



Destination Plan

# Cabo Rojo & San Germán

Prepared by: **streetsense.**

Powered by:



Foundation  
for Puerto Rico

**BOTTOM-UP**  
DESTINATION RECOVERY INITIATIVE

# BOTTOM-UP

## DESTINATION RECOVERY INITIATIVE



This program is funded by the Economic Development Administration of the United States of America (EDA).



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Foundation for Puerto Rico is a 501(c)(3) nonprofit that seeks to unleash Puerto Rico's potential in the global economy, so more people can live, visit, work, and invest in our beautiful island. Our targeted economic development and resilience programs work hand in hand with our community partners, providing resources, training, funding, and networks that improve the local economy from within. We go from knowledge to action, combining innovative, data-driven thinking with strong field-based work across more than 32 communities. We've supported over 600 small businesses and collaborated with over 100 local and national NGOs.

*Our Mission: Transform Puerto Rico into a thriving destination for the world.*

*Our Vision: A prosperous Puerto Rico that unleashes the talent, creativity and passion of its people.*

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# Message from the Chairman of the Board



**Jon Borshow**, Founder, Chairman of the Board & CEO of Foundation for Puerto Rico.

Foundation for Puerto Rico (FPR) was established as a 501(c)(3) nonprofit organization in 2011 with the aim to create opportunities that drive social and economic development in the island, with a focus on the visitor economy.

Our mission of transforming Puerto Rico into a destination for the world has been clear since the beginning and became even more imperative following the devastating hurricanes Irma and Maria in 2017. From there, the Bottom Up Destination Recovery Initiative was born in early 2018 to help create a sustainable economic recovery model that would help communities become more resilient and involved in the creation of new businesses and services around the tourism industry. For our local economy to grow, we cannot rely on traditional forms of revenues, but rather look to generate new and incremental sources of funding. The visitor economy represents for Puerto Rico the greatest opportunity for economic growth in the short to medium term, given that it currently represents only 7% of our GDP, meaning it's got ample room to grow.

After two successful pilots of the program in Orocovis and Punta Santiago (Humacao), the Bottom Up received a grant from the Economic Development Administration of the United States (EDA) that allowed FPR to scale the program across 12 additional municipalities. Our first stop was on the western part of the island. Our Field Team moved to Cabo Rojo and San Germán and lived there for 6 months, getting to know the

community and stakeholders of the region, and working closely with them in order to foster economic resiliency and development. During the second phase of the program, the Destination Planning Team co-designed a Destination Plan that includes the latest tourism data, a list of the main assets and other achievements that draw visitors to the destination, and a list of recommended community-led projects that will further enhance the inherent strengths of the region making them more attractive, resilient, and hospitable for visitors and residents alike. Today, this Destination Plan is a reality.

What we present to you in the following pages is the result of a joint effort between local businesses, community members, nonprofits, municipal governments, and global partners, like Streetsense. Since the beginning of our work in Cabo Rojo and San Germán, Puerto Rico has faced new and ongoing challenges brought by earthquakes, political disturbance, climate change, and now, a global pandemic. There is no simple way to prepare for this "new normal," and our current reality reinforces the importance of making community resilience our top priority.

The Destination Plan is a blueprint for action. While the physical distancing measures and restrictions in place may affect the implementation of some projects today, the plan is a living document, one to be modified, reprioritized, and adapted in real time, responding to the challenges and opportunities of the moment.

Now, more than ever, it is time to re-imagine our future and develop high impact economic development strategies to take Puerto Rico out of the downward economic spiral of the last decade. This will only be achievable if we become far more open to deep and broad collaborations between the government and the private sector, businesses and communities, and international and relief organizations.

Our local communities must have a clear long-term strategy that considers their common assets and determines how they can best leverage them to bring renewed economic activity and create new opportunities for their regions. Foundation for Puerto Rico is working to help communities achieve this with thoughtful strategies, so that they can design, develop, and scale models that, either independently or collectively, have a positive impact on the whole island. We can't wait to see how these plans will develop into an exciting reality in the near future.

Sincerely,



**Jon Borshow**

Chairman & Chief Executive Officer  
*Foundation for Puerto Rico*

# Message from the President



**Annie Mayol**, President & COO of Foundation for Puerto Rico.

The aftermath of Hurricanes Irma and Maria marked Puerto Rico's most critical moment of the last century. During that emergency, Foundation for Puerto Rico (FPR) redirected all its resources to facilitate immediate response and coordinate initiatives to aid communities island-wide. The situation underscored the need for a strong plan, resilient infrastructure, and cohesive collaboration that would speed up recovery to better sustain natural disasters and achieve economic recovery and growth.

In January 2018, we launched the pilot for the Bottom Up Destination Recovery Initiative in Orocovis to aid communities, first with immediate relief efforts and by providing the necessary tools to be better prepared for the future. However, the work did not stop there. By the summer, the team was moving to Punta Santiago, Humacao, to expand the program's impact. After a second successful proof of concept, FPR secured a historic grant from the U.S. Economic Development Administration (EDA) to scale Bottom Up to twelve additional municipalities, impacting in the process numerous communities island-wide.

In the following pages, you will witness the results of a multisectoral collaboration of individuals and entities in the southwest region, who placed their bets on creating sustainable economic growth in their communities. We are proud to present the results of the Destination Planning process, as part of the Bottom Up program in the region of Cabo Rojo and San Germán.

By sharing with local stakeholders the Destination Plan, we hope to shed light on the importance of scaling the "Asset-Based Community Development strategy" to achieve an efficient long-term recovery for Puerto Rico.

As we continue to move forward with sustainable programs aimed at Puerto Rico's long-term social and economic growth, we are hopeful and guided by a transformation that we can only accomplish through a multisectoral and collaborative effort across the public, private, and nonprofit sectors.

At FPR, our motto is: "there is no future in rebuilding the past". Every day we put those words into practice to create a more resilient, strong and diverse future for our communities in Puerto Rico, and finding opportunities to innovate no matter what adversity we face along the way.

Sincerely,

**Annie Mayol**  
President & Chief Operating Officer  
*Foundation for Puerto Rico*

# Introduction

## Foundation for Puerto Rico

Foundation for Puerto Rico (FPR) is a non-profit organization founded in 2011 with a 501 (c)(3) public charity designation, that seeks to unleash the Island's full potential as an active participant in the world economy with sustainable programs that drive social and economic development. From knowledge to action, FPR's goal is to transform Puerto Rico into a thriving destination for the world. We want more people to visit, live, work, and invest in Puerto Rico, resulting in multi-million economic growth for the Island.

FPR leads its efforts with a focus on the visitor economy due to its short-term economic impact. Properly executed, a visitor economy strategy could significantly impact the economy of Puerto Rico and provide economic opportunities to many Puerto Ricans. FPR's vision is a prosperous Puerto Rico that unleashes the talent, creativity, and passion of its people. We want the Island to become a unique, desired, and accessible destination; that inspires millions of people from all over the world to visit. Puerto Rico has many assets and resources that allow the Island to create a wide network of authentic experiences. These range from its natural resources (that go way beyond sun and beaches), to its history, art, culture, and fine cuisine. They are all available in a compact and convenient destination, accessible both

in proximity and affordability, among other advantages.

In 2014, FPR began to work on making the visitor economy a priority to all stakeholders in Puerto Rico. This effort began by establishing a Visitor Economy Research Unit to help guide tourism policy discussion on the Island. A series of research papers were published around various visitor economy topics, ranging from destination management and the sharing economy, to national tourism statistics. FPR also conducted a series of events and workshops around the research and policy

recommendations to promote dialogue among the various stakeholders of the tourism ecosystem.

After Hurricanes Irma and Maria in 2017, FPR strengthened its efforts on the social and economic development of Puerto Rico but also included a focus on resiliency and extended its impact to multiple communities across the Island with the programs like the *Bottom Up Destination Recovery Initiative*, *Emprende 360°*, and *Whole Community Resilience Planning*.



Source: Foundation for Puerto Rico

# Visitor Economy

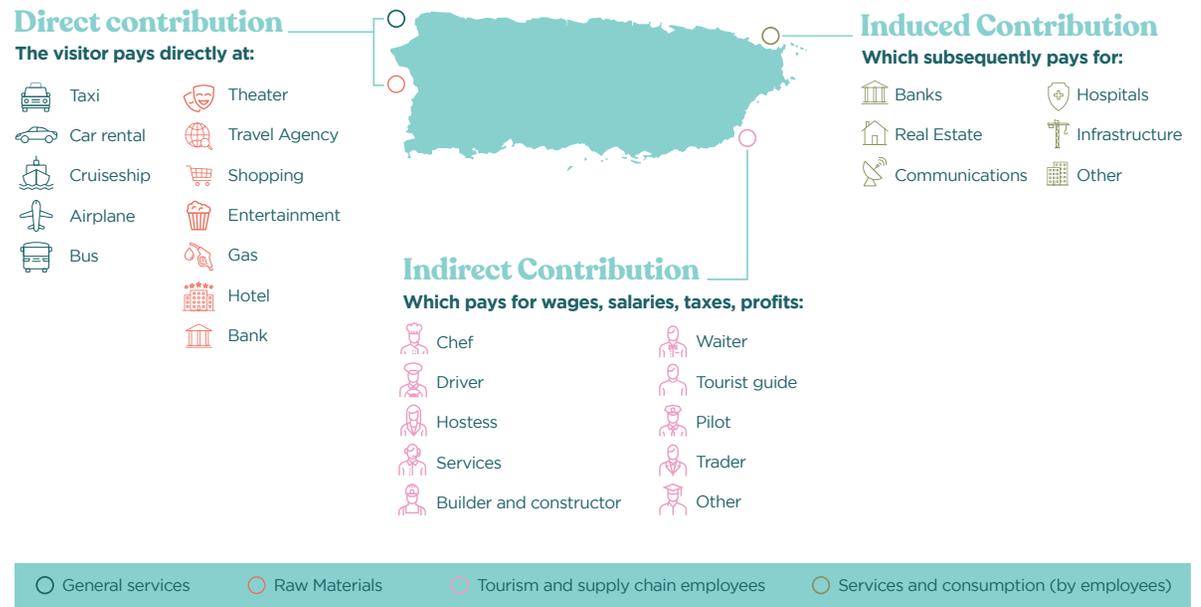
The term *tourism* is of common knowledge, as it is also known that in Puerto Rico this is a sector that has maintained a constant growth pattern even during the last years of recession. The visitor economy is a concept much broader than tourism. The World Travel and Tourism Council (WTTC) defines it as any direct, indirect, and induced economic activity resulting from visitors' interactions with their destination. This activity includes direct consumption of goods and services paid by people who visit a destination; activity generated indirectly from supply chains and services to the industry, construction, among others; and additional induced activity from what people who work, directly or indirectly, serving visitors spend in the local economy.

In other words, when the number of visitors increases, not only does their direct consumption increase (in hotels, restaurants, transportation, attractions, etc.), but the economic benefit of businesses and providers supporting the tourism sector throughout the entire supply chain, such as food, products, maintenance services, equipment, fuel, and general services also increases. Similarly, the economic activity generated by all the employees working in the sector, directly or indirectly, increases when they spend earned money back into the economy by acquiring goods and services.

The activity generated by the visitor economy contributes to many different sectors beyond tourism. Its impact has a multiplying effect with a large-scale potential, prompted by the visitor, that is distributed throughout

the entire economy and thus supports the creation of jobs, infrastructure development, and community development. It also offers an important platform for individuals, family groups, small businesses, and even communities embarking on different business activities such as cuisine, technology, lodging, etc. located in different regions of the island, and implemented according to an economic strategy that creates a large ecosystem.

When analyzing the visitor economy's ecosystem, we identified public and private organizations and individuals who play a key role in bringing about changes and defining strategies. We also identified those who interact with visitors on a daily basis, as well as those who offer services or products that make it possible for the visitor to enjoy our assets.



