Enhance the Downtown Asheville experience by cultivating its creative, cultural, and historic character;
- Strategy 2: Expand convenient choices for Downtown access and mobility;

Shaping downtown

- Strategy 3: Inaugurate an urban design framework to extend Downtown's sense of place and community;
- Strategy 4: Shape building form to promote quality of place;
- Strategy 5: Update Downtown design guidelines to be current, to be clear, and to promote sustainable development;
- Strategy 6: Make Downtown project review transparent, predictable, and inclusive of community input;

Managing downtown

- Strategy 7: Nurture a sustainable and resilient economy through active management of Downtown.

Source: City of Asheville, 2009

The City Manager recommended to the city to relocate its agencies in downtown and expected that each department contributed to the revitalization plans (Anderson, 2006). That was gradually done, stimulating development and improving the image and tax base of the area. Finally, the city created the Downtown Hero awards to recognize those who collaborated in transforming Asheville's Downtown. The point of awarding recognition is a good strategy to motivate and engage the community and is critical for the success of revitalization efforts.

Impacts

The city's foresight and commitment to downtown revitalization paid-off. Several new businesses opened their doors in Asheville's downtown including an increase from 2 galleries to 30, 200 retail shops, 80 restaurants, 25 music venues, 12 churches and religious organizations, 5 museums and 5 theaters Downtown also benefited from federal housing credit programs, there are 17 Housing Credit properties with a total of 1,121 units (City of Asheville, 2011, p.10).

Lessons Learned

- Public-private Partnership
- Hire experienced people
- Collaboration of all city divisions
- Coordination across departments
- Relocation of Government agencies in downtown
- Public participation
- Festivals and Cultural Events
- Marketing and Promotions
- Frequent site visits (Department heads and staff)
- Main Street model approach
- Mix-use Development
- Affordable Housing
- Identify key supporters
- Recognize and celebrate accomplishments

Summary

The improvements in Downtown Asheville are very impressive and are the result of many years of organization and commitment. Citizen participation along with other downtown stakeholders provided an understanding of what was convenient to do in this area for a successful revitalization. The efforts of different organizations and volunteers to bring people to Downtown were a key to success. Finally, the decision of hiring a person with experience on revitalization was the most important step that Asheville city officers took when they decided to revitalize downtown. Other cities working toward

revitalizing their downtowns should do that too making an effort to involve the right people with the right set of skills.

Greenville, South Carolina

History and Problems

Greenville is one of the biggest cities in South Carolina and has a population of 58,409 (U.S. Census Bureau, 2010d). Greenville's downtown stands out for its quality, large headquarters and job opportunities making it a popular destination in the north region of South Carolina. Before Downtown Greenville thrived this way it also suffered like any other downtown areas during the 1960s period. During the two following decades the population in downtown was in decline. The recorded population for the city declined nearly 20% (City of Greenville, 2009). Since early 1980s Greenville undertook different projects to revitalize downtown, remaking Main Street and improving the area physical conditions to make it suitable for mix-use development.

Projects, Tools and Strategies

The importance of planning was highlighted when the initial efforts took place. Public-private partnerships and progressive planning provided good outcomes. The city's first steps were rezoning historic buildings areas in downtown and improving the streetscape plan of Main Street. Four lanes streets were narrowed to two lanes and free angled parking in certain areas. To make the streets more appealing decorative light fixtures and trees were installed and parks and plazas were created throughout the area (City of Greenville, 2009, p.27).

The public-private partnerships helped bolster downtown by attracting new business and housing developments. After seeing some improvements, the city recognized that the public sector needed to step forward to provide the impetus for

private investment (City of Greenville, 2011a). One of the first projects was the construction of a hotel in Main Street funded by one of the partnerships. By this time, the city's master plan was completed, establishing the following city's vision: "by the year 2000, Greenville will have a thriving downtown which is recognized nationally as an example of a 'state-of-the-art' community in which to live, work, and play, and which serves in itself as a national attraction" (City of Greenville, 2011a).

Through continued commitment to the plan and successful alliances the city continued the efforts to revitalize downtown. A performing arts center and a mixed-use project were also developed to stabilize a stagnant historic district (City of Greenville, 2011a). The Master Plan goals were as follow:

- Create a framework for the future downtown development;
- Reinforce the role of downtown as an economic catalyst for the region;
- Create a fully functioning, mixed-use, sustainable, urban environment; and
- Leverage prior successes to move to the next level (City of Greenville, 2010, p. 1).

In 2007, the city held a two-day design workshop to incorporate the citizen's ideas for a new downtown master plan (City of Greenville, 2011a). The public input was very valuable as it helped the city get more knowledge of what other improvements were necessary to keep downtown alive.

In 2008, a public/private partnership between the city, the chamber of commerce, and Downtown Owners' Group (a group of office property owners) developed an initiative called Downtown Greenville Development Initiative (DGDI) to attract more business to downtown (US Airways Magazine, 2010, p.62).

Transportation

Greenville Comprehensive Plan established three objectives for downtown area:

- Objective 1: provide adequate infrastructure so that individuals have sidewalks, bike lanes, roads, etc. to navigate;
- Objective 2: provide adequate public transportation so that individuals do not have to rely on vehicles; and
- Objective 3: pave the way for transit oriented developments (City of Greenville, 2007).

Downtown is a pedestrian friendly area with ample sidewalks, bike lanes and trails for people to move around the district without the need of a car. Also, there is a trolley that provides free rides from point to point within downtown. This was done through a partnership with the local baseball team who provided the trolleys. For those who drive, there are parking garages and lots that are free during the weekends and evening. The city uses this as a strategy to attract more people during nighttime and weekends. Also, a web application was developed to help visitors find parking easily.

