

Trip Report

Volunteer Completion Form

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I would like to start off this report by saying that I am privileged and humbled to be able to provide some thoughts and ideas on the redevelopment and revitalization of Manati, Puerto Rico. The commitment by the Mayor, the staff and the business community, tells me that this City is on the verge of economic vitality. It is my sincere hope that the ideas offered here in, can influence the direction and contribute to this revitalization commitment. In the end, this experience is a reminder that we cannot take anything for granted as all our communities deal with either natural or man-made disasters. Hence, we always need to be ready.

The City of Manati office of Federal Affairs is leading the Economic Development revitalization efforts for the city. Of the 9 very professional individuals, only 1 is dedicated part time to the economic development work and revitalization of the City. The other 8 are currently focused on the recovery efforts with FTA, CDBG, Section 8 and FEMA. I would like to note that the team's focus, since Hurricane Maria, has been on basic recovery. Now, however, that many of these basic elements have been stabilized, there is an opportunity to slowly transition more of the team's focus to economic revitalization.

My direct contact for this recovery mission was the City of Manati's Director of Federal Affairs Office (FAO), Mrs. Delilah Ruiz. Therefore, a month and half prior to my arrival, we conducted weekly calls to review the itinerary, plan the deliverables and identify key focus areas.

The focus areas and the deliverables were based on the Mayor's Priorities for the next two years. The Mayor's priorities include:

1. Revitalize the Paseo del Atenas- This street used to be the center for entertainment and small business activities. The City's goal is to revitalize this Mainstreet with an active student, commercial and cultural activities including, but not limited to: open restaurants, art galleries, retail, museums and gift shops.
2. Transform the Coastal Zone into an ecofriendly tourism corridor. Manatí has many territorial restrictions due to their environmental diversity (natural reserves).
3. Implement strategies to further develop the agricultural sector by providing classes, training and other related activities to promote the consumption and export of local harvest.
4. Increase overall economic activity and increase the tax base.

Economic Revitalization Focus Areas

Based on the objectives of the Mayor, the presentations, the meetings, the conversation with businesses-community and the cluster strengths, the following are the suggested focus areas during my economic recovery and revitalization mission to Manati, Puerto Rico:

I would like to note that the suggestions listed below are based on the assumption that the City of Manati cannot wait for or be dependent on funds from the federal government. The City of Manati is an autonomous city and has the power to take action. And, in my opinion, the City must be proactive and a bit untraditional when it comes to revitalization efforts as redevelopment funds are scarce. The time is now to act.

The following are the revitalization areas of focus, with full descriptions and recommendations following.

- 1) Establish an Economic Development Team
- 2) Small Business Development
- 3) Main Street - Paseo de Atenas - Business Improvement District
- 4) Opportunity Zones
- 5) Medical Innovation Center Incubator and Corporate Innovation Centers
- 6) Agro-Innovation Center
- 7) Artist Village
- 8) Living Walls - Art Mural Program
- 9) Branding Opportunities
- 10) Medical Tourism

Outcomes for the Economic Revitalization Focus Areas

(includes short - long terms recovery goals and next steps):

Economic Development Team

In order to ensure there is a focused and sustained economic development effort, the City of Manati needs to consider an investment in a dedicated department. There needs to be a concerted effort and program around Business Retention, Business Expansion, Business Attraction, Innovation, Entrepreneurship and Small Business Development. The City does have a Tourism Office and a Planning Department which are important to the Economic Development efforts, however, they in themselves, are not enough to ensure the revitalization of key commercial corridors, of business development/formation and continued economic vitality.

Lastly, I would note, without a dedicated staff focused on these initiatives, it will be difficult to bring the amount of economic activity desired by the administration.

1) Next Step:

- a. Create a Department of Economic Development

- b. Hire a staff person to lead some of the recommendations detailed below.

Small Business Development

As in many communities, Manati's small businesses are in need of several tools to ensure their success. In particular, I heard, that financing is needed to assist with the construction, rehabilitation and operating expenses to start and support their business expansion plans. With the impact of the hurricane, many buildings are in need of extensive rehabilitation which is costly to any business.