Source: Foundation for Puerto Rico

# Bottom Up Destination Recovery Initiative

Since its beginning, FPR has proposed the visitor economy strategy for the social and economic development of Puerto Rico. After Hurricanes Irma and Maria, this approach is more relevant than ever as many on the Island continue to migrate to the U.S. mainland, resulting in a smaller tax base and diminishing demand for products and services. This has particularly affected many small towns in Puerto Rico, where local business owners rely heavily on community residents to sell their products and services. As a result, these communities need an innovative and inclusive plan to bring in visitors in order to create new economic opportunities.

The **Bottom Up Destination Recovery Initiative (Bottom Up)** is precisely a **short-term economic recovery strategy with a sustainable model**, that supports communities in becoming more resilient and active resources in the process of creating tourism attractions and experiences. This community-based recovery program aims to strengthen local communities to spur their own recovery and build the infrastructure required for growth. With a focus on promoting collaborations among local key stakeholders and communities, the program proposes the combination of two municipalities into a region that can work together for the social and economic development of the destination. The goal is to help regions recover quicker by creating a Destination Plan to help increase the local tourism offerings and seek the extension of the average length of stay. As a result,

economic development in the communities is improved through better commercial operations, new businesses, job creation, workforce development, and a growing tax base. In this self-sustainable program, the community and local government in the region learn to maintain and further develop the program once the phases of resource identification, general guidelines, co-design, execution, and evaluation are completed by FPR.

The objectives of the Bottom Up are to help build up economic resiliency in communities outside the metropolitan area to promote recovery over the long term and local economic development through the visitor economy strategy.

The framework of the Bottom Up includes two phases with a duration of six months each. The first phase is focused on short-term recovery and includes support to infrastructure, capacity building for local businesses and organizations, and efforts to strengthen collaborations among local stakeholders, while the second phase focuses on long-term planning and development.

During the first phase of the program, an operational Field Team relocates to the community to assess challenges and opportunities in local businesses, main assets and organizations, coordinate workshops, and distribute product donations. With an emphasis on resiliency, the program stresses the importance of physical infrastructures for economic development. After Hurricane Maria, small businesses, the backbone of a local economy, were unable to jumpstart their operations given the challenges with electricity, telecommunications, clean water, and debris removal. Many businesses were unable to open during the evenings due to lack of public lighting, had no access to clean water for cooking, or were unable to process credit cards because of lack of internet.

This is why the program provides quick investments (technical capacity and equipment) to mitigate potential future economic injury and faster up-time for businesses to withstand, recover, and avoid future shock to their economies. Water filters and cisterns, solar lamps and micro grids, satellite Wi-Fi antennas, among other equipment, are installed in businesses



Visitor Economy Focused



Asset Based



Community Driven



Resilient Oriented



Action Based

Source: Foundation for Puerto Rico

and institutions to improve the quality, durability, sustainability, and resiliency of local infrastructure in order to minimize business disruption during potential future disasters.

To accelerate growth, a community needs rapid development of new businesses and the expansion of existing ones. To do that, the program offers technical assistance to existing business owners and builds an environment of entrepreneurship among residents to encourage them to think about ideas and provides resources to enable the establishment of new businesses related to the visitor economy.

Given the program's asset and community-based approach, it is imperative to build capacity so that local organizations can work together on their own recovery and development strategy. Often, communities lack formal (or even informal) organizations with the ability to engage and partner with other stakeholders from all sectors to bring attention to the community and its needs. These organizations can be either the municipal government, a local NGO, or a private business. Having one or two anchoring organizations can enhance coordination among all local stakeholders (private and public) and link economic resources with potential opportunities. This is especially important in the context of a small community, as many external factors directly and continuously influence the local economy. Having strong institutions that can coordinate development efforts is essential to a successful recovery strategy that is sustainable over the long-term. The Field Team builds a map of local key stakeholders, meets with them individually to assess their needs, coordinates

multi-sectoral meetings to foster integration among local organizations, and provides capacity building through workshops on topics ranging from the process of registering as a non-profit organizations to grant writing, fundraising, volunteer management, among other key subjects.

With a visitor economy perspective, we make sure we get a clear picture of what unique experiences the region has to offer to the visitors. Given that the conditions and integration of the diverse visitor economy assets in the region is key to generate the necessary demand for visits, we identify the challenges, opportunities, and gaps in both the physical and operational status of assets for which we can recommend development strategies.

The second phase of the project seeks to create a community-led destination plan that can help bring more visitors in the short-term, ensure commitments from local stakeholders towards the implementation of the plan, and develop a sustainable, locally-based governance around plan goals and objectives. The plan conveys a statement of purpose, shared and agreed upon by a group of key stakeholders in the community and seeks to define the ways to develop the destination over a given period. It also describes the roles and concrete actions to be carried out by the local key stakeholders in the short-term to increase tourism activity sustainably, aligned with the vision adopted by community residents themselves.

The FPR Team, alongside experts, leads a series of community meetings for the co-design of a destination plan that includes short-, medium-, and long-term projects for the development of the region. The strategies and projects recommended in the final document are based on a range of data collected, including qualitative input from the community as gathered via individual meetings with municipal and state-level stakeholders, through site visits, and global data analysis, etc.

**The Bottom Up Destination Recovery Initiative is currently in multiple communities and regions around the Island to create a network of destinations developed from the bottom-up that can contribute significantly to the overall social and economic development plans of Puerto Rico.**

# Implications of COVID-19 on the Destination Planning

The COVID-19 pandemic presents an unprecedented crisis for the tourism industry not only in Puerto Rico but across the United States and the world. This crisis, which has quickly developed into a severe global economic downturn, will have long-lasting consequences including plummeting tourist arrivals and tourism spending that are not likely to return to pre-crisis levels until 2024.<sup>1</sup>

In March 2020, under an executive order, Puerto Rico entered an emergency lockdown and curfew – one of the earliest across the United States and its territories. Although the Island planned to re-open to off-island travelers in mid-July 2020, four months after the lockdown, the government postponed its plans and issued a travel advisory encouraging only essential travel with strict testing and quarantine requirements for any traveler entering the Island.

Owing to these restrictions, annual domestic passenger traffic at Luis Muñoz Marín International Airport (SJU) fell by 75.9% as of June 2020 (Year to Year)<sup>2</sup> and between March 2020–July 2020, there were over 113 cruise ship cancellations in Puerto Rican ports amounting to “approximately 334,000 passengers and economic losses of more than \$37 million in Puerto Rico”.<sup>3</sup> Compounded

by reputational damage to the industry from a number of COVID-19 outbreaks on cruise ships early on in the pandemic, the industry has had to pay off refunds for cancellations and have incurred costs associated with docking ships at ports where ships are quarantined. If these trends continue through the end of 2020, inbound traffic by cruise lines to Puerto Rico and the Caribbean in general will also be sluggish for a few years following the pandemic.

Although hotel bookings were running above 2019 levels in the early months of 2020, they declined sharply in March and forecasts from early in the pandemic predicted continued losses through the rest of the year.<sup>4</sup> This was, however, estimated prior to a fuller understanding of methods and rates of transmission and likely did not account for another surge of transmissions in the Summer/Fall of 2020 that has in fact occurred in many of Puerto Rico’s traveler origin markets such as Texas, Florida, and Georgia.

Unsurprisingly, across various sentiment surveys, consumers have indicated heightened fear and continued wariness around long distance travel, in particular, beyond 2 hours. Given that Puerto Rico is geographically isolated and will require mainland United States and international travelers to arrive either by ship or airplane, the Island will need to significantly raise its messaging efforts around health and safety to alleviate worries amongst these travelers or re-focus its marketing efforts to domestic and

diaspora tourists. The DMO (also known as Discover Puerto Rico) has begun these efforts by revising its organization’s off-island promotional messaging to reflect the changes in mandates and safety measures and by creating a simple webpage summarizing the travel advisory on its main website for tourism suppliers and travelers to easily refer to. In addition, the Puerto Rico Tourism Company (PRTC) is certifying hotels that comply with new health and safety guidelines and providing seals of certification to alleviate any fears amongst travelers.

At the same time, the government of Puerto Rico has also had to deal with local residents’ concerns over the small share of travelers who have continued to enter the Island during the pandemic, flouting rules and restrictions, and therefore placing the health and safety of local residents at risk. This rising dissent against off-island travelers has been problematic for the state as it navigates reopening plans and delicately balances economic concerns against that of local sentiment. When the time arrives for the Island to fully reopen to travelers, those arriving in Puerto Rico will have to be properly educated on how to be good travelers. Even in non-pandemic circumstances, travelers must be reminded to respect local environments, cultures, rules, and practices. With COVID-19, this also means reminding travelers about mask-wearing requirements, social distancing measures, curfews, and hygiene/sanitation practices.

<sup>1</sup> “International tourist numbers could fall 60-80% in 2020, UNWTO reports,” World Tourism Organization, May 7, 2020, [unwto.org](#).

<sup>2</sup> “ASUR Announces Total Passenger Traffic for June 2020”, PRNewswire, July 6, 2020

<sup>3</sup> Puerto Rico Tourism Company, 2020 (as reported in Global Press Journal, June 21, 2020. “Coronavirus Devastates Puerto Rico’s Tourism Industry”)

<sup>4</sup> *Tourism Economics*, March 2020.

As outlined in the Methodology section, the following Destination Plan was researched and written in 2019, long before the arrival of the pandemic. Hence, the snapshot of the Island's travel volume, typical visitor profiles, and competitive positioning is largely based on data from the Island's peak recovery phases following Hurricanes Irma and Maria. Although tourism demand may have significantly evolved over the last two quarters, and there is much uncertainty over the speed and shape of recovery, many of the recommendations made in the Destination Plan remain relevant.

Growing demand through marketing and promotion (albeit with a new focus on health and safety) as well as improving supply through investments in existing assets that drive visitors and that leverage each region's competitive edge will continue to be important for the Island and its various regions. Most importantly, the pandemic has accelerated the need for tourism-serving businesses to move to digital marketing, sell products/services online, and to revisit business models that can sustain operations during various crises. The plan's recommendations to retain and grow local businesses and to build adaptive capacity of organizations/individuals managing tourism assets will be even more important following the pandemic and should be prioritized moving forward.

As the world economy continues to evolve, the Destination Plan should serve as a living document that continues to provide guidance for forthcoming investments as Federal, National, and philanthropic aid becomes available across the Island and region to ensure strong recovery and long-term survival.



*March 2020: Passenger screening at Luis Muñoz Marín International Airport (SJU). Source: Puerto Rico National Guard*

# Executive Summary

## Introduction

Growing the visitor economy is a complex process and achieving successful outcomes takes time, resources, and local commitment. This plan offers a comprehensive blueprint for efforts driven by a mixed coalition of community stakeholders and island-wide partners to improve the visitor economy and grow visitation to the region from off-island visitors.

In practice this means meeting communities where they are, not where we want them to be. This effort is not reliant on “big” projects that too frequently fail to address fundamental underlying challenges that have historically stunted the growth of the visitor economy. The assessment outlined here upends traditional planning processes by focusing on a mix of interventions that reflect our gap assessment, community consensus, the possibility of resource allocation, and the presence of potential stakeholder champions. This plan encourages stewardship of projects by and for local communities and supports their efforts to gain experience through smaller projects while simultaneously supporting improvements in administrative structures that will help them be prepared to advance major initiatives over time.

The plan begins with a diagnostic of assets, market demand, and visitor characteristics, and concludes with a set of interventions that accomplish two things over time: **grow**

**demand from off-island visitors** and **improve the supply of offerings and assets** to ensure that visitor expectations are met and exceeded. However, all of this occurs with a twist – ensuring the effort is bottom-up – and informed by community input and engagement. A bottom-up approach recognizes the role that businesses, asset managers, and key tourism stakeholders play in successful destination tourism efforts. This is important because these are the individuals and organizations who will be charged with and responsible for meeting visitor expectations day in and day out.