Housing

One of the city's housing priorities are affordable and workforce housing. To support downtown development toward this type of housing the city provides the following assistance:

- Assembling key properties and packaging them into larger tracts
- Addressing property issues including title work, liens and environmental issues
- Public improvements
- Down payment and closing cost assistance to homebuyers
- Homebuyer education
- Assistance with pre-development and construction costs
- Technical assistance through the development process (City of Greenville, 2011a, pp. 12,13)

Some of the funding sources and finance mechanisms that the City uses for downtown revitalization besides private sources are federal and state programs like: CDBG funds, HOME program, Neighborhood Stabilization Program (NSP), Low Income

Housing Tax Credits, Housing Trust Fund, other homeowner and rental programs, and Housing Authority's CHOP (Community Home Ownership Opportunity Program).

Financial Incentives

The city of Asheville through its Department of Economic Development facilitates a variety of financing and business incentives to local business and other investors who want to establish their facilities in downtown.

For development assistance:

- Commercial Corridors Façade Improvement Program
- Small Business Loan Programs
- Community Development Revitalization Programs
- Land Assembly and Infrastructure Improvements
- Historic Rehabilitation Federal Tax Credit
- Special Property Tax Assessments for Rehabilitated Historic Buildings
- Brownfields Federal Tax Incentive (Deduction)
- Brownfields Cleanup Revolving Loan Fund (BCRLF)
- SC Voluntary Cleanup Program (VCP)

For business assistance:

- Business License Tax Abatement
 - South Carolina Jobs-Economic Development Authority (JEDA) Loans and Bond Programs
 - South Carolina State Incentives
- Source: City of Greenville, 2011b.

Impacts

As with the previous cities, Greenville efforts succeeded, by 2001 more than 90 retail stores, 70 restaurants, 275 residential units, 22 churches, 6 hotels, and several office buildings were established in downtown and more projects were on the way (City of Greenville, 2011a). Greenville has experienced an economic and cultural boom on the last 10 years thanks to the efforts of the city government and the established

partnerships. The renovations in the area have attracted more residents and business to invest in downtown (City of Greenville, 2011a).

Lessons Learned

- Public-private Partnerships
- Mix-use Development
- Affordable Housing
- Business Incentives
- Rezoning
- Pedestrian-friendly atmosphere
- Build a sidewalk network
- Parks and open spaces (Green space creation)
- Biking lanes and trails
- Web applications for downtown facilities/parking
- Free Trolley service
- Free wireless in downtown
- Festivals and other events
- Main Street Approach
- Design Guidelines
- Street vendors restricted to specific locations
- Museums and Galleries
- Self-guided tours
- Plant trees
- Build a “can do” attitude among citizens to overcome obstacles

Summary

Although the city has been successful in their efforts to revitalize the city center it recognizes that it must continue to work continuously to improve. By rezoning certain areas in their downtown and making policy changes to approval processes the city made it easier for developers and investors to work with them on the revitalization. Adding trees to the streets landscape was a good strategy from the city as they create a better environment, impress visitors, and invite people to walk around the area. After the city accomplishes its goals it is very important to continue innovating and working to keep downtown’s vitality as it is an ongoing endeavor.

CHAPTER 6 ANALYSIS OF CAGUAS

Introductory Remarks

The urban center of Caguas, Puerto Rico is in the throes of revitalization. For many years Caguas was struggling with a blighted downtown and its low population density. A description of the present context of Downtown Caguas and some of the city's efforts to revitalize it since the 1980s were briefly discussed in Chapter 2. This chapter is an analysis of the current downtown revitalization practices and strategies in Caguas.

Revitalization Plans

Caguas general vision and mission are summarized as follows: "Caguas, our new country, a vibrant, safe, beautiful, and ordered city, healthy, cultured and modern, technologically advanced, that lives together in solidarity, is economically dynamic, competitive, and proud to be the best..." and in a up-front mission: "to provide people access to quality services through creative and effective means, and the optimal use of resources in a context of active citizen participation" (Santana et al, 2007, p.142).

Every revitalization effort in the city of Caguas is based mainly in two plans: Caguas 20/20: "A Perfect Vision" prepared in 1998 and the Urban Traditional Center Area Plan (known in Spanish as Municipio Autónomo de Caguas) that was authorized by the state government in 2007. This last plan was prepared by the Planning Department as a requirement of Law 81 of August 30, 1991 known as Autonomous Municipalities Act which provided the city with the faculty of establishing its own land use plan. In reality the two plans are not different from each other as the PACUT follows and cites the guidelines established by the Caguas 20/20 urban plan.

The city established the following policies for the revitalization projects:

- Enable greater access to the CUT
 - Increase Parking availability
 - Improve Safety
 - Improve Infrastructure Condition
 - Improve the condition of the streets
 - Modify the existing zoning
 - Promote cooperation between organizations
 - Promote Sales in the area
 - Promote the CUT Repopulation
- Source: Municipio Autónomo de Caguas, 2005, p.55

Economic Development

The city has been involved in a series of public-private partnerships to accomplish the revitalization of its downtown. Numerous infrastructure and beautification projects have been completed. Furthermore, large scale commercial projects have been built by private developers with incentives from the city to attract more people to downtown and increase the economic activity of the area. Figure 6-1 shows the four major projects from private developers that the city identifies as “key developments” in downtown, these are:

- Lincoln Center Plaza, a \$15 million multipurpose commercial building with six floors that created office and commercial space, provided a new parking garage with 500 spaces, and also has a Bowling alley and entertainment center with restaurants in the top floor;
- Gatsby Center, a \$40 million initial investment project that also provides office and commercial space;
- HIMA Medical Center, a \$15 million investment project that will provide medical services and will serve as the Headquarter location of this group of hospitals; and
- Laboratorios Borinquen, this project is an estimated \$7.5 million private investment which expanded the medical laboratories facilities and created new office space to relocate their headquarters in downtown (Perez & Marquez, 2005, p.1).