At a presentation to local small businesses, I presented 3 funds as detailed below. As these funds are new and fund representatives had not reached out, FAO was unaware of the first two opportunities mentioned below:

FUNDING:

- 1) KIVA – Crowd Sourcing with a match from LISC
There is a dedicated fund for businesses in Puerto Rico. The fund is called Puerto Rico Match program which is administered by LISC through Kiva.
 - a. Requests for loans are made right on the web platform
 - b. Loan Amounts - Up to \$10k at 0% interest
 - c. Program – The program is outlined in a PowerPoint presentation that is found within the appendix. I have also included a Q&A which may be helpful
 - d. Local Contact -
 - i. [Ana Maria Cintron](#) who is the Founder and Director of Causa
 - e. **Next Steps** – I have put FAO in contact with Ana Maria and they will need to work together to identify possible local small business candidates. All recommendations for funding will need to come through Delilah.
- 2) Opportunity Zone Investments – see below
- 3) PathStone – CDFI
 - a. Working Capital
 - b. Loan Amounts - \$10-250k
 - c. Next Steps – FAO should follow up with any possible projects.
 - d. Contact Jose Rivas Diaz – 787-477-4716
 - e. I have made an email introduction between Jose and FAO

Catalytic Investments along the Main Street

As stated by the Mayor, a key focus of his administration is to reactivate a once prosperous commercial corridor. The 1-mile stretch has much potential as along its beautiful, historical buildings corridor are 5 technical colleges focused on areas ranging from medical, health, beauty care and business training. These colleges provide a captive, young consumer base of which the Mainstreet can rely and can grow.

1- Next Steps –

I recommend that the Mayor use his influence and redevelopment commitment to announce an ***Economic Development Revitalization Plan***. This plan would be

complementary to the Master Planning effort the city has already begun to undertake.

Here are some programs that could be included in the ***Economic Development Revitalization Plan***:

- a. Apply to Main Street for designation of Avenida Atenas. This will provide the city with needed resources to activate the street.
 - i. **Next Step**: go to the following website: www.mainstreet.org
 - ii. If this is something of interest, a small budget will need to be allocated.
- b. City Owned Land – The city owns several key parcels. An option would be to issue a Request for Ideas in the redevelopment and reuse of the sites. For example, the City just received ownership of an abandoned Hotel. FAO needs to issue a Request for ideas (RFI) identifying incentives they can bring and seek ideas from possible developers.
 - i. **Next Steps** – Using the RFI I provided as a template and found in the appendix, FAO should evaluate the need and issue the RFI.
 - ii. Possible incentives they can consider is a \$1 a year lease rate
 - iii. There is no cost to the City to issue the RFI.
- c. Theater Café – The City is ownership of a theater that has, for the first year of its existence, generated a profit. The city is now ready to expand the theater to include a café as there is a lack of cafes next to the facility. FAO needs to issue an RFI identifying incentives they can bring and seek ideas from possible developers.
 - i. **Next Step** – Promote this opportunity. Hence, I have also included this concept in the City’s Prospectus.
- d. Small Business Alive – FAO should consider starting a program targeting property owners with vacant buildings with the objective of activating the use of the buildings. The program would have the private owner provide a \$1 a year lease to a artist or retailer and the city could support the effort with Ordinance 4 Casco Urbano. Again, the goal is to open up closed retail facilities and activate the stret.
 - i. **Next Steps** – Reach out to owners with vacant buildings and see if they would be interested in joining the program.
- e. Tax Incentives – In PR every city has a different tax rate which is completely discretionary and up to the Mayor. I am not suggesting he change the rate (7.58% Real, 9.58% Personal property and .005 Patente Municipal), however, I do recommend the City needs to, as a **next step**, promote the Incentives currently on the books as they can support many of the economic growth initiatives within the city. These include:
 - i. Ordinance 4 – Casco Urbano
 1. 10 years – of only paying 10%
 2. Tax Abatement is 90% on real and personal
 3. 100% on Patente Municipal