## Highlights from Our Finding

### Global Tourism Trends

The market analysis measured the offerings of each region (mobility, lodging, and attractions) against five major customer segments (Families traveling with children, Gen Z, Millennials, Gen X, and Boomers) and their travel preferences.

- Ecotourism and wellness travel are growing in popularity as climate change and global consciousness among travelers of all ages increases. In 2018, 68% of consumers actively sought out eco-friendly accommodations, up from 65% in 2017.<sup>5</sup>
- Increasingly, travelers are seeking authentic experiences. Gen Z travelers, aged approximately 18-25, tend to plan

travel around highly localized festivals and events that enable more immersive cultural experiences.

- Social media is a monumental and growing influence on visitor decision making, particularly among Gen X, Millennial, and Gen Z visitors.

### Island-Wide and Regional Market Findings

- The greatest share of visitors come from New York City, Miami, and Philadelphia. Trips originating in the states of Florida and New York make up 24% and 17% of all visits respectively.<sup>6</sup>
- Fifty-five percent (55%) of visitors have a bachelor’s degree or higher, and the same proportion make more than \$60,000 in personal income.<sup>7</sup>
- Sixty-four percent (64%) of visitors are between the ages of 25 and 54, though under-24s make up just over 11% and growing.<sup>8</sup>
- Thirty-nine percent (39%) of visitors surveyed came primarily for leisure, 29% came to visit friends and family.<sup>9</sup>
- While the San Juan metropolitan area receives 55% of Island visitors, by contrast, Cabo Rojo and San Germán currently see just over 1%.<sup>10</sup>

<sup>5</sup> “Ecotourism Outlook 2018”. Leah Joyner, Qwynne Lackey, Dr. Kelly Bricker. University of Utah College of Health. 2018.

<sup>6, 7, 8, 9, 10</sup> “Perfil de los Visitantes”. Gobierno de Puerto Rico, Junta de Planificación. Accessed November 14, 2019. Report.

## Physical Environment

- The region is at 2.5-3 hour trip for visitors whose point of origin is San Juan. Popular rideshare operator, Uber, does not have drivers in the area. However, given the relatively long distances between assets, rideshare is a less realistic option at this time.
- Cabo Rojo/San Germán would greatly benefit from increased daytime passenger flights arriving to the Rafael Hernández International Airport (BQN) in Aguadilla, which would shorten the distance to the region by half as compared to San Juan.
- The network of regional and local roads is generally in good condition, with the exception of the much-traveled route to El Faro Los Morrillos.
- While this region has good directional wayfinding to some of the key destination drivers, the inadequacies of Google Maps and other online mapping tools keep customers from easily finding their destination.

## Business Environment and Destination Drivers

### Assets

Our assessment found that the natural assets, including calm water beaches and nature preserves, are already strong destination drivers in the region. However, there are also a large set of cultural and historic assets that are relatively undervalued and have a great opportunity for improvement.

- The majority (58%) of assets are cultural attractions primarily clustered in San Germán.
- According to TripAdvisor, the top three attractions in the region include Playa Sucia, Bosque Estatal de Boquerón, and El Faro Los Morrillos. All three received high visitor satisfaction ratings of over 90%, as measured by the percent of reviewers who gave four- or five-star reviews. Notably, none of these attractions include Food and Beverage offerings. The lowest reviews were reserved for Boquerón, one of the region's top destination for Food & Beverage offerings. However, only 68% of reviewers gave the area a four- or five-star review.
- More than half, or 57%, of assets are listed on TripAdvisor, a much higher percentage than other regions, which might reflect a higher degree of sophistication among local business owners.

### Lodging

- In this region, hotels (unbranded) play an important role, and the majority of lodging establishments include hotels, motels, small resorts, and vacation rentals. The lodging stock is mostly small, locally- based, independent hotels and "paradores", with an average of 2.7 stars. Only three establishments are endorsed by the Puerto Rico Tourism Company (PRTC). They are located in Cabo Rojo and adjacent to walkable ecological corridors and beaches.
- The region is serving Gen Z, Millennials, and families with moderate and affordable lodgings options. However, there were

fewer options for Boomers and Gen X-ers seeking a variety of price points and lodging options with more amenities.

- Occupancy rates for branded lodging in the Porta del Sol submarket, where Cabo Rojo and San Germán are located, falls below 60%, a common threshold that hotel operators use to determine opportunities for growth.

### Administrative Capacity

- Longstanding systemic challenges continue to prevent organizations from managing and maintaining the quality of many of the region's natural, cultural, and recreation assets – challenges that are not unique to this region.
- Unlike other regions, PRTC has an office for Porta del Sol that has spearheaded a regional plan and leads an advisory group that meets regularly to advance coordination among key stakeholders.
- In some instances, there are emerging efforts to form merchant groups/ associations, including in Joyuda where restaurateurs affected by the hurricanes have begun seeking strategies to promote and market themselves as a collective.

# Recommendations

The recommendations reflect a two-pronged strategy that aims to **grow demand** through marketing and promotion while simultaneously **improving supply** through investments and enhancements to destination drivers and assets.

The projects are further split into two categories – projects that are “region-specific” and projects that are part of a “Visitor Economy recommendations” section which addresses island-wide systemic challenges that are more conducive to efforts led by the Island’s public and private sector stakeholders and partners.

## Region Specific Strategies: Cabo Rojo/ San Germán

The region-specific recommendations for Cabo Rojo and San Germán emphasize a set of investments that reflect the region’s unique opportunity to position itself as an off-the-beaten path destination that combines some of the island’s richest cultural and historic assets with its most notable standalone natural assets.

The region offers a unique opportunity for family entertainment – particularly intergenerational visitors and families who seek a variety of itineraries that include a mix of nature-based, cultural, and historic activities. Older visitors, including Boomers and seniors are often more interested in culture and

history, yet they currently have no options to stay and experience a walkable downtown environment, unlike San Juan.

For this region to grow its visitor economy, improvements must occur in four key areas as follows:

**Strategies to grow off-island demand** through **branding, marketing, and communications efforts** that recognize the region as a destination for its unique mix of natural and authentic historic assets:

- 1. Events in cultural spaces** are the linchpin of efforts to drive visitation to historic downtown areas of San Germán and Cabo Rojo, as well as to the culture of seafood for which Joyuda is well known.
- 2. Regional branding strategies** that enable the region’s visitor economy stakeholders to coalesce around a messaging effort driven by the area’s strategic position in the marketplace.
- 3. Ecotourism routes.** Given the importance of ecotourism to this area of the Island – the development of itineraries in consultation with tour guides and asset managers is necessary.

**Strategies to improve the supply of offerings** through investments in a mix of business and place-based assets, improvements in access and mobility, and capacity building as follows:

**Enhancements at strategic and popular place-based assets** that enable visitors to build a comprehensive itinerary that leverages the region’s unique rich cultural heritage with its world-class ecotourism offerings. The place-based recommendations focus on three

complimentary elements in the region: Faro Los Morillos, downtown San Germán and the cluster of waterfront restaurants in Joyuda. Together they create a comprehensive set of experiences that cover nature, culture, and seafood.

**4. Joyuda** is a well-known area in the region where locals have historically gone to satisfy their craving for great seafood. With its emerging merchants association, there is an opportunity to link a now abandoned waterfront lot to public realm improvements that make the destination more attractive and appealing to visitors, much in the way that Boquerón has already done.

- Shared parking lot
- Sidewalk improvements and traffic calming measures
- Public plaza designed with resiliency in mind

**5. San Germán**, with its picturesque historic plaza and churches, is among the most valued historic assets on the Island. Raising awareness of this culturally iconic location and supporting the growth of lodging amenities in the historic district is in line with PRTC’s Porta del Sol Plan for Regional Tourism.

- Explore historic district designation
- Rehabilitate Oasis Hotel & increase historic houses lodging options
- Historic district wayfinding in both San Germán and Cabo Rojo

**6. El Faro Los Morrillos** is among the oldest lighthouses on the Island, as well as one of the more popular destinations in Puerto Rico. It perfectly captures the essence of the region's unique mixture of natural and cultural offerings. Managing growing visitation and reducing visitor impact on the site while also raising revenue for management and maintenance are challenges that need to be addressed.

- Paving of Route 301
- Parking management
- Formal concession program
- Interpretive signage

**7. Support for the agri-tourism sector.**

The community's interest in growing agri-tourism will require support and further exploration with stakeholders in this sector, but is part of an effort to grow a new set of offerings in the region.

**Business support strategies** that help improve the awareness of offerings and help the area's renowned seafood restaurants better meet the needs of locals and off-island visitors alike.

- 8. Management of Online Listings.** Expand efforts to train business owners to manage their online listings.
- 9. Explore a Menu Campaign** given the prominence of the region's restaurant and food clusters.

**Strategies to address administrative capacity issues** that will help support the delivery of plan elements.

**10. Support for existing and new merchants associations** that can serve as delivery mechanisms for enhanced business support services, online listing training, and menu campaigns outlined in the plan

## Visitor Economy Recommendations

There were numerous shared challenges identified during the planning process that reflect a set of structural and island-wide issues that are best addressed at the highest levels of governance. We have grouped these investments together into a section of the plan that can be developed in partnership with island-wide public, private, and non-profit sector partners.

### Asset Enhancements

Outside of San Juan, the conditions of many non-branded hotels are less than ideal. Finding ways to finance improvements to the places where visitors stay is a significant island-wide need.

- 1. Small lodging financing** to enable small hotel and Airbnb operators to invest their assets.

### Mobility Enhancements

Getting around the island can sometimes be a challenge given the inaccuracies in GPS and online mapping tools. Helping visitors find their way around helps raise awareness of assets and improves visitation.

- 2. Regional wayfinding, highway and pedestrian signage** along state highway and local roads.

### Business Retention

Business retention focuses on efforts that ensure that local businesses have the necessary knowledge to embrace online marketing, improve customer service and operations, and have the resources required to enhance the look and feel of their businesses through facade renovations. Projects include:

- 3. Amplify the region's assets on online review sites** to raise the visibility of businesses among the visitor population.
- 4. Develop grant programs for business operations and physical improvements** that help address operational challenges and ensure businesses have the resources to upgrade and improve.
- 5. Continue to support and grow customer service training** to improve the visitors' experience.

**Capacity Building** is essential to support the fiscal sustainability of the organizations that manage and maintain key tourism-supporting assets. This includes:

- 6. Enable more assets to collect entrance fees.** This important fiscal sustainability strategy can be difficult to implement for organizations that do not have an official non-profit status or lack the tools and know-how that go along with collecting fees.

7. **Explore shared services** among non-profit asset managers, such as grant writing, administrative support, and co-location to aid in fiscal sustainability.
8. **Explore fiscal sponsorship models** that enable organizations to apply for formal 501(c)(3) tax exemption status. This will enable organizations to apply for funding from foundations, grants, and government programs that were previously unavailable to them.
9. **Technological tools** to enable sales transactions and allow for collection of entry fees.

**Systems and Infrastructure enhancements** that, while outside of the scope of this study, address the deficiency in (10) electrical service, (11) waste management, and (12) water quality critical to the long-term sustainability of island-wide economic development efforts.

## Conclusion

In the coming months and years, the success of this effort will hinge on how local partners work together to establish coalitions and collectively determine how to grow the outlined projects. The selection of projects following community input will help determine which ones have stakeholder buy-in, the potential for partnerships, and potential resources for advancement. While every project is critical and interrelated, those conversations will drive which projects are prioritized by community residents and leaders.



Faro Los Morillos in Cabo Rojo. Source: FPR

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# What Are We Here to Do?