Two of these projects, Gatsby Center and Laboratorios Borinquen are completed while the other two are still under construction. These projects have helped improving the economy and the physical environment of the area. Space for service and commercial activities has been created and along with it the infrastructure around the projects has been renovated. The problem is that they are all located on the edges of the limits defining the CUT, José Mercado Avenue, which means that the majority of the traffic generated by these projects stays on that area without getting into the CUT's main commercial area (Figure 6-2).

Development Incentives

Through its Economic Development Department, the city promotes the competitive development of business sectors. Two ordinances were approved in 2003, Ordinance No. 03A-30 2002-2003 and 03A-31 2002-2003, to promote construction, rehabilitation and expansion of commercial and housing properties (Municipio Autónomo de Caguas, 2005).

Developers and contractors are given these incentives:

- Exemption of up to 100% of construction taxes;
- Exemption of up to 100% of the payment of the basic tax on the property assessed value with a maximum of 10 years;
- Exemption of up to 100% of patents if the City goes beyond the right building blocks for development and sales (Municipio Autónomo de Caguas, 2005).

Developers can also benefit from Law 212 Act for the Revitalization of Urban Centers; this state level law provides tax incentives to developers wanting to invest in urban areas, contributing to the development of cities. This law provides a variety of tax incentives such as: incentive for jobs creation in the urban center, creation of parking to incentives for revitalization of historic properties.

Business Development

The city provides different economic development tools to help both entrepreneurs and existing businesses. The municipal office, PromoCaguas, promotes economic activities in the region but its main focus is on helping local business to establish their operations in downtown Caguas. The office offers “business-management training and education” and also offers help to develop business plans with an orientation of financial tools and tax incentives available (Santiago, 2011, p.24). The Total Support Program (known in Spanish as Programa Apoyo Total) offers assessment and help with permits and certifications, and provides technical assistance to write proposals and other important documents. The city has an Entrepreneurial Assistance Center, which is a joint venture between the city of Caguas along with the Puerto Rico Small Business Development Center and a local university, the Columbia College. Through this center technical assistance is provided to people with business located within downtown to help them become more competitive (Carmona, 2010). Finally, the Community Development Bank provides financial assistance for those businesses operating in the urban center.

Transportation and Parking

The city offers a free trolley service with routes through the urban center reaching all the major parking facilities. Also, there is a transportation terminal that serves as a hub for what is known in Puerto Rico as “carros públicos” or public cars, these are small vans that transport people from the rural areas and suburbs to the urban center. As shown in Figure 6-3 there are sixteen parking facilities in the CUT such as garages and lots, also there is plenty of street metered parking available. According to the Urban Center Area Plan (2007) the city improved the accessibility by changing the traffic

direction in some streets (the majority being for one way traffic), created street extensions to connect different areas, and major roads like José Mercado and Rafael Cordero Avenues were widened by adding more lanes.

Housing

One of the main goals of the city is to increase the population in the CUT through the construction and rehabilitation of existing housing. Besides the low population density in the CUT, one of the major problems that the city confronts is that the majority of the residents are low-income families that rent the properties under Section 8 program. The city in collaboration with the private sector is using federal incentives and funding to promote affordable housing projects in downtown. In 2010 the construction of 'Caguas Courtyard Community Housing Project' began. For an approximated cost of \$23 million this affordable housing project will provide 94 units from one to three bedrooms. All units will be provided under the following subsidies: 38 units will be under Law 173 Rental Assistance Program, and 56 under Section 8 rental assistance program and 7 other units are designated for handicap residents (Carmona, 2010, p.27). To develop this project as well as others under review the developers are using funds through the federal tax credits, the Federal Tax Credit Exchange program through the Puerto Rico Housing Authority and American Recovery & Reinvestment Act (ARRA) (Carmona, 2010, p.27).



A



B



C



D

Figure 6-1. Major Developments in the CUT. A) Lincoln Center Plaza, B) HIMA Medical Center, C) Laboratorio Borinquen and D) Gatsby Center.
Source: Secretaría de Desarrollo Económico Sustentable, 2010



Figure 6-2. Location of the Four Major Developments in the CUT
Source: Google Earth, 2012