4. To receive this benefit a business needs to solicit via application and the 10 years begins the date the application is approved.
 5. Mayor can change the boundaries
 6. Need to have no debt on CRIM, income tax or be on a payment plan
- ii. Ordinance 30 – Casco Urbano – Industriales
 1. Tax Abatement depends on investment
 - a. \$500,000 starts the benefit at 70% and at % of real and personal property contribution
 - b. Documentation is much more extensive
 - c. Can get a discount on its Patente Municipal at 50%
 - iii. Ordinance 7 – Patente Municipal
 1. Focused on small business renters can get the 100% tax abatement as long as you are on the zone
- f. Small Business Façade Improvement Program: Once funded, this would a great program to stimulate investment along this crucial corridor. Possible source of funds could be CDBG funds of which applications have not yet been distributed.
- i. **Next Step:** I left the City with a Façade Improvement Program with guidelines and a sample application. Hence this program is plug and play.
 - ii. In Atlanta our program was a 2/3 and 1/3 grant – match. I would suggest a similar structure.
- g. Adoption of Scooters and or Bicycles: With 5 technical colleges along the street, an adoption of scooters or bicycles in the city would add to the mobility options of the residents. It will also provide an alternative transportation option to the residents.
- i. Via email, I have put FAO in contact with Lime as to the viability of bringing them to the city.
 - ii. In fact, I learned that Lime is looking to test their products out on the island, timing may be perfect. Contact is Matthew Perry matthew@limebike.com
 - iii. I would also recommend the city first adopt a Scooter Ordinance to deal with where scooters can be used and where they are left. I have attached in the appendix the City of Atlanta’s ordinance as a sample - Sec. 150-401. - Permit requirements. For all other ordinances around Scooters, you can visit: https://library.municode.com/ga/atlanta/codes/code_of_ordinances?nodeId=PTIICOORENOR_CH150TRVE_ARTXSHDOMODE
 - iv. Revenue Source – In Atlanta we charge for \$100 for the permit of every scooter, Manati could consider implementing a permit fee as well
 - v. **Next Step** – reach out to Lime and prepare the city with the proper legislation regarding the scooters.

Manati should consider supporting and encouraging the businesses along Atenas Ave to form a Business Improvement District. With the concentration from the government and the dedication of the businesses, this Mainstreet has the potential to once again be the vibrant economic base it once was.

1) Next Steps:

- a. I conducted a meeting with many of the merchants and business owners along the street and spoke to them about the idea. In general, it was well received.
- b. Here is a step by step manual on how to start a BID that can help to establish one in Manati.
 - i. http://www.nyc.gov/html/sbs/downloads/pdf/bid_guide_complete.pdf
- c. I suggest that FAO identify one business owner who could take the lead on this effort. Based on the meeting I participated in, I feel Jose, the owner of the ice creams, would be a good candidate for this. FAO should spend time with him to get his buy in and let him take the effort on. I believe Jose is willing will just need some hand holding on the process.

Based on my meetings with local small businesses, it is necessary for Manati to find ways to support business activation and revitalization efforts. With the challenge of no funds for grants, the city is left with its taxes. Finding tools where these taxes are waived or forgiven, in my opinion should be considered an investment in the City and allow for the promotion of future tax generation. Although the Mayor does not have the right to forgive these debts, he could ask for the State to consider a waiver of the late fees and interest. He may want to do this in very specific cases – targeting catalytic projects. With that said, I understand the city needs to fund needed services. Hence, tax incentives would not be permanent or long term, but rather a short term, economic stimulus to support early catalytic projects.

Opportunity Zones

Before arriving in Manati, I reached out to Rodrick Miller who leads Invest Puerto Rico. I told him about my city efforts. He mentioned he was interested in my support with Opportunity Zones throughout PR; hence, I provided him with Atlanta’s template so that they could updated the information for PR. The reality is that almost all of PR is in the OZ, hence it is imperative they be at the table early.

With opportunity zone investments starting to formulate now, it is imperative that Manati, PR be on the map. Hence, working with the FAO, I have identified several solid projects that could be promoted.

1) Next Steps -

- a. Promote the Prospectus that I have created (the first for the State of PR)
 - i. I have prepared the 20-page Prospectus for the City, a copy of the document is in the appendix. I have also sent the original file to FAO so they can continue to modify as needed.

- b. One Pager – Ask project leads to provide a one pager if they want to be included in the prospectus. I have provided FAO with a one pager template.
- c. Website – Post the Prospectus on the website.
- d. Market – It is essential that Manati begin to market their projects to potential investors.
 - i. I will be putting FAO in touch with interested investors as I am able to identify them.
- e. Capital Gains – FAO should consider reaching out to any wealthy individuals or family foundations that have some tie to Manati. They may be more susceptible to investing their capital gains in the city.
 - i. At the business meeting I attended, I was able to identify one business owner with \$1m in capital gains. I have directed her to the tool and she is excited about learning more. FAO is also aware of this business and will follow up.
- f. Small Business Strategy – There are two CDFIs with a mission to create a small business fund focused on minority businesses. FAO needs to reach out to these funds to see if they would consider investing in PR.
 - i. I have put FAO in contact with the Community Reinvestment Fund and with LISC
- g. I have a prepared Opportunity Zone Presentation and have placed it in the appendix so that FAO can use as needed.