# What Are We Here to Do?

## Our Challenge

For years, typical Puerto Rican tourism emphasized “sand and sun” – a strategic position that did little to differentiate the Island’s offerings from similar beach destinations. This despite the unique history, culture, people, and ease of access that sets the Island apart from its competitors. Today tourism represents only 7% of the Island’s Gross Domestic Product (GDP), far below the 15% average for other Caribbean nations.<sup>11</sup> In the aftermath of Hurricane Maria the situation is increasingly dire. Significant population loss has further affected many local businesses. With fewer residents spending money, local businesses continue to suffer and are challenged in their recovery from the worst natural disaster the Island has ever seen. As island leaders look to the future, many have recognized the value in utilizing the visitor economy as an economic development tool that will enable spending growth from off-island visitors, counteract population loss, and leverage the Island’s underdeveloped natural assets. To this end, how do we accelerate growth in the visitor economy? **How can we be intentional about making sure that local businesses and residents benefit as more and more visitors come and enjoy this beautiful Island?**

Tourism in Puerto Rico lags behind other Caribbean islands and visitor destinations for a variety of reasons. FPR posits that low visitor expenditures are driven by two main factors – a relatively short length of stay and a large diaspora segment that stays with friends and family, rather than spending dollars on lodging or food in the way that a typical off-island visitor might. This means that in order to grow the visitor economy, we must first understand with much greater precision what the off-island visitor wants and needs. By meeting or exceeding the expectation of the visitor we will ensure longer stays and higher consumer expenditures. **Yet we can’t lose focus – we must also be proactive to ensure that businesses and residents also participate in and benefit from growth in the visitor economy.**

## Our Goal: A Blueprint for Action Rooted in Community Input

In the end, this effort is not about turning Puerto Rico into a destination that looks and feels like every other beach destination, but rather one that relies on special elements of place – the DNA of Place – that make each region unique and worthy of visitation by someone seeking a unique experience that only Puerto Rico can provide.

The Destination Plan provides a clear and easy-to-read blueprint for action that is rooted in a **candid assessment** of the condition and quality of the region’s tourism-supported assets and overall business

environment, an understanding of tourism trends and visitor expectations, and community feedback and input.

In practice, that means that the priority projects outlined in these plans often focus on improvements at high-value locations that offer significant opportunities to change visitor perceptions writ-large, as well as clearly visible “wins” that help residents and business owners gain the confidence they need to work together and build the credibility necessary to tackle more sophisticated projects.

We must not underestimate the catalytic power of “easy” wins. In a place mired by bureaucratic and institutional challenges, while still recovering from the worst natural disaster the Island has seen, easy wins are frequently not as easy as they seem. They require the know-how and leadership of local champions, as well as community consensus and merchant engagement, ingredients too often in short supply.

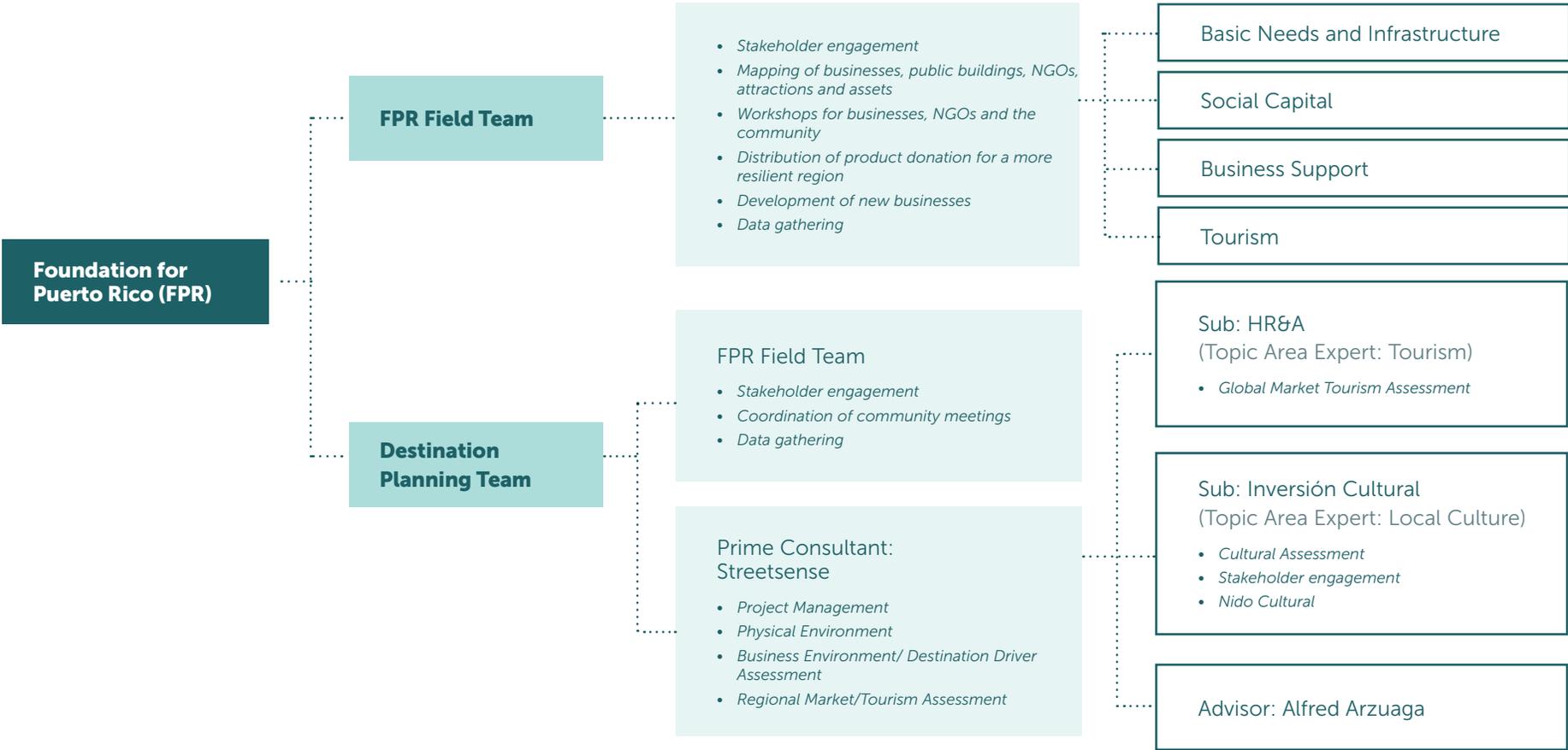
As these plans are reviewed and adopted by community stakeholders, we want communities to view these as living documents that provide a strong framework for action with clear starting points, but by no means “set in stone.” Great plans evolve over time as partners offer feedback and insight, projects become further refined, and mid-course corrections are inevitably made. **At the end of the day, active collaboration among community members towards project implementation– even if the project outcomes are different than what is outlined here– would be an incredibly successful result.**

<sup>11</sup> “Puerto Rico’s Visitor Economy, Highlights”. Foundation for Puerto Rico. April 2019.

# Our Team

In partnership with FPR, the Destination Planning Team worked closely with Field Teams based in each region to **a) conduct primary and secondary research** to assess and understand existing conditions, and **b) create a Destination Plan** in collaboration with local stakeholders that builds upon existing assets and magnifies the authentic qualities of the region. Consisting of prime

consultant Streetsense and sub-consultants HR&A, Inversión Cultural, and independent advisor Alfred Arzuaga, the Destination Planning Team brings together leading national and international practitioners with a proven record managing large-scale projects in cultural, community, economic, and tourism development.





**Methodology:**

# How Did We Do It?

# Methodology:

## How Did We Do It?

The Destination Planning process led by FPR aims to develop several community driven action plans to grow the visitor economy within six regions throughout the island.

In evaluating the potential to grow the visitor economy in Cabo Rojo and San Germán the Destination Planning Team set out to conduct a **gap assessment** that offered insight into how well the **supply** of assets and offerings met the **demand** generated by the visitor. A set of simple research questions guided our analysis.

### Supply

- What tourism-supporting assets currently exist within the region, and what is their current condition?
- How are existing assets rated and reviewed by visitors and what is the general level of awareness of these assets?

### Demand

- What are the characteristics of the potential visitor to the region?
- What do today's visitors want and need? What are their preferences when they travel?
- What other competing destinations are better positioned to meet their needs than this region?

### Gap Assessment

- How well do the offerings and assets meet or exceed the expectations of visitors?

The gap assessment then provided a framework for identifying a short list of meaningful investments in tourism-supporting assets that are necessary to improve the visitor experience. Projects were selected and assessed against the following criteria:

- Alignment with the findings of the diagnostic gap assessment
- Community feedback and priorities
- Existing partners and budgetary resources
- Complexity and risk



## Part 1: Field Team Outreach

A local Field Team, led by FPR, was embedded into the community for a six-month period, during which they were living, eating and spending every day amongst the locals. The team was charged with preparing an asset list and a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, while engaging local businesses, residents, and managers of cultural and natural assets. Their work included formal Business and Cultural surveys; targeted stakeholder interviews with public, private, and non-profit sector leaders; and general community outreach. The information was cataloged, recorded, and used as a baseline for the Destination Planning Team's assessment and gap analysis.

### Stakeholder Engagement

Central to the success of the Bottom Up Destination Planning effort is community input and buy-in. To ensure recommendations and strategies are driven not only by market trends and forces, but also by community needs and demands, the FPR Field Team and the Destination Planning Team conducted different public engagement efforts. Between July 2019 and January 2020, several individual meetings and community workshops were held to gather stakeholders' input on existing challenges/issues facing the tourism economy and to identify/refine key opportunities for improvements in the region. The following table summarizes those specific meetings and events related to the Destination Planning process.

# Stakeholder Engagement

## Site Visit/ 1-on-1 Interviews

June 2019

During a two-day site visit to the region, the Destination Planning Team, with support of FPR Field Teams, conducted in-person interviews with multi-sector stakeholders holding a variety of influence on the regional tourism economy. Interviews explored key challenges and opportunities around attracting visitors to each region, managing/maintaining existing tourism assets and businesses, and expanding offerings to the visitor.

- Public agencies and municipal offices
- Asset managers
- Non-profit/grassroots/community group leaders
- Business owners

## Community Workshop #2

October 2019

An interactive meeting was held to engage with previously identified and new local stakeholders interested in the development of the Destination Plan. The meeting included a brief presentation of key findings from the Destination Planning Team's comprehensive market assessment of the tourism economy and assets in each region. Following the presentation, stakeholders participated in a hands-on exercise to brainstorm potential ideas and projects to enhance conditions in the regional tourism landscape, prioritizing short-term actions. Community ideas ranged from physical and infrastructure improvements to programming and events.

- Residents
- Business owners
- Public agencies and municipal offices
- Non-profit/grassroots/community group leaders

## Community Workshop #3

November 2019

An interactive meeting was held to review and refine an initial list of ideas and projects that were generated either through El Nido Cultural or through preceding conversations with stakeholders and community workshops. This meeting was a key touchpoint for the FPR Field Team to engage with stakeholders prior to the finalization of short-term projects identification and the full Destination Plan.

- Residents
- Business owners
- Public agencies and municipal offices
- Non-profit/grassroots/community group leaders

## Community Workshop #1

August 2019

Two individual meetings, one per town

A town hall-style meeting was held for a large and diverse group of stakeholders to introduce the overall Destination Planning project, including key team members and timelines. Attendees were also encouraged to validate key assets and identify key challenges and opportunities in the regional tourism economy through hands-on exercises.

- Residents
- Business and property owners
- Non-profit/grassroots/community group leaders
- Public agencies and municipal offices

## El Nido Cultural

September – October 2019

An open call-for-ideas process was established and managed by Inversión Cultural to solicit grassroots projects that may be further developed to support expansion and enhancement of tourism offerings. A digital application intake form was set up (and marketed via various social media platforms and through press releases) and complemented by 1-on-1 technical assistance to enable a diverse range of stakeholders to submit robust ideas to the open call. Selected participants received group and individual support sessions to further develop their project idea sheet.