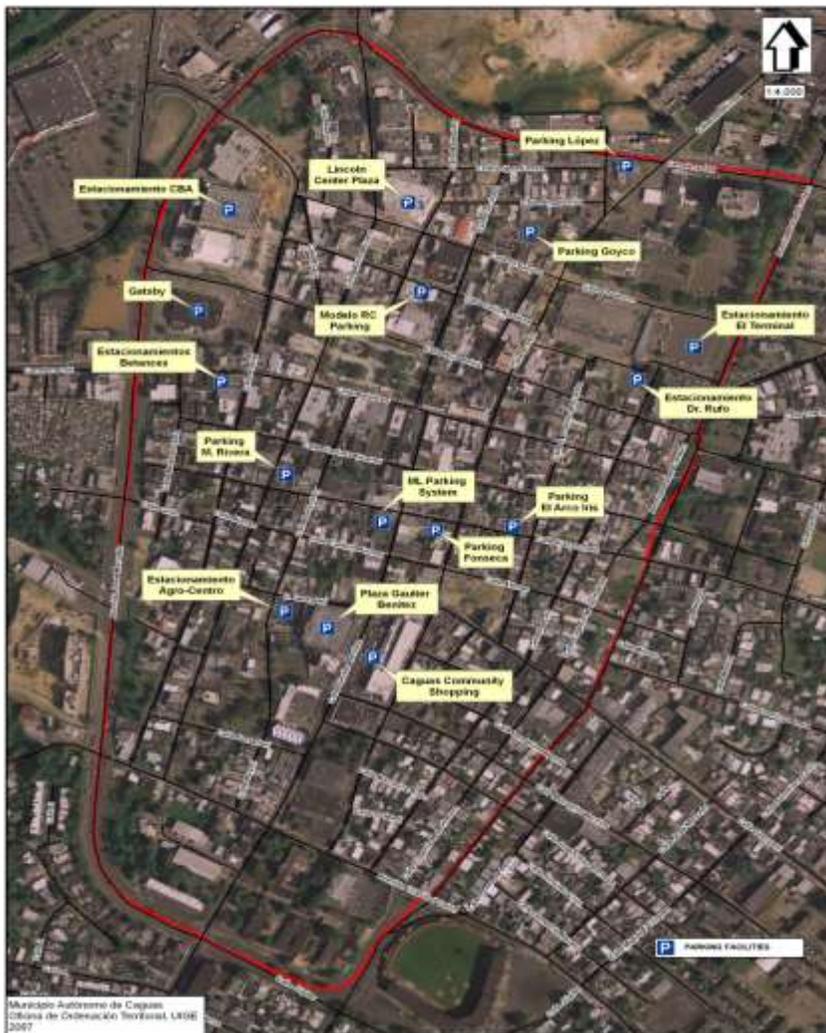


Figure 6-3. Parking Facilities in the CUT
 Source: Secretaría de Desarrollo Económico Sustentable, 2010

CHAPTER 7 DISCUSSION

A compiled list of downtown revitalization best practices derived from what was found in the literature and the ones derived from the three case studies was put together in Table 7-1 to examine which revitalization practices are being more emphasized in Downtown Caguas Revitalization Approach. These best practice criteria for downtown revitalization was divided between principles and characteristics. From the thirty two practices on the list, eleven principles and twenty-one characteristics, Caguas is not exercising thirteen of them.

Principles

The city's approaches do accomplish three main principles that are: downtown area plans, public-private partnerships and development incentives. Since the revitalization efforts began in the city many technical studies and area plans have been completed. Partnerships have been established and local and federal incentives used to develop investment projects, for example, the four "key development" projects mentioned in chapter 6 were completed through these practices.

However, even when the government has established on its mission and plans that housing creation in the CUT is a priority there are no regulation to control suburban growth. In one of the case studies, the city of Burlington, VT was able to increase downtown housing development by regulating private developments in the suburbs. In contrast, the continuous population growth in Caguas has been a key for the construction of many residential projects in rural and urban areas. A report about construction sales activities in March 2005 identified "22 active residential projects" in Caguas for a total of 2,473 units (Perez & Marquez, 2005). If Caguas government wants

to accomplish its goal of repopulating downtown, it should use tools such as tax increment financing districts in downtown or establish development impact fees and growth controls for suburban developments.

Until now in 2012 there are just three housing projects taking place within the CUT with two of these classified as social housing projects offering housing subsidy through Law 173 Rental Assistance Program and Section 8 Project Base Rental Assistance Program. Concentrating efforts and incentives on providing too many low income housing presents the problem of failing to address economic diversity which is a characteristic in the best practices criteria.

Recognizing that many of the residents in downtown are low income families that can't afford being owners, the City proposed on its plans using federal housing funding to help them stay in the area and not be displaced. No that there is something wrong with it but the City haven't established a program to attract high income, white-collars and young professionals residents to relocate in the CUT to support economic diversity in the area. The city of Greenville, SC made clear on its revitalization plans and practices that economic diversity was necessary for a functional downtown and by promoting this practice, that can be difficult, the city have been able to keep a balance in its downtown.

Next principle is appropriate zoning in downtown area that facilitates innovation and growth. The existing zoning in the CUT does not do much to protect its traditional character and promotes a more suburban development style as it does not establish controls on the designs of new infrastructure. Also, it does not allow housing developments to share a parking lot because it requires that per every unit constructed

at least one parking space needs to be provided (Municipio Autónomo de Caguas, 2005, p. 24). Through the revitalization policies the city recognizes that zoning is a major problem in the urban center and its currently working on establishing a new one that will allow more equilibrated mixed use developments in the area. Along with the zoning problems is the lack of a strict code enforcement unit. There are many buildings in the CUT that don't follow the established quality or design regulations but as it all falls over the Administration of Permits and Regulations department (ARPE) not all the violations get to be addressed. A plan with design guidelines was published in January 2008 but it is only for the main public spaces of the CUT: Plaza Palmer (Public Square) and the buildings surrounding it plus the Paseo Gautier Benítez where there is a heavy concentration of small retailing stores. The aesthetics and infrastructure conditions in these areas are not being regulated yet because not all the property owners are able to afford these changes and the city is looking for funding to help the most needed ones.

Characteristics

Caguas policies are not adequate in terms of many of the characteristics established by the best practice criteria. An important characteristic that the city has is its proactive community. This is due to the excellent government-citizen collaborative model that was established by the mayor Miranda Marín that has help with many of the improvements in the city. It is interesting that the city's mission is "to govern with the citizens not for the citizens" which is ideal because it promotes citizen participation (Santana et al, 2007). Citizens are able to participate on the planning and decision process through established community groups known as "Juntas de Comunidad".

The urban center lacks parks and open spaces with Plaza Palmer and Paseo de las Artes being the only two open spaces in the area serving as places where many

cultural activities and celebrations take place. More open spaces should be created through the urban center by taking advantage of existing vacant lots and that can help the area to acquire a strong sense of place.