2) Projects

- a. Athena's college – Centro de Trauma
 - i. Global Education Exchange Opportunity – Centro Stem
 - ii. Innovation Center
 - iii. Although these are good projects, the owner would like to wait. I have advised her that timing is important here and asked FAO to follow up.
- b. Pig's Beer Garden - Local Business that is looking to expand. I have included them in the Prospectus.
- c. Center of Trauma – 2nd Hospital en todo PR
 - i. They are evaluating the tool.
- d. The City's museum. – with only one other museum in San Jose, and yet with thousands of artifacts, Manati needs to find a place to display the rich history that was once in the city.
 - i. I am seeking a museum contact in the US to put FAO in contact with. This is pending.
- e. Theater – Since the theater has generated \$80m, there is an opportunity to leverage this success and bring a café near the theater. Hence, the theater is in search for a private – public partnership to support its growth.
 - i. This project has been included in the prospectus.
- f. Educational Center for Trauma Interventions (Health related services, PR has only one Hospital that attends trauma interventions due to car accidents and related situations. Manatí will have a new Trauma Center in town next year,

so educational institutions are working on have a lab site at the City to provide training to students on this matter.

Medical Innovation Incubator and Corporate Innovation Center Hub

With the concentration of hospital, medical offices, technical college training facilities, pharmaceuticals and professionals in the field, I believe the city is ripe for a Medical Innovation Incubator. Having seen the Atlanta innovation eco-system grow, I believe this cluster is very strong in Manati and could be leveraged as a source of entrepreneurship, new ideas and increased investment.

1) Next Steps:

- a. Identify a possible place for the incubator. I would suggest one of the hospitals or at Atenas College. These are natural locations for the facility.
- b. Reach out to the Pharmaceuticals and gauge their interest in such a facility. Seeing the clustering around Georgia Tech Institute of Technology, I believe, they may be interested in harnessing the talent pool.
- c. Apply to US EDA for funding and support. This agency, in particular, is interested in fomenting these economic development activities and may be interested in supporting the effort.
- d. Begin to foster the wealthy individuals on the island, they will be a source of Angel Funding.
- e. I have provided FAO with a one pager on the CODA project in Atlanta as a sample of the opportunities that space can bring to a city and a focus on innovation. This is found in the appendix.

Agro-Innovation Center

1) Next Steps:

- a. When the city is ready, reach out to the Water and Energy Technology Incubator in San Joaquin, CA. It was funded by USEDPA and can provide a good model. The Center is focused on bringing water, energy or Ag technology-based innovations to market assisting entrepreneurs and innovators in every step of the journey.
 - i. <http://bluetechvalley.org/about/the-wet/>
- b. Recycling Impact Fund – In an effort to maintain the beauty of PR and to follow many environmentally responsibility Corporate Social Responsibility guidelines of the major corporations in Manati, I believe there is an opportunity for the Mayor to create a Recycling Impact Fund. This would be a self-imposed fee for large fast food and national chains (i.e. McDonalds, Marshalls, Taco Bell, etc.). Only in PR, do these large corporations not pay a paying a garbage fee.
 - i. **Next Steps:** There is an opportunity to reach out to these national chains and ask them to join the Mayor on adding this agreed upon fee.
 - ii. FAO will have to identify the owners to personally ask for their support.

- iii. How the gathered funds are used would be a joint decision by the corporations and the municipality.

Artist Village

In order to complement the concentration of artists, creatives and theaters (these are a city's pioneers), an artist village would be a great way to solidify and increase the creative industry in Manati. It is also a great way to re-use some of the abandoned government owned buildings. Although there are no funds, there are possible locations to house the artists.

1) Next Steps:

- a. FAO should issue an RFI and see if there is interest by any group to create a private public relationship to support this concept.
- b. The City's contribution could be to lease a government owned building for \$1 a year for 10 years.
 - i. Currently, there is a building across from the Mayor's office that is being used by the city but could be repurposed for this project.
- c. Artists would be required to only cover their water and electricity in turn they would be required to care, paint, create a quality of space in the building; as well as hours of community volunteer activities.
- d. I met with the Director of Tourism who is very interested in this concept and, per my understanding, was very supportive of this tactic by the City.

Living Walls – Art Mural Program

FAO was already planning a citywide mural program, I suggested that they look for informal sister-city partners in this effort. The idea would be to have the other cities sponsor a local competition, pick a winner and the winner gets to come to PR to paint their mural in Manati. The only investment would be the hotel, air and food stipend for the artists.