- Entrepreneurs
- Non-profit/grassroots/community group leaders

## Community Workshop #4

December 2019

A meeting was held to present the first draft of the Destination Plan to the communities and key stakeholders in each region. The meeting marks the beginning of the implementation process for recommended projects identified in the plan – including building coalitions and convening the necessary actors who manage and control key properties and assets.

- Residents
- Non-profit/grassroots/community group leaders
- Business owners

*Prior to each engagement activity, the FPR staff and Field Teams led outreach efforts to ensure well-participated community meetings and in-person interviews. The teams distributed fliers primarily via existing community anchors, local groups and non-profits, and directly to key community leaders with existing local networks. In January 2020, FPR held individual meetings with key stakeholders to validate the second draft of the plan.*

## Part 2: Diagnostic

The Destination Planning Team utilized the Commercial DNA (C-DNA),<sup>12</sup> framework to diagnose the challenges and opportunities in each region, and to identify strategies and projects that aligned with the interests and priorities of each community. The framework looks at four areas of analysis: Physical Environment Assessment, Business Assessment, Market Analysis, and Administrative Capacity.



### Market Analysis

The market analysis included three main components. The Team first looked at global and regional tourism trends to uncover major themes and opportunities for tourism growth globally, island-wide, and at the region level, utilizing existing secondary and primary data sources. The second component of the market analysis included a customer segmentation analysis by age cohort. This was used to identify nuances in consumer tastes and preferences by stage of life. The analysis benefited from a wealth of existing literature on visitor behavior, which is frequently segmented by age across the industry. To further investigate local trends, we supplemented this analysis with a “deep dive” into the specific thematic drivers of tourism that considers subsegments of tourism visitation.

Finally, two case studies were identified with similar profiles to our Western Region to enable an assessment against competitive benchmarks with similar tourism profiles. The first study was the Mayan Riviera, with an emphasis on Tulum. The second study was the Dominican Republic, with an emphasis on Samaná. Located in Spanish speaking countries, both, Tulum and Samaná, have grown significantly in recent years and are known for authentic experiences that reflect responses to growth segments in the tourism economy. Neither of these destinations is served by a large international airport. In fact, most international flights land at airports that

require an additional 1-2 hours of travel time for the visitor. These similarities, and their popularity and success at meeting the changes in the tourism market, make them excellent case studies for the purposes of this plan.

### Physical Environment Assessment

The analysis of the physical environment covers a physical assessment of the tourism assets in the region, including the quality of the public and private realms, as well as an assessment of accessibility and mobility infrastructure. This involved considering how visitors arrive in the Island and to the region as well how they move around the region upon arrival.

The assessment was done primarily through field work completed during a two-day site visit to the region by the Destination Planning Team, remotely through Google Street View, information gathered from the Field Team during a six-month community immersion, and feedback from stakeholders.

The Destination Planning Team took time to walk the streets, drive around, visit local assets and attractions, and spend time in public places to assess both visual and physical connectivity. Additionally, geospatial assessments and mapping exercises were used to understand the relation between accessibility and adjacent or neighboring “destinations”.

<sup>12</sup> The C-DNA framework is an award-winning diagnostic methodology developed by Larisa Ortiz with support and in partnership with the Local Initiative Support Corporation, the nation's largest community development intermediary. It has been adopted by several communities, including the City of New York where it is used to inform public sector capital investments in communities throughout the city.

## **Business Environment Assessment**

The Destination Planning Team conducted an audit of the Island's business, natural, and cultural assets using a variety of sources, including the newly released ViewPR database, an online platform developed by FPR, asset lists prepared by the PRTC, and asset lists prepared by the Field Teams. Significant effort went into cleaning, classifying, and merging these data sets to provide meaningful insight into the mix and quality of offerings. The assessment included identifying clusters of businesses such as food establishments, entertainment venues, commercial districts, and accommodations. We then conducted an audit of each asset against popular online review sites, including Google, TripAdvisor, and Hotels.com.

Two site visits in Summer 2019 included walking and driving tours of the area's assets. Additionally, geospatial assessments and mapping exercises are used to understand the locations and clustering of destination drivers and their relationship to each other.

## **Gap Analysis**

The market, physical, and business environment assessment concluded with a gap analysis to evaluate the extent to which the region's tourism-supporting assets and offerings were meeting the needs and serving the tastes and preferences of the customer segments identified in the market analysis.

## **Administrative Capacity**

Following the gap analysis, the report assesses the community's capacity for project implementation at a macro-level. This included an assessment of governance, partnerships, and potential resources. Much of this assessment included conversations with officials at the island-wide level whose resources and collaboration are necessary to support implementation. Stakeholders included Invest PR, Centro Para Emprendedores, Instituto de Cultura Puertorriqueña (ICP), PRTC, local municipalities' representatives, Puerto Rico Ports Authority, Boys & Girls Club of Puerto Rico, INprende, Grupo Guayacán, Kiva, Conservación Costera PR (CoCoPR), environmental stakeholder groups, community and local cultural associations, local businesses, and major developers. These interviews were conducted during two site visits and as an ongoing series. A list of stakeholders interviewed is in the Technical Appendix.

An assessment of capacity involved one-on-one interviews with key stakeholders. Furthermore, team member Inversión Cultural greatly informed this assessment process. Inversión Cultural has a long history on the Island and is very well versed in the unique challenges faced by local non-profits.

## Part 3: Project Recommendations & Destination Plan

Following the completion of the assessment and gap analysis, the Team presented its findings to the public at community meetings held throughout each region. FPR led a workshop discussion at each meeting to gather ideas and responses to the assessment findings. Community members were asked to generate specific and actionable project recommendations, with an emphasis on short-term projects that responded directly to the findings from the gap analysis.

The Destination Plan is a summary of findings from the assessment and gap analysis and concludes with a list of short-, medium-, and long-term projects that reflected an alignment against consumer and market demand findings.

### Data Limitations In Puerto Rico

At the inception of the Destination Planning process, the Team gathered all available primary and secondary data pertaining to each region's visitor economy assets and market conditions, prioritizing the **primary data** collected by the Field Teams in their preliminary work.

The Destination Planning Team quickly identified significant data limitations as related to the collection and analysis of **secondary**

**data**, owing to circumstances unique to the Island. This required mid-course corrections and adaptations to the original methodology and approach. We outline the challenges below and how the methodology evolved to address these challenges.

#### Census Data

Following Hurricane Maria, Puerto Rico has seen the largest net out migration of population since 1950. Between 2017 and 2018, official estimates show a decrease of 4.4%, or 142,000 inhabitants, according to the U.S. Census Bureau.<sup>13</sup> The Center for Puerto Rican Studies further projects a 14% loss of population by the end of 2019, which reflects a loss of between 114,000 and 213,000 Puerto Rico residents annually.<sup>14</sup> This significant loss of population has rendered 2010 Census Data obsolete and unreliable.

### 14% Loss of Population

by the end of 2019, as reported by the Center for Puerto Rican Studies

#### Survey Data

In 2019, FPR Field Teams deployed an informational survey across the regions. This exercise included approximately 192 completed interviews, which shed light on quality perceptions of the existing visitor economy and gathered information about local employment, linguistic barriers, educational level, age, and gender, among

other demographic data. This survey provided meaningful qualitative insight, but lacked random sampling as well as an enough response rate to have less than 5% margin of error (which is approximately 300 responses).

#### Lodging

Hotel market information frequently relies on Smith Travel Research (STR) which produces the Trend Report, the industry standard for hotel performance intelligence. Baseline performance metrics include Occupancy, Average Daily Rates, and Revenue per Available Room to track historical and existing market performance. In the markets and regions where the Team conducted lodging assessments, most establishments identified do not report to STR, rendering the report unreliable.

To address these data shortcomings, the Destination Planning Team utilized a combination of sources, including 1) AirDNA data to understand the Airbnb market, 2) qualitative characteristics of unbranded hotel assets embedded and mined from ViewPR Data, 3) stakeholder interviews with local developers and hotels to assess existing market performance, 4) review and booking sites to generate a picture of the volume of visitorship and customer sentiment through an analysis of ratings, and 5) a 2019 Hotel Destinations Report study commissioned by the PRTC. This report, however, focuses on branded hotel products which are located primarily in the San Juan metropolitan area, where 61% of total room supply on the Island is located. In the Porta del Sol region, which includes both Aguadilla/Isabela and Cabo Rojo/San Germán, the report found only three branded hotels and

<sup>13</sup> "More Puerto Ricans Move to Mainland United States, Poverty Declines". U.S. Census Bureau. July 2019.

<sup>14</sup> "Puerto Rico's population declined sharply after Hurricanes Maria and Irma". Pew Research Center. July 2019.

32 unbranded hotels. The high percentage of unbranded hotels made many of the findings from this study unreliable for the purposes of regional planning efforts.

### **Puerto Rico Tourism Company (PRTC) Data**

Existing data included endorsed visitorship and registration information, which has been extrapolated for preliminary quantitative modeling, lacks the ability to understand the “complete picture” based on the volume of hotels that are not PRTC endorsed in the assessed Destination Planning regions.

Hotel Tax Registry information from PRTC, which could be used to calculate hotel-based inputs of total visitorship was not available to us at the time of the analysis.

### **Visitor Estimates**

The Destination Planning Team did not identify any operators that collected and analyzed visitor data in either Excel or Access database files. While many sites have logbooks, these entries are voluntary and handwritten, which would have required expensive manual data input for what is generally unreliable primary source data. The Team asked individual operators to estimate daily visitation, this input was useful in understanding perceptions, though statistically unreliable.

As a proxy for visitation figures, the Destination Planning Team quantified the number of visitor reviews for every regional listed asset on the popular travel website TripAdvisor to determine the popularity of each destination driver and to discern visitation patterns among visitors.

## **Market Assessment Overview**

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Puerto Rico is positioned to target new audiences and make investments that improve the quality, both real and perceived, of tourism-supporting assets on the Island. The Destination Planning Team’s evaluation of both Cabo Rojo and San Germán, laid out in this document, is rooted in an understanding of who is currently visiting Puerto Rico and why, who can be attracted to visit through strategic investments and positioning, and what is the current state of key assets on the Island.

The next sections lays out **global and regional tourism trends**, providing context on tourism in the region, as well as the ways in which consumer tastes and preferences within the visitor economy are evolving on a global scale.

Following the trends assessment, we introduce our **customer segmentation methodology**, which builds upon but does not duplicate psychographic analysis already produced by the PRTC and Discover Puerto Rico, among others. Rather, the Destination Planning Team’s segmentation by age cohort is designed to serve as an accessible tool for local

communities to determine the scope and prioritization of potential investments in tourism-supporting assets based on the tastes and preferences of a wide range of potential visitors. Given the demographic composition of current visitors described above, this analysis is limited to tourists from the United States with the means to travel for leisure.

The Destination Planning Team’s gap analysis, which is included in this document, maps the value of key assets from the perspective of each age cohort to the quality of these assets in the region. Similar to the 2018 PRTC analysis, the Destination Planning Team evaluation highlights areas in which the region is not delivering an experience of adequate quality to potential visitors, but goes one step further by segmenting age groups, enabling communities to develop projects whose implementation would directly serve to attract specific cohorts (e.g., Millennials). Broadly speaking, the results of this region-specific analysis aligns with the PRTC’s island-wide findings, namely in the areas of transport accessibility, reliability of information, and maintenance of infrastructure.



# Tourism Market Assessment

# Tourism Market Assessment

In order to best understand how Puerto Rico can develop and market itself as a vibrant tourist destination, the Destination Planning Team began by developing a deep understanding of visitor trends and preferences.

We began by analyzing global trends in the visitor economy best understood through a consideration of existing visitor supporting assets – mobility, lodging, and destination attractions – that are continually evolving. To get a sense of what today’s traveler is looking for in a destination, we must first listen and understand their behavior, tastes, and preferences.