In terms of traffic generators, the urban center has the presence of large public institutions such as the Municipal Government Center, the Judicial Center, the City Hall and the four “key developments” mentioned in chapter 6 which are all within a short walking distance from each other. The problem is that these traffic generators are located on the edges of the CUT. When the people who visit these places complete their purpose of their visit they leave the CUT through the same place where they came from. That results in people not needing to go through the center of the CUT where all the small businesses are located. Contributing to this issue is also the poor pedestrian environment in the area. A pedestrian friendly environment is one of the most important characteristics in the best practices criteria. There are no trees in the CUT outside the areas of Plaza Palmer and Paseo de las Artes and many of the sidewalks and other street infrastructure are not in a good condition. The city has been able to improve the infrastructure in some areas but there is still a lot of work to be done.

Caguas downtown is not yet multifunctional as the majority of the functions are government and professional services while the commerce keeps going in decline. With a low resident density and commerce and offices closing at 6 PM, the latest, the urban center goes to sleep when the workday crowd leaves. Offering more entertainment activities and taking advantage of the CUT’s cultural attraction can attract people after working hours and weekends. Once again, creating more housing in the CUT will also help with this problem.

Finally, the city revitalization practices lack of coordination among city departments. The departments working directly with downtown revitalization are ODECUT and the Planning department. Other city departments collaborate through some projects and activities but all the weight is mainly over ODECUT. From the case studies, the city of Asheville, NC simplified the revitalization workload by creating four offices focused only on downtown issues leading the city to keep its focus and complete most of the goals in a shorter time. If the City's budget allows it another office to support ODECUT should be created to split the revitalization workload.

Caguas Policies Problem

Based on the downtown revitalization plan analysis and the best practices criteria, Caguas revitalization policies are not having a strong effect on revitalizing its urban center. Although Caguas has similar policies to those from the case studies its downtown population and local businesses have continued to decline. The analysis suggests that Caguas does not have control over the city's suburban growth. The investments done so far are concentrated in the northwest corner of the CUT and all have been for businesses and offices space. The city is overstating the importance of parking and not doing much to create a better pedestrian environment through the urban center. Regarding housing, so far three projects are being developed and the city is giving too much emphasis to social housing and not making efforts to attract people with a higher income to spur diversity in the area. Recommendations to improve its approach are discussed ahead.

Recommendations

The city of Caguas should reconsider its revitalization policies and strategies if it wants a thriving downtown. The following are recommendations suggested by the researcher:

- **Educate the population about the importance of planning and revitalization of downtown.** Many people don't know what is planning and its benefits. This information can be included along with information about the revitalization projects in the city's newspaper.
- **Use planning tools to control suburban growth.** Developers will not turn their backs or go away from Caguas if the local government establishes a control on developments in the suburbs. Using tools such as tax increment financing districts in downtown and establishing development impact fees and growth controls for suburban developments will help developers to see downtown as an option for new developments.
- **Make changes in the CUT zoning code.** The current zoning is very restrictive and do not facilitates innovation and high densities in the area.
- **Stop promoting parking creation.** In Puerto Rico is practically impossible to ask the people not to drive as there are no efficient mass transit services. The best thing to do is to inform visitors about existing parking locations through a system of signs and the city's website.
- **Create a pedestrian friendly environment.** Street infrastructure needs to be improved and plant trees that provide shade that will also contribute with the aesthetics.
- **Stop developing traffic generators on the CUT edges.** People running errands on these areas leave the CUT the same way they came in. Therefore, these visitors do not go through the center of downtown where the majority of the local commerce is concentrated.
- **Caguas should work in creating an attractive image and market Downtown as the new place to live.** Current attitudes and perceptions must be changed. The Puerto Rican culture sees the urban center areas as places where the elderly and poor people live. Therefore people with higher income are reluctant to the idea of living in the urban center.
- **Build on the urban center historic character and cultural facilities.** There are 12 museums in the urban center that can be visited through self-guiding walking tours; this is known as the Route of the Creole Heart (known in Spanish as La

Ruta del Corazón Criollo). Schools in Puerto Rico make trips during the semester to visit touristic and cultural places. Using these as an asset to attract public will help to attract more people to visit the museums.

- **Reinforce downtown branding through an organized marketing approach.** Promoted the area and activities through social media and other communication channels. Build on the most powerful assets that any downtown has: memory and emotion. Many people keep good memories about downtown when they visited the area as a child. With a good environment and a varied offer of activities families will be attracted back to downtown.
- **Promote events after workdays and the weekends.** The normal hours of activity in the CUT are Monday to Friday from 8:00 am to 5:00 pm and Saturdays 10:00 am until 4:00 PM. All the stores are closed on Sundays. Promoting events and activities will attract people to the area during these days and will help the economy.
- **The city of Caguas has to re-envision what its downtown area could be.** All aspects of downtown must be review as changes take place and as time passes by.

Table 7-1. Downtown Revitalization Best Practices for Small Cities

Criteria	Caguas
Principles	
Downtown Area Plans	x
Public-Private Partnerships	x
Housing as a Priority	
Downtown Branding	x
Development Incentives	x
Regulations to Control Suburban Growth	
Appropriate Zoning	
Marketing and Promotions	x
Design Guidelines Implemented	x
Strict Code Enforcement	
Tax Increment Financing district	
Characteristics	
Defined Downtown	x
Proactive Government	x
Proactive Community	x
Coordination among City Departments	
Mixed Use Development	x
Traffic Generators	x
Old Buildings Rehabilitation	x
Pedestrian Friendly Environment	
Multi-Functional Downtown	
Viable Neighborhoods on Downtown's Edge	
Good Accessibility	x
Sense of Place	x
Clean Environment	x
Population Diversity	
Parking Availability	x
Safe Area	x
Residential Density	
Technology Infrastructure	x
24/7 Downtown	
Parks and Open Spaces	
Festivals and Cultural Events	x

"x" Represents that Caguas practices accomplish these criteria.