1) Next Steps:

- a. FAO should reach out to other cities.
 - i. I will put Living Walls Atlanta in contact with FAO so that they can find a way to partner in this initiative. Monica Campana monica@livingwallsatl.com – Executive Director of Living Walls Atlanta
- b. FAO already has identified the walls that are available and a paint donor
- c. FAO would like to launch the program in July, 2019

Medical Tourism

There are 3 major hospitals in the city. Not only is the medical industry a driver for the Manati economy in terms of jobs, economic output and investment, it could possibly create a new sector the Medical Tourism field.

1) Next Steps:

- a. FAO needs to support Manati's local Hospital expansion of their Centro de Trauma. This would be only the 2nd such center in PR. This means finding and introducing potential investors (i.e. Through Opportunity Zones or other sources).

- b. FAO should target health related businesses in their attraction efforts.
- c. FAO may consider teaming up with the Department of Finance and find ways to provide tax incentives to medical businesses opening in Manati.
- d. FAO needs to target more diversified hotel development and get local owners to rehabilitate their loft space. (There are many units on the city's main street that are not being used).
- e. FAO should consider engaging with the Pharmaceutical companies represented.

Branding Opportunities

With all the great work that the City of Manati will be launching, there is an opportunity to support this economic revitalization work through a Sector Branding Strategies. As a suggestion, the city may consider: Education Row, Health District, Art District

1) Next Steps:

- a. FAO should work with the Mayor's office to find the appropriate legislative vehicle to formally adopt the area and name of each sector.
- b. Ideally, funding would be available to provide signage, if not, there may be an opportunity to work with local artists to come up with ways to identify the area's new designation.
- c. FAO and all City departments need to adopt these new area designations in all its marketing material (ie social and print).

Future Areas of Focus

Just behind and next to many of the key commercial corridors, is a concentration of poverty. It is my experience that once the economic development efforts begin to take hold, issues of gentrification can threaten the stabilization of a community. Although I do not foresee this happening within the next several years, I do believe that FAO needs to have a strategy in place to address the need of affordable mixed-use housing in terms of homeownership and rental. I can provide more information here to FAO when appropriate.

Other Resources

In preparation of my trip to Manati, I came across other resources that may be helpful for FAO to consider as they continue their revitalization efforts:

1. [Grupo Guayacan](https://www.guayacan.org/) - <https://www.guayacan.org/>
2. [Vitrina Solidaria](http://www.vitrinasolidaria.org/) - <http://www.vitrinasolidaria.org/> -
3. [Centro Para Emprendedores](https://www.centroparaemprededores.org/) - <https://www.centroparaemprededores.org/>
4. [Foundation for Puerto Rico](https://www.foundationforpuertorico.org/) - <https://www.foundationforpuertorico.org/>
5. POP - <https://www.santurcepop.com/>
6. Causa Local
7. Lekiesha French from CEO of My Life – Help to support Entrepreneurship formation through education courses. Her program focuses on all ages. When FAO is ready to engage, they can reach out directly to Lekiesha Merritt can be reached at 404-723-7501

Background

Before I left for Manati, I reviewed the Resiliency Planning

- The Foundation for Puerto Rico's (FPR's) Whole Community Resiliency Planning Initiative which was funded with federal Community Development Block Grant Disaster Recovery (CDBG-DR) funding provides good information on the focus of the efforts for PR.

<https://www.foundationforpuertorico.org/wcrp>

Metrics

The metrics below include contacts and interactions before the trip, during and post trip.

- Contacts Made With:
 - Local Small Business – 15
- Applications/reports completed
 - Opportunity Zone Prospectus – The first in the State
 - Opportunity Zone Individual Project Sheets
 - Façade Improvement Program – Guidelines
 - Request for Ideas Template (RFI)
- Dollar amount of funds requested: (Although no exact amounts were requested, I did put FAO in contact with the following funding agencies).
 - US EDA
 - LISC – CDFI
 - PathStone
 - KIVA
- Resources leveraged and contacts introduced from Atlanta
 - Living Walls
 - Lime Scooters
 - LISC
 - PathStone
- Partnerships established –
 - Living Walls
- New Introductions and Contact Information Made:
 - Blue Tech Valley
 - CODA
 - NY City BID Formation
 - Atlanta Scooter Ordinance
 - Main Street USA
 - Living Walls

Attachments:

- City of Manati Prospectus – Created
 - One Pager Project Profile – 3 samples
- Façade Improvement Program: Guidelines and Application

- Request for Ideas (RFI)
- Scooter Ordinance – City of Atlanta
- Opportunity Zone Presentation
- CODA Project Fact Sheet
- KIVA PowerPoint Presentation