The average visitor consumer was segmented by age and categorized into five groups: Families, Generation Z, Millennials, Generation X, and Boomers. After distilling the values and baseline needs of each segment while traveling, we mapped these preferences to the existing conditions assessment of tourism assets in Cabo Rojo and San Germán to identify gaps in their region’s assets. The results of this analysis enabled Cabo Rojo and San Germán’s communities to develop a very strategic set of short-term project ideas prioritizing the investment that hue closely to the needs and interests of the visitors they want to attract.

## Global Tourism Trends

While travel and tourism have always been a fixture in people’s lives, increased choice, affordability and exposure to information about previously inaccessible destinations has elevated its overall role and importance. Although travel has long been considered a luxury good, there are over 2 billion people expected to be traveling by 2030. Tourists now seek to travel for a specific purpose, such as cultural engagement, ecological activism, health, and wellness.

Whatever an individual or group’s specific reason for traveling, chances are that they are approaching their trips with intention from the initial stages of their vacation planning.

For younger travelers, between ages 18-38, authenticity is a major driver of choice and behavior. These travelers see little appeal in visiting traditional tourist nodes, including over-touristed areas where they will be surrounded by other tourists – instead, they seek out local, curated experiences.

Social media’s monumental and growing influence in putting these local experiences on the map to draw visitors has been driven by a revolution in the way that tourists of all ages document their travel experiences. The photo album or home video, shared with close friends and family, has been replaced by the Instagram grid, which can be shared with millions of people with immediate effect. This section explores three influences in greater detail: intention, authenticity, and technology.

## Intention

Tourists, more than ever before, are planning their trips around specific goals that shape most, if not all, of their decision making. Those goals vary from traveler to traveler, but two major global trends have shaped this category and the travel industry with it:

**Ecotourism:** Global consciousness around climate change, and the role of the travel industry in its spread, has driven the growth of a relatively new sector of tourism that focuses on social, environmental, and economic sustainability.<sup>15</sup> In 2018, 68% of consumers actively sought out eco-friendly accommodations, up from 65% in 2017.<sup>16</sup> These eco-friendly hotels make efforts to reduce their environmental impacts by participating in recycling or composting programs, using less packaging for hotel toiletries and using energy-efficient lighting, among other initiatives.<sup>17</sup> Ecotourists often take trips specifically crafted to engage with nature, to help clean up or improve a natural environment, or to simply observe the great outdoors. Adventure tourism is often connected to ecotourism because the activities that tourists engage in are very similar, such as birding, camping, surfing, or climbing, among others. Many adventure travel companies, such as Natural Habitat Adventures and Intrepid Travel, are tied to climate and environmental advocacy.<sup>18</sup>

**Wellness:** Restoration and health motivated travel has grown in popularity in the information age, and an entire industry

<sup>15, 16, 18</sup> “Ecotourism Outlook 2018”. Leah Joyner, Qwynne Lackey, Dr. Kelly Bricker. University of Utah College of Health. 2018.

<sup>17</sup> “5 Breathtaking Eco-Friendly Hotels and Resorts From Around the World”. Sophie Hirsh. Green Matters. July, 2019.

segment has emerged to respond to a growing market of travelers that are looking to tie their travel experiences directly to their physical, mental, and emotional wellness with targeted activities to accommodate these desires.<sup>19</sup> Wellness trips include meditation and yoga retreats, spa weekends, adventure retreats, or digital detox retreats. According to the Global Wellness Institute, wellness travel grew at a rate of 6.5% annually from 2015-2017 and is expected to grow more than twice as fast as general tourism through 2022.<sup>20</sup>

## Authenticity

The desire for authenticity is rooted in the significant value that younger travelers place on experiences over material goods. Millennials aged approximately 26-40, for instance, are more likely to pick “live like a local” experiences and create their own travel itineraries than use a travel agency – or even online travel platforms that are popular with other age groups. Their resulting travel experiences diverge from the overly scheduled, contrived trips that their parents’ generation found comfort in. Instead, they choose opportunities to immerse themselves in aspects of local living.<sup>21</sup> The need for authenticity particularly manifests itself in young travelers’ desire for unique local foods and lodging experiences. For example, they are more inclined to choose hole-in-the-wall restaurants that don’t appear to be frequented by other – particularly older – tourists, and they are highly disinclined

from staying in chain hotels. Gen Z travelers, aged approximately 18-25, extend this deep interest in local experiences to a tendency to plan travel around attending highly localized festivals and events that enable more immersive cultural experiences.

## Social Media & Technology

Travelers increasingly want to stay “connected” during their vacations and to use a variety of digital platforms to plan their travel.

**Technology in travel planning:** Digital platforms influence travel decision making. Online travel agencies (OTAs) are growing in popularity and have changed the way that tourists organize their travel. Instagram has also become a major tool in travel decision making. For example, 40% of respondents to a recent Forbes survey who were under 33 highlighted “instagrammability” as the single most important factor in choosing a vacation destination.<sup>22</sup> With many online resources available for travel planning, some tourists are more likely to respond to travel blogs with direct testimonials from other travelers than to an advertisement.

**Technology use during travel:** The tourism industry has in recent years responded directly to the need for travelers to remain connected while on trips. Airlines and cruise ship companies have followed this trend by enhancing connectivity onboard.<sup>23</sup> According to a 2018 International Air Transportation Association (IATA) global airline travel survey,



Source: Shutterstock

37% of passengers want to be able to book ground transportation or hotel stays while on their flight to their destination.<sup>24</sup>

**Post-Travel Commemoration:** After a trip has finished, many tourists want to document their experiences and share them on social media. Some Destination Marketing Organizations (DMOs) partner with social media influencers or feature open blog sites for tourists to post about their travels. The Dominican Republic Ministry of Tourism features a blog wherein tourists may express themselves and write about their unique travel experiences.<sup>25</sup> Mexico’s Tourism Secretariat (VisitMexico) has over 400,000 followers on Instagram and creates an interactive platform for tourists to commemorate their travels by reposting photos from travelers themselves under the hashtag #VisitMexico or #FoundInMexico.<sup>26</sup>

<sup>19, 23</sup> “2019 Cruise Trends & Industry Outlook”. Sarah Kennedy. Cruise Lines International Association (CLIA). 2019.

<sup>20</sup> “Global Wellness Tourism Economy”. Ophelia Yeung, Katherine Johnston. Global Wellness Institute. November, 2018.

<sup>21</sup> “OECD Tourism Trends and Policies 2018”. Angel Gurria (OECD Secretary-General). Organization for Economic Cooperation and Development. 2018.

<sup>22</sup> “The 4 Biggest Travel Trends for 2019”. Eustacia Huen. Forbes. December 24, 2018.

<sup>24</sup> The International Air Transport Association (IATA). 2018.

<sup>25</sup> Go Dominican Republic.2019.

<sup>26</sup> Visit Mexico.2019.

## Asset-Specific Tourism Trends

### Mobility

**Ground Transportation:** While rideshare has recently been the most prominent development to disrupt the ground transportation market, with a focus on the taxi cab industry, the next new wave of disruptors (and existing leaders in this area, including Uber and Lyft) are targeting multimodal transit – interfacing with, and sometimes supplanting, mass transit.<sup>27</sup>

### Lodging

#### Sharing Economy and Exclusive Home

**Rental:** The sharing economy has had a significant impact on people’s consumer behavior, companies such as Uber and Airbnb have radically altered the tourism landscape. Although the most prevalent form of vacation lodging is still hotels<sup>28</sup>, vacation rentals are growing in popularity as Airbnb has experienced a 153% global compound growth rate over the past decade.<sup>29</sup> While the vacation rental market has experienced significant regulatory pressure because of its impact on an already tight housing supply in many major global cities, the opportunities that the concept has given travelers to stay in places with few or no hotels has made entire regions far more accessible to tourists. Some of the leading vacation rental platforms have also moved to directly compete with upmarket hotel chains by supplying luxury options with key design or distinguishing features. Airbnb, for instance, has created two

new lines of rentals for this purpose – Airbnb Plus and Beyond by Airbnb

**Boutique Hotels:** Boutique hotels have been increasing in supply for the last five years. They grew by 7% in 2017, as opposed to the 1.8% increase in the total US hotel supply. In 2017, demand was growing as much as supply, at a 7% increase, outpacing upscale hotels and overall hotel demand.<sup>30</sup> Boutique hotels generate demand because they often have the freedom to tailor hotel design to their local market by offering personalized service and attention to detail that larger chains could not.<sup>31</sup>



### Attractions

As travelers increasingly value once-in-a-lifetime experiences over more familiar, accessible destinations, new trends have emerged.

**Second City Travel:** The search for authenticity and curated experiences among a growing set of tourists has created a market for travel to smaller regional destinations within reasonable travel distance from traditional tourist nodes. Getting away from the tourist hotspots to visit smaller towns can make for less crowded, budget-friendly, enriching cultural experiences.

**Last Chance Tourism:** Last chance tourism is the general principle of visiting a place before it no longer exists (i.e., due to environmental factors) or it is no longer accessible (i.e., due to tourism restrictions). These tourists travel to places that have been threatened by human impacts or to attractions that may be closed in the future.<sup>32</sup>

<sup>27</sup> "Uber Just Added Public Transportation to its App". Andrew J. Hawkins. *The Verge*. January 31, 2019.

<sup>28</sup> "American Multi-Generational Travel Trends, Travel Habits and Behaviors of Generation Z, Millennials, Generation X, and Baby Boomers". Expedia Group Media Solutions.

<sup>29</sup> "Airbnb Statistics". Jaleesa Bustamante. *iProperty Management*.

<sup>30</sup> "Boutique Quickly Becoming Fastest-Growing Segment". Kim Bardoul. *Hotel News Now*. May 15, 2018.

<sup>31</sup> "3 Reasons Why Independent Hotels are Thriving". Jonathan Webster (Geronimo Hospitality Group). *Hotel Management*. October 23, 2018.

<sup>32</sup> "Ecotourism Outlook 2018". Leah Joyner, Qwynne Lackey, Dr. Kelly Bricker. *University of Utah College of Health*. 2018.

# Regional Tourism Trends

Tourism is an essential driver of Puerto Rico's economy. In 2016, the visitor economy made up over 7% of Puerto Rico's Gross National Product (GNP).<sup>33</sup> Between 2011 and 2017, visitation to Puerto Rico increased 24%, with 5.2 million people visiting the Island in 2017.<sup>34</sup> In September 2017, Hurricanes Irma and Maria decimated portions of the Island, leaving in their wake an estimated \$80 billion in damages, and 1.2 million fewer visits during the remaining three months of the year.<sup>35</sup>

In the two years since then, Puerto Rico has seen its profile as a tourism destination on the global stage grow, as well as its capacity to receive visitors in search of a wide variety of experiences. By the fall of 2018, 90% of the Island's total hotel inventory was restored and open for business, along with over 4,000 restaurants and 186 attractions.<sup>36</sup> In January 2019, the New York Times named Puerto Rico the Number 1 place to visit globally, a powerful recognition and symbol of recovery.<sup>37</sup> Discover Puerto Rico, the Island's Destination Marketing Organization (DMO) founded in March 2017, credits its media relations efforts for this piece and dozens of others publications from Condé Nast Traveler,

Forbes, Fodor's, Travel + Leisure, and Harper's Bazaar, many of which focused on regions outside of the San Juan metropolitan area.<sup>38</sup>

## Current Visitor Profile

In November 2019, the Puerto Rico Planning Board released a highly detailed profile of the 2017 Island's visitors. According to this report, over 90% of visitors that year came from the United States, with 24% of the trips originating in the state of New York and 17% originating in Florida.<sup>39</sup> Assuming the profile of the typical visitor to the Island has not changed significantly since 2017, 55% of visitors today have a bachelor's degree or higher, and the same proportion make more than \$60,000 in personal income. 64% of visitors are between the ages of 25 and 54, though under-24s make up just over 11% and growing. While 39% of visitors surveyed came primarily for leisure, 29% came to visit friends and family. Regardless of the primary reason for traveling to Puerto Rico, approximately 44% of visitors report staying with friends or family, while 36% stay in hotels.