CHAPTER 8 CONCLUSION

Development projects in many cities have been shifting from downtown to the suburbs and with them many residents also left the urban centers. After many years of suburban development and the change in economy many people are looking back to downtown as an area offering development and investment opportunities. Downtown revitalization is a practice that has acquired popularity and many cities try to pursue it but not all are being successful with their practices.

Caguas economy has been thriving and its population growing but its downtown is not enjoying the same fate. The urban center has been losing population and the economic energy that it once enjoyed. The local businesses in this area face intense competition from many commercial developments in its surroundings. There is also an agglomeration of government institutions and professional services in the area that contribute to the daily traffic flow during weekdays but once operations stop and workers leave to go home the urban center stays behind and go to sleep.

Healthy downtowns are multi-functional by having a balance between housing, services and commerce. Through a combination of programs, initiatives and incentives the city of Caguas has been working during many years in partnerships with the private sector trying to attract investment and residents back to the area but have not seen an increment in population.

Using case studies of small cities that were successful in revitalizing their downtowns allowed reviewing different strategies and approaches used for revitalization. These information along with best practices identified in the literature

provided enough information to put together a compiled list of best practices criteria for downtown revitalization in small cities.

These criteria served as a tool to evaluate Caguas policies and define if its approach is being successful or not. It was found that after many years of revitalization efforts the city of Caguas is not being successful in increasing the urban center population and commerce. From the best practice criteria the City was not applying at least three important principles such as suburban growth control, appropriate zoning and most important setting housing as its main priority.

The city has been concentrating much of its energy in attracting private investment to the area which in turn has developed more office and commerce space. Until this time, in 2012, just three housing projects are under construction in the urban center area and they are being offered as social housing option for low-income families. It was explained earlier that there is nothing wrong with offering social housing options but the city is using all the incentives for this type of projects and not making efforts to attract high income and young professionals to the area. The best practices criteria establish that it is important to create a balance in the area that brings economic and population diversity. Housing must always be a priority in downtown revitalization plans but needs a broader range of housing types and price points to maintain diversity and affordability.

Caguas plans also failed in establishing an appropriate zoning in the urban center that allow high densities to take place within the area. The city recognizes this problem and is currently working on a new plan that is expected to be reviewed and approved by the end of 2012.

The limitations of this research were the data availability and the few outcomes from the revitalization efforts. The government in Puerto Rico rarely makes development and finances information available to the public. This action limits the possibilities of researchers interested in performing studies in the island. Municipal governments should be more flexible and share their progress information through the web and other sources of communications. Academic research can contribute with findings that sometimes are hard for the government to find out. Findings of this research can be employed in further theoretical research concerned with urban center revitalization in other towns in Puerto Rico and in Latin America region. The importance of this study is to show the importance of using as a guide downtown revitalization best practice criteria established and supported by case studies and the academia

LIST OF REFERENCES

- Accordino, J. & Johnson, G.T. (2000). Addressing the Vacant and Abandoned Property Problem. *Journal of Urban Affairs*, 22 (3), 301 – 315. DOI: 10.1111/0735-2166.00058
- Anderson, L, Brown-Graham, A. & Lobenhofer, J. (2006). Public Leadership of Asheville's Downtown Revitalization. *Popular Government*, Spring/Summer, 4-15. Retrieved from:
http://www.sog.unc.edu/sites/www.sog.unc.edu/files/article1_11.pdf
- Anonymous. (2011). Municipalities can create jobs, as shown by Caguas. *Caribbean Business*. p. 22. Retrieved from:
<https://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=69647859&site=ehost-live>
- Anonymous. (2010). A paso lento los cascos urbanos. *El Nuevo Dia*. Retrieved from:
<http://www.adendi.com/archivo.asp?num=10756&year=2010&month=3&keyword=Cascos%20Urbanos>
- Berk, E., & Illinois. (1976). *Downtown improvement manual*. Chicago: ASPO Press.
- Bojović, V. (2006) *Public Private Partnership as a Last Resort for Traditional Public Procurement*. *Panoeconomicus*, 53 (3), p. 299-311. Retrieved February 12, 2012 from: <http://www.doiserbia.nb.rs/img/doi/1452-595X/2006/1452-595X0603299B.pdf>
- Bright, E. M. (2000). *Reviving America's forgotten neighborhoods: An investigation of inner city revitalization efforts*. New York: Garland Pub.
- Burayidi, M. A. (Ed.). (2001). *Downtowns: Revitalizing the centers of small urban communities*. New York: Routledge.
- Carmona, J. L. (2010). Caguas Courtyard Community Housing project breaks ground. *Caribbean Business*, 38(36), 27. Retrieved from:
<https://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=54018300&site=ehost-live>
- Carmona, J. L. (2002). Caguas invests \$300,000 in urban center. *Caribbean Business*, 30 (46),38. Retrieved from:
<https://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=8833194&site=ehost-live>
- Churchstmarketplace.com (n.d.). Awards & Accolades for the City of Burlington, Vermont. Accessed January 23, 2012 from:
<http://www.churchstmarketplace.com/about-church-street/news-awards/>