Once in Puerto Rico, 55% of visitors stay primarily in San Juan.<sup>40</sup> Outside of this metropolitan area, no single municipality sees more than 4% of primary stays, including the municipalities of Vieques and Culebra whose natural sites make them extremely popular

destinations for visitors. **Together, Cabo Rojo and San Germán see just over 1% of primary visitors.**

According to surveyed visitors, the top five activities that people traveling to Puerto Rico engage in while on their visit are:

- Restaurant and bar outings (82%);
- Walking near where they're staying (69%);
- Shopping (63%);
- Aquatic activities, including going to the beach (39%); and
- Nightlife (19%).

Areas with potential, particularly for the region covered in this plan, including a walkable cluster of restaurants and bars in picturesque and historic downtowns, ecotourism (13%), and cultural tourism. The survey found that 9% of visits seek museums and 8% seek historic sites.

<sup>33</sup> "Puerto Rico Tourism Company Executive Director Ingrid Rivera Rocafort". *Caribbean Business*. March 6, 2016.

<sup>34</sup> "Puerto Rico Takes its Place on the Tourism World Stage" Government of Puerto Rico, Puerto Rico Tourism Company. *Skift*. October 24, 2019.

<sup>35</sup> "How Puerto Rico Is Using Tourism To Rebuild After Hurricane Maria, Forbes, Alexandra Talty". *September 30, 2018*.

<sup>36</sup> "Puerto Rico Uses Hurricane Headlines to Help Make It a Global Destination". *Dan Peltier. Skift. September 27, 2018*.

<sup>37</sup> "52 Places to Go in 2019". *Rodrigo Honeywell, Adriana Ramic, Rumsey Taylor, Amy Virshup, Josh Williams. NYTimes. January 19, 2019*.

<sup>38</sup> "Discover Puerto Rico Annual Report (FY 2018-2019)". *July, 2019*.

<sup>39, 40</sup> "Perfil de los Visitantes". *Gobierno de Puerto Rico, Junta de Planificación. Accessed November 14, 2019. Report*.

<sup>40</sup> "The Metropolitan Area of San Juan includes the municipalities of Bayamón, Caguas, Canóvanas, Carolina, Cataño, Guaynabo, San Juan, Toa Alta, Toa Baja, and Trujillo Alto.

## Competitive Positioning

In August 2018, Discover Puerto Rico released a study of eight target markets from which to attract new and repeat visitors.<sup>41</sup> This investigation found that respondents in **New York City, Miami, and Philadelphia had the highest share of existing visitors and healthy percentages of respondents denoting themselves as potential visitors** (also places with a high percentage of diaspora residents) – giving all three of these markets the strongest potential for repeat and new visitation. In fact, 25% of Miami respondents expressed likelihood of visiting Puerto Rico in the next 12 months, with 18% of New York City and 16% of Philadelphia respondents reporting the same.

The study also compared Puerto Rico's image in these target markets to those of South Florida, the Caribbean-at-large, Hawaii, Mexico, the Dominican Republic, Costa Rica, and Colombia, and found that respondents were more likely to visit Puerto Rico in the next 12 months than the Dominican Republic, Costa Rica, or Colombia, and that respondents overall were only 4% more likely to visit Mexico (19%) than Puerto Rico (15%) in the next year.

A similar study commissioned by the PRTC and released in March 2018 identified Florida, the Bahamas, Mexico, and Costa Rica among the top destinations considered in the same set as Puerto Rico among visitors over the past year.<sup>42</sup> The Destination Planning Team

took these findings into consideration when selecting the Samaná Peninsula in the Dominican Republic and the Riviera Maya in Mexico as competitive destinations for the Cabo Rojo and San Germán region.

The same study included a gap analysis between features and attributes that tourists look for when selecting a travel destination, and Puerto Rico's assets. Among the important needs that Puerto Rico is currently perceived to be delivering were: an authentic local dining scene, history and cultural attractions, natural and historic sightseeing opportunities, variety of lodging options, pristine beaches, accessibility by air transportation, fresh food, opportunities to immerse oneself in the local culture, ease of communication, and good value for money.

Important needs that Puerto Rico is not currently perceived to be delivering, according to the survey, include: safety and security, ease of getting around, reliable information sources, clean air and environment, clean drinking water, a reliable electrical system, well maintained infrastructure, access to internet and Wi-Fi, and a stable and ethical government.<sup>43</sup>

## A 2018 Study of visitors commissioned by the PRTC found:

### Puerto Rico is delivering on...

- local dining scene
- history and cultural attractions
- natural and historic sightseeing opportunities
- variety of lodging options
- pristine beaches
- accessibility by air transportation
- fresh food
- culture immersion
- ease of communication
- good value for money

### However, the perception remains that Puerto Rico fails to deliver on...

- safety and security
- ease of getting around
- reliable information sources
- clean air and environment
- clean drinking water
- reliable electrical system
- well maintained infrastructure
- access to internet and Wi-Fi
- stable and ethical government

<sup>41</sup> "Brand Health Research". *Insights Strategic Marketing and Research. Discover Puerto Rico. August, 2018.*

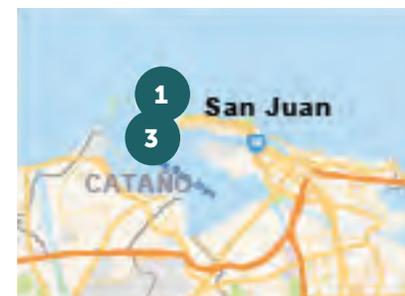
<sup>42, 43</sup> "Post-Maria Destination Attitudinal Study Quantitative Analysis on the Traveler's Perception". *Puerto Rico Tourism Company. March, 2018.*

## Major Island-Wide Tourism Context



### Major Attractions<sup>44</sup>

- 1 Viejo San Juan - San Juan
- 2 El Yunque National Forest - Rio Grande
- 3 Castillo San Felipe Del Morro - San Juan
- 4 Bahía Bioluminiscente - Vieques
- 5 Flamenco Beach - Culebra
- 6 Cueva Ventana - Utua and Arcibo
- 7 Cayo Icacos - Fajardo
- 8 Cueva Del Indio - Arcibo
- 9 Parque De Bombas - Ponce
- 10 Paseo Tablado La Guancha - Ponce



-  Major Commercial International Airport
-  Major Commercial International Port
-  Major Metropolitan Region

<sup>44</sup> Google Trips

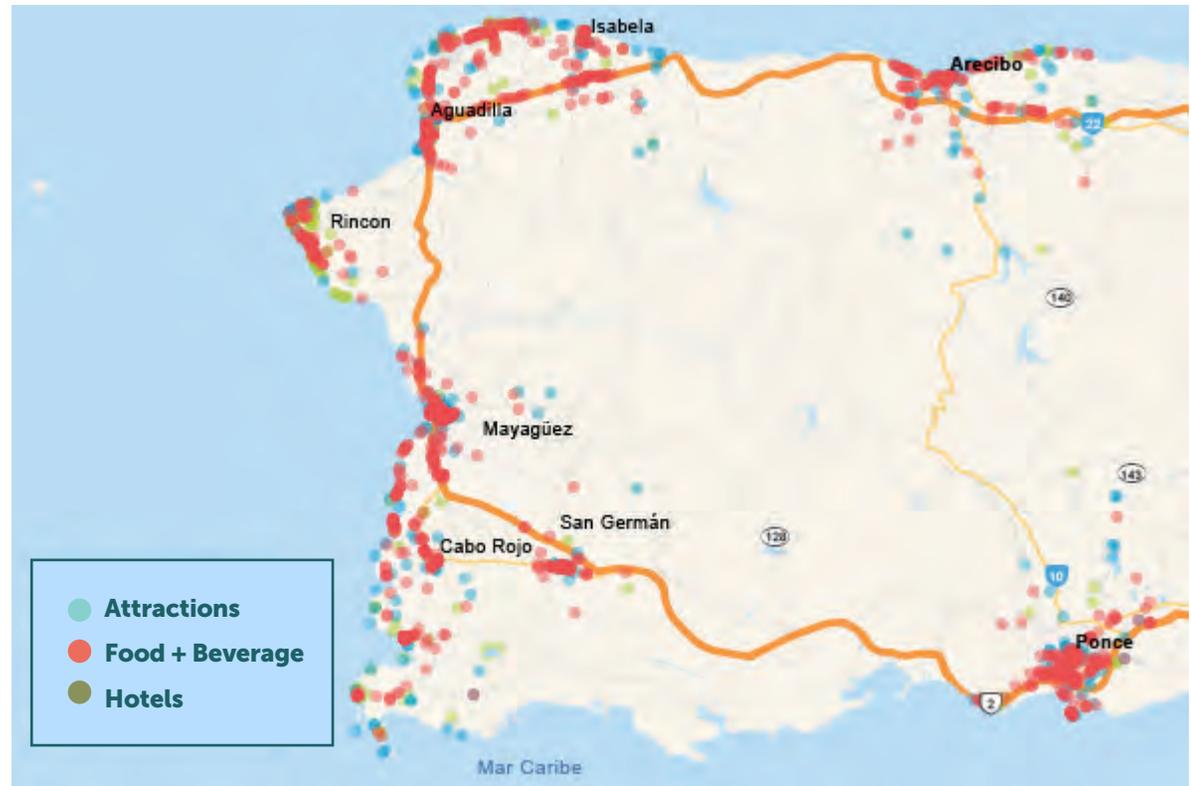
## Tourism Within Cabo Rojo & San Germán

Within the Island, the region competes with nearby destination environments and clusters - mainly other coastal towns, some with more density and a larger working population - for the visitor's time. **A 2017 study on the visitors' profile, conducted by the Puerto Rico Planning Board, found that no single municipality other than San Juan (with 33.4%) received more than 4% of Island visitors.**<sup>45</sup> For all visitors to the west side of the island, it is likely that the region of Cabo Rojo/San Germán will capture part of a trip's total duration or a component (such as the dining of a visitor who may go to attractions in Ponce).

Major competitive clusters nearby include Rincón, to the North, which has a significant amount of hotel stock and some well-positioned oceanside attractions and La Parguera Bioluminescent Bay to the East along the southern coast of the island. As customers do not tend to make decisions based on municipal or administrative boundaries, it is likely that a customer visiting the region of Cabo Rojo/San Germán might elect to stay in these nearby competitive clusters and drive to the area for a short visit. Identifying customers' travel plans is key for leveraging the commonalities and the gaps between adjacent regions.

Mayagüez is also a highly populated city equally distant between the northern and southern part of the island. This municipality has hiking trails, Mona Island, Desecheo Island, and a small public plaza with historic

## Porta del Sol Regional Destination Clusters



Source: Streetsense; Foundation for Puerto Rico. 2019.

architectural features. While mostly driven by local traffic, rather than visitor economy traffic, Mayagüez has enough offerings that it may be positioned to capture a piece of a trip from the visitor, depending on the itinerary.

To the East, Ponce is a destination cluster with very strong cultural and historic offerings. For visitors who travel from San Juan to Cabo Rojo/San Germán, Ponce is the most likely

route coming from the metropolitan area. While visitors are generally willing to travel farther for destinations that support their sought-after experience, it is likely that some visitor economy traffic is being lost to Ponce.

<sup>45</sup> "Perfil de los Visitantes". Gobierno de Puerto Rico, Junta de Planificación. 2017.

## Customer Segments

To understand what today's travelers typically want and need on their trips, the Destination Planning Team first sought to understand their tastes and preferences. Across the travel industry, these are typically correlated to and segmented by age, into five key groups:

### Families (with children)

Because children play a substantial role in travel decision making and spending, this group encompasses all parties traveling with children under 18.