- City of Asheville. (2009). Asheville Downtown Master Plan. Retrieved January 26, 2012 from:
http://icma.org/en/icma/knowledge_network/documents/kn/Document/301725/Asheville_Downtown_Master_Plan
- City of Asheville. (2011). Downtown Asheville: Center City Plan. Retrieved January 26, 2012 from: http://www.ashevillenc.gov/portals/0/city-documents/Development%20Services/Planning_and_Zoning/center%20city%20plan.pdf
- City of Burlington. (2011). 2011 Municipal Development Plan. Retrieved from:
<http://www.burlingtonvt.gov/PZ/Planning/Planning-Documents/MDP-2011-Complete/>
- City of Burlington. (2010, June). Doing Business in Burlington. 7th Edition. Retrieved January 26, 2012 from: <http://www.vermont.org/pdf/theguide.pdf>
- City of Burlington. (2009, February). Annual Financial Report 2008: Burlington Legacy Project. City of Burlington, VT. Retrieved January 15, 2012 from:
http://www.burlingtonvt.gov/City/Annual-Reports---DMS-Documents/2008/fy08_2_dept_reports/
- City of Burlington. (2000, June). Legacy Action Plan. Retrieved January 26, 2012 from:
<http://burlingtonlegacyproject.org/files/2009/07/LegacyActionPlan.pdf>
- City of Greenville. (2011a). Downtown Greenville. Department of Economic Development. Accessed January 25, 2012:
<http://www.greenvillesc.gov/EconDev/Downtown/default.aspx>
- City of Greenville. (2011b). Financing and Business Incentives. Department of Economic Development. Accessed January 25, 2012:
<http://www.greenvillesc.gov/EconDev-/BusinessIncentives.aspx>
- City of Greenville. (2010). Downtown Streetscape Master Plan. Retrieved January 25, 2012 from: <http://www.greenvillesc.gov/PlanningZoning/MasterPlans.aspx>
- City of Greenville. (2009). Greenville Comprehensive Plan. Retrieved January 25, 2012 from: <http://www.greenvillesc.gov/PlanningZoning/-CompPlan.aspx>
- City of Greenville. (2007). Transportation Strategies. Retrieved January 25, 2012 from:
<http://www.greenvillesc.gov/PlanningZoning/forms/CompPlan-/Transportation.pdf>
- Collins, S. M., Bosworth, B., & Soto-Class, M. A. (2006). The economy of Puerto Rico: Restoring growth. San Juan, P.R: Center for the New Economy.
- Downtown Burlington Development Association. (1989). Burlington: A Shared Vision. Retrieved January 18, 2012 from: <http://downtownburlingtonvt.com/wp-content/uploads/2009/06/burlington-shared-vision-october-1989.pdf>

- Downtown Partnership (2011). Planning for Downtown Burlington, Vermont's future. The Downtown Partnership. Accessed January 25, 2012 from: <http://downtownburlingtonvt.com/downtown-partnership/>
- Downtown Master Plan (2009). City of Asheville, North Carolina. Retrieved January 23, 2012 from: <http://www.ashevilenc.gov/Portals/0/city-documents/EconomicDevelopment/DMP%20August%2010.pdf>
- Faulk, D. (2006) The Process and Practice of Downtown Revitalization. Review of Policy Research, 23: 625–645. doi: 10.1111/j.1541-1338.2006.00219.x
- Ferguson, G. (2005). Characteristics of Successful Downtowns: shared attributes of outstanding small & mid-sized downtowns. Ithaca Downtown Partnership. Retrieved January 12, 2012 from: <http://www.cityofbinghamton.com/%5Clibrary%5Cpages%5Cdept-economic-development%5CSuccessful%20Downtowns%20by%20Gary%20Ferguson.pdf>
- Geddes M. (2005). *Making Public Private Partnerships Work: Building Relationships and Understanding Cultures*, Gower Publishing Company, USA.
- Google (2012). Google Maps. Retrieved January 26, 2012, from: <http://maps.google.com/>
- Hughes, M.A. (2000). Dirt into Dollars Converting Vacant Land into Valuable Development. The Brookings Review, 18 (3): pp. 36 – 39. Retrieved from: <http://www.jstor.org/stable/20080925>
- Hyra, D.S. (2008) *The New Urban Renewal: The Economic Transformation of Harlem and Bronzeville*. The University of Chicago Press.
- International Economic Development Council [IEDC]. (n.d.) Economic Development Reference Guide. Accessed January 25, 2012: http://www.iedconline.org/?p=Guide_Downtown
- Kemp, R. L. (2001). *The inner city: A handbook for renewal*. (Ed.) Jefferson, N.C: McFarland.
- Kromer, J. (2002). *Vacant-Property Policy and Practice: Baltimore and Philadelphia*. The Brookings Institution Center on Urban and Metropolitan Policy. Retrieved from: http://www.brookings.edu/~media/Files/rc/reports/2002/10-metropolitanpolicy_kromer/kromervacant.pdf
- Leinberger, C.B. (2005) *Turning Around Downtown: Twelve Steps to Revitalization*, Brookings Institution, March 2005, p. 19.
- Mayor's Newsletter. (September, 2011). City Completes Major Downtown Improvement Project. Retrieved from: <http://burlingtonvt.gov/Mayor/DMS-Documents/Newsletters---DMS-Documents/From-the-Mayor-s-Desk-No--50/>

- Moulton, J. (1999). Ten Steps to a Living Downtown. Brookings Institution. Retrieved from: http://www.brookings.edu/~media/Files/rc/reports/1999/10downtownredevelopment_moulton/moulton.pdf
- Municipal Research and Services Center (1997) Infill Development: Strategies for Shaping Livable Neighborhoods, Report No. 38.
- Municipio Autónomo de Caguas. (2005). Plan de Rehabilitación del Centro Urbano Tradicional [PACUT].
- Neighborhood Previews. (January, 2010). Greenville, South Carolina and its popular and friendly historic downtown. Accessed January 25, 2012: <http://www.neighborhoodpreviews.com/articles/index.php/greenville/Greenville-SC-downtown-charming-historic/>
- Norquist, J. O. (1998). *The wealth of cities: Revitalizing the centers of American life*. Reading, Mass: Addison-Wesley.
- Office of Trade & Economic Development [OTED]. (n.d.). Organizing a Successful Downtown Revitalization Program Using the Main Street Approach. Downtown Revitalization Program, Washington State. Retrieved from: http://www.commerce.wa.gov/_cted/documents/ID_160_Publications.pdf
- Pagano, M. A. & Bowman, A. (2000) Vacant land in cities: an urban resource. Brookings Institution Survey Series, Center on Urban & Metropolitan Policy.
- Pérez, M., & Márquez, C. (2005). Caguas Lures \$80 Million in Private-Sector Investment. *Caribbean Business*, 33(17), 16-21. Retrieved from: <https://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=17012984&site=ehost-live>
- Persky, J., & Wiewel, W. (2000) When corporations leave town: The costs and benefits of metropolitan job sprawl. Detroit: Wayne State University Press.
- Robertson, K.A. (2004). The Main Street Approach to Downtown Development: An Examination of the Four-Point Program. *Journal of Architectural and Planning Research*. 21:2 (Spring, 2004). Retrieved from: <http://japr.homestead.com/files/ROBERTSO.pdf>
- Robertson, K. A. (1995). Downtown Redevelopment Strategies in the United States: An End-of-the-Century Assessment, *Journal of the American Planning Association*, 61:4, 429-437
- Robertson, R. W. (1993). Economic development and downtown planning: The case of Fredericton, New Brunswick. *Economic Development Review*; Winter 1993; 11, 1; ABI/INFORM Global.

- Santana, R. L., Santiago, C. Z., & Rivera, O. A. I. (2007). *La gobernanza democrática en Caguas: Una nueva forma de gobernar*. San Juan, P.R.: EMS Editores.
- Santiago, J. (2011). While Puerto Rico struggles, Caguas thrives. *Caribbean Business*, 39(45), 38-42. Retrieved from: <https://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=67664190&site=ehost-live>
- Secretaría de Desarrollo Económico Sustentable. (2010). *Caguas 20/20: Visión Perfecta*.
- Shields, M., & Farrigan, T. (2001). *A manual for small downtowns*. University Park, PA/USA: Penn State Press. Retrieved from: <http://retailmarkets.aers.psu.edu/images/manual.pdf>
- Smith, N. and LeFaivre (1984). *A class Analysis of Gentrification. Gentrification, Displacement and Neighborhood Revitalization*. Albany: State University of New York Press.
- Tyler, N. (2000). *Historic preservation: An introduction to its history, principles, and practice*. New York: W.W. Norton.
- US Airways Magazine (2010). Keys to the City of Downtown Greenville, SC. City Profiles. Retrieved January 28, 2012 from: http://www.cliffscommunities.com/_images/pdfs/USAirwaysDowntownGville.pdf
- U.S. Census Bureau. (2010a). *Ashville, North Carolina*. Retrieved January 9, 2012 from: <http://quickfacts.census.gov/qfd/states/37/3702140.html>
- U.S. Census Bureau. (2010b). *Burlington, Vermont*. Retrieved January 9, 2012 from: <http://quickfacts.census.gov/qfd/states/50/5010675.html>
- U.S. Census Bureau. (2010c). *Caguas, Puerto Rico*. Retrieved January 9, 2012 from: <http://2010.census.gov/2010census/popmap/ipmtext.php?fl=72>
- U.S. Census Bureau. (2010d). *Greenville, South Carolina*. Retrieved January 9, 2012 from: <http://quickfacts.census.gov/qfd/states/45/4530850.html>
- Vermont Housing Finance Agency (2011). *Housing Needs in Burlington's Downtown & Waterfront Areas*. City of Burlington Planning & Zoning. Retrieved January 26, 2012 from: <http://www.burlingtonvt.gov/PZ/Planning/PlanBTV/PlanBTV-Documents/Housing-Needs-in-Burlington-s-Downtown/>
- Warner, M. (2010). *City of Burlington, Vermont. Planning for Family-Friendly Communities: Case Vignette. Planners' Role in Creating Family-Friendly Communities*. Cornell University Press, Ithaca, NY. Retrieved January 19, 2012 from: http://government.cce.cornell.edu/doc/pdf/case_burlington1.pdf

Whalen, P. (2010). Whalen Shares Secrets of Asheville's Success, Community Revitalization through Downtown. Retrieved January 25, 2012 from: http://www.co.lancaster.pa.us/planning/lib/planning/whalen_1.pdf

BIOGRAPHICAL SKETCH

Ivelisse Justiniano was born in the island of Puerto Rico. She received a bachelor's degree in environmental sciences and geography from the University of Puerto Rico in December of 2008. Immediately after graduation she moved to Florida to start graduate school at the University of Florida. There she began her master's degree studies in urban and regional planning. During the summer of 2009 she worked as an urban planning intern for the Planning Department in the City of Caguas, Puerto Rico. While working in the planning department she participated in the urban traditional center revitalization project. While working with contractors and their development projects she felt motivated to learn more about business topics. She decided that the best way to do this was to pursue a concurrent degree in the school of business. She began a second master's degree in management at Hough Graduate School of Business in the University of Florida. Upon graduation she has worked as a transportation planner intern in the Public Works Department in the City of Gainesville, Florida. Her career objectives besides working as a professional urban planner are to gain experience in the fields of economic development and affordable housing and someday own a private consulting firm to practice community planning in Puerto Rico.