### Generation Z

Born between 1995 and 2015, or aged 5 to 25 years old (18 to 25 for the purpose of this analysis), travelers in this category are growing in influence and spending potential. Gen Z travelers are young, willing to explore, and, as they gain financial independence, are breaking away from family-style travel.

### Millennials

Born between 1980 and 1994 (or aged 26 to 40), travelers in this category are the first generation to have grown up with widespread internet connection and usage, therefore, their life experiences are shaped by access to significantly more information than their predecessors.

### Generation X

Born between 1965 and 1979 (or aged 41 to 55), "Gen X" makes up approximately 25% of the U.S. population and enjoys relatively substantial travel and spending potential.

### Boomers

Born between 1944 and 1964 (or aged 56 to 76), the Boomer traveler values predictability and comfort, and wants as little guesswork involved as possible.

To reflect major activity in the region, an additional customer group, **Birders**, has also been included as a growing sub-group of ecotourists.



Source: *Unsplash*

**On each of the following pages, we have elaborated on the relative value that travelers in each of these cohorts generally place on the assets (physical and programmatic) that they look for in a destination.**

### Birders

Birders in the United States are comprised of 47 million people<sup>46</sup> who observe birds around or away from home. In 2011, 18 million birders reported traveling to birdwatch, spending approximately \$40 billion dollars in trip expenditures and generating \$106 billion dollars in economic impacts in the process. Overall, birders have a higher than average income, are well-educated, more likely to be female, and highly likely to be white. 46% of birders take a birding trip within the US at least once per year.<sup>47</sup> The majority of birders in the United States live in the Eastern states, the Pacific Northwest, and California. Birdwatchers visit Puerto Rico to spot birds that can't be seen at home and endangered species that frequent places like the Cabo Rojo National Wildlife Refuge.<sup>48</sup>

US birders can generally be divided into three categories. Hard core birders are dedicated, may spend more on birding equipment, and are less influenced by tourism marketing due to their existing knowledge. Enthusiastic birders are nature lovers, require more comforts than hard core birders, and may be more inclined to participate in a large bird tour group. Casual birders are more akin to ecotourists and are more interested in seeing things that are different from home than truly interacting with nature.<sup>49</sup> Because the casual birder population is the largest demographic, Cabo Rojo should focus on drawing these bird-loving ecotourists rather than the hard-core birders who will come on their own for the existing high-quality assets.

<sup>46</sup> "Birding in the United States: A Demographic and Economic Analysis". Erin Carver. US Fish and Wildlife Service. December, 2013.

<sup>47, 49</sup> "Market Analysis of Bird-Based Tourism". Responsible Travel.

<sup>48</sup> *EnviroAtlas Interactive Map*

## Customer Segment

# Families

(with children under 18 years old)

Traveling families often have stricter limitations than parties that are traveling without children. Transportation can be difficult with young children, so most parents opt for domestic trips. While these trips range in length, households with more children tend to take shorter trips. Family trip planning is typically centered around cost and resource availability, but among parents' top priorities is finding travel destinations where all members of the family will have fun.<sup>50</sup>

*The typical American family is planning a trip to a place in the US where there are activities for everyone in the family. Many parents will spend a vacation week with the kids at an amusement park or somewhere the family can be outdoors. Additionally, with a fear of the kids getting sick, parents will likely choose a hotel with access to resources.*

<sup>50, 52, 53, 54</sup> "Generation Alpha & Family Travel Trends". Expedia Group Media Solutions.

<sup>51</sup> "Our Family Travel Survey Results are in!". Emma Sparks. Lonely Planet Kids. May 8, 2018.



Source: Shutterstock



## Mobility & Transit

Traveling with young children is a challenge, so families look for ease of access to their vacation site. When on vacation, many families use either a personal or a rental car to get around, in addition to walking and taking public transit or taxis. Convenience is key among a parent's vacation desires, so accessibility often dictates what families can do when traveling with children.



## Lodging

Most families choose to stay in a hotel on their vacations for its convenience and proximity to resources. Over 40% of parents are most likely to choose a hotel over any other type of accommodation, and close to 58% of families with children under the age of nine opt for hotels.<sup>51, 52</sup>



## Attractions

One of the greatest challenges in traveling with children is keeping them entertained. Thus, family travel decision drivers are centered around activities for the entire family, places that young children will enjoy, and locations in which parents do not have to worry about their safety. Almost three quarters of parents are looking for theme parks on their trip.<sup>53</sup> Most families are also looking for water or outdoor activities. Though trips can be taxing experiences for parents, travelers look forward to spending time with their families, relaxing, and getting away from their everyday routine.<sup>54</sup>

## Customer Segment

# Generation Z

(age 25 and younger)

Gen Z value travel and unique experiences, but they are conscientious spenders. Technology is an integral part of life and decision making for a Gen Z and defines the generation.

*The young, recent college graduate may not have as much disposable income as older customer segments that have advanced farther in their careers, however Gen Z travelers highly value travel and unique experiences. Growing up during the recession, the spending patterns of this customer segment resemble that of Boomers, but their interests are more aligned with Millennials and they are more willing to spend more on events and festivals.*



Source: Shutterstock



## Mobility & Transit

Gen Z travelers highly value low cost transportation options that maximize accessibility. The typical Gen Z traveler thrives in locations with transit infrastructure, which enables them to be nimble in their vacation plans. They are interested in quick and on-demand transit options such as rideshare and taxis, but also demand walkability and access to public transit wherever possible. Car rentals are less important to Gen Z travelers because many are not old enough to drive a rental car or, alternatively, do not have a driver's license.

Moreover, many rental car companies have significant restrictions and higher rental fees for those under the age of 25, making it difficult for younger travelers to vacation in places where mobility is highly reliant on an automobile.



## Lodging

Growing up during the recession, the average Gen Z traveler is a more conservative spender than the preceding generation. This is evidenced in their flexibility in lodging. Amenities are only moderately important, and most are willing to sacrifice fancier amenities to spend their limited vacation funds on experiences.



## Attractions

The average Gen Z traveler is meticulous about the attractions that they engage with in any given destination, and quality and variety of attractions is more important to them than their overall quantity. They seek off-the-beaten path destinations, are open-minded, and are constantly hungry for local recommendations.

## Customer Segment

# Millennials

(age 26–40)

Millennials do not want to work for their vacations, so ease of access is key. While they are value oriented, they are willing to spend their money on “once in a lifetime” experiences.

*Young working professionals and “foodies” value new experiences and travel often. They research online for all-inclusive packages for ease of travel and will document the whole trip on social media. Some book Airbnb’s which gives them a more authentic experience that immerses them in the local culture.*



## Mobility & Transit

Millennials value convenient access to transit. Like Gen Z, on demand transit, such as taxis and rideshare, are just as important to Millennials as walkability and local public transportation. For many Millennials, travel to the vacation location does not need to be far. For example, 40% of Millennials somewhat agree or strongly agree with the statement “I don’t like traveling far, as long as I’m not at work, I am on vacation.”<sup>55</sup> However, for those that do enjoy traveling to farther places, it is important for there to be convenient transit where they choose to visit.



## Lodging

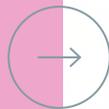
Similar to Gen Z, Millennials place less value in where they sleep on vacation. Instead, they choose to spend more time and effort in planning their experiences. Millennials enjoy an easy to plan and accessible vacation, which is evident in the fact that

83% somewhat agree or strongly agree that they prefer all-inclusive vacations like resorts or cruises.<sup>56</sup> Millennials care about the cost of travel and the environmental impacts of their actions, both of which have contributed to a growth in ecotourism.<sup>57</sup>



## Attractions

Millennials value attractions of high quality, quantity, and variety because they place a high value on the experiential aspect of every trip. Food and its strong connection to social media have created a generation that takes photos of their food before consuming it. As “foodies” at heart, 66% of Millennials somewhat agree or strongly agree that they plan their travel around where they will eat or drink.<sup>58</sup> With younger generations, newer types of attractions such as ecotourism have grown more popular and this increased focus on sustainability follows the global trend of intentional travel.



<sup>55, 56, 58</sup> “American Multi-Generational Travel Trends, Travel Habits and Behaviors of Generation Z, Millennials, Generation X, and Baby Boomers”. Expedia Group Media Solutions.

<sup>57</sup> “Ecotourism Outlook 2018”. Leah Joyner, Qwynne Lackey, Dr. Kelly Bricker. University of Utah College of Health. 2018.

## Customer Segment

# Generation X

(age 41–55)

The typical Gen X traveler has high standards for their chosen vacation experiences but are willing to pay a little more to access these than the other cohorts. Gen X read more online reviews than any other demographic and above all, are looking to experience something they couldn't when they were younger.<sup>59</sup>

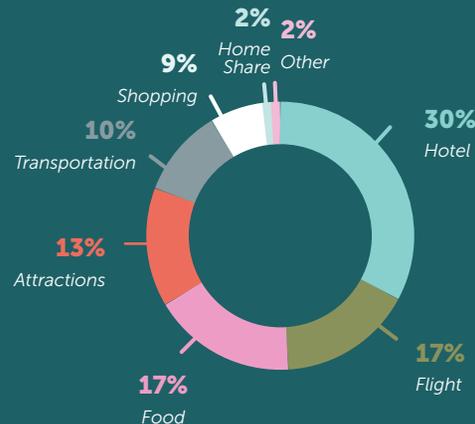
*Empty-nesters have already seen parts of the world and now want to experience something new. They'll spend their off hours researching Expedia reviews for the best wine spot and book their next trip on an online travel booking platform.*



Source: Unsplash

## \$5,400

Amount Gen X-ers set aside for their vacation budget (approximate)



## Mobility & Transit

Gen X prefer comfortable transportation options and more generally, have a higher spending potential than younger generations. While still spry enough to be walking around and taking public transportation, Gen X prefer car-based transportation over other modes of transit. Gen X value car rentals more than any other customer segment and unlike other segments, 43% of Gen X travelers used a car to get to the destination on their last trip.<sup>60</sup>



## Lodging

Gen X are willing to spend more of their budget on their lodging and this translates to higher expectations in amenities, but also a higher willingness to pay. Although Gen X expectations are higher, they don't value hotel availability as much as other groups, as long as the lodging meets their standards.



## Attractions

The variety of a location's attractions is not as important to Gen X as the quality of the attractions are. The typical Gen X traveler has already seen parts of the world, so while the attractions are not insignificant, Gen X are more interested in traveling to destinations with superior assets. Furthermore, when Gen X travel, they seek to experience things they couldn't when they were younger. So, the higher the quality of the experiences are, the better they will match Gen X-ers' expectations.

<sup>59</sup> "How to Sell to Generation X Travelers". Natalie Maneval. Travel Agent Central. April 18, 2016.

<sup>60</sup> "American Multi-Generational Travel Trends, Travel Habits and Behaviors of Generation Z, Millennials, Generation X, and Baby Boomers". Expedia Group Media Solutions.

## Customer Segment

# Boomers

(age 56+)

Boomers are most interested in rejuvenation and spending time with friends, family, and the people they care about. Trips are often planned as bucket list items, reunions, multi-generation trips, or milestone trips.

*Retired Boomers want to spend time with friends and family. Sharing experiences with others is important so a multi-generational or milestone trip may be in the cards.*



### Mobility & Transit

As with all travelers, Boomers most frequently fly to their destination. Of all types of transit, most Boomers prefer taxis and do not prioritize other forms of transport, such as walking, public transit, or car rental, wherein they might be forced to actively participate in the act of transit itself. Similarly, rideshare is a very low priority for Boomers, who are less tech savvy and are most comfortable sticking with taxis.



### Lodging

Boomers are willing to spend on comfortable lodging experiences. They may be nearing retirement or have accumulated disposable income or vacation days, and thus have higher expectations for the hotels they stay in. They expect the amenities to be of high quality and many options of hotels to choose from. Thus, they are willing to pay more than younger generations and spend more on vacations in general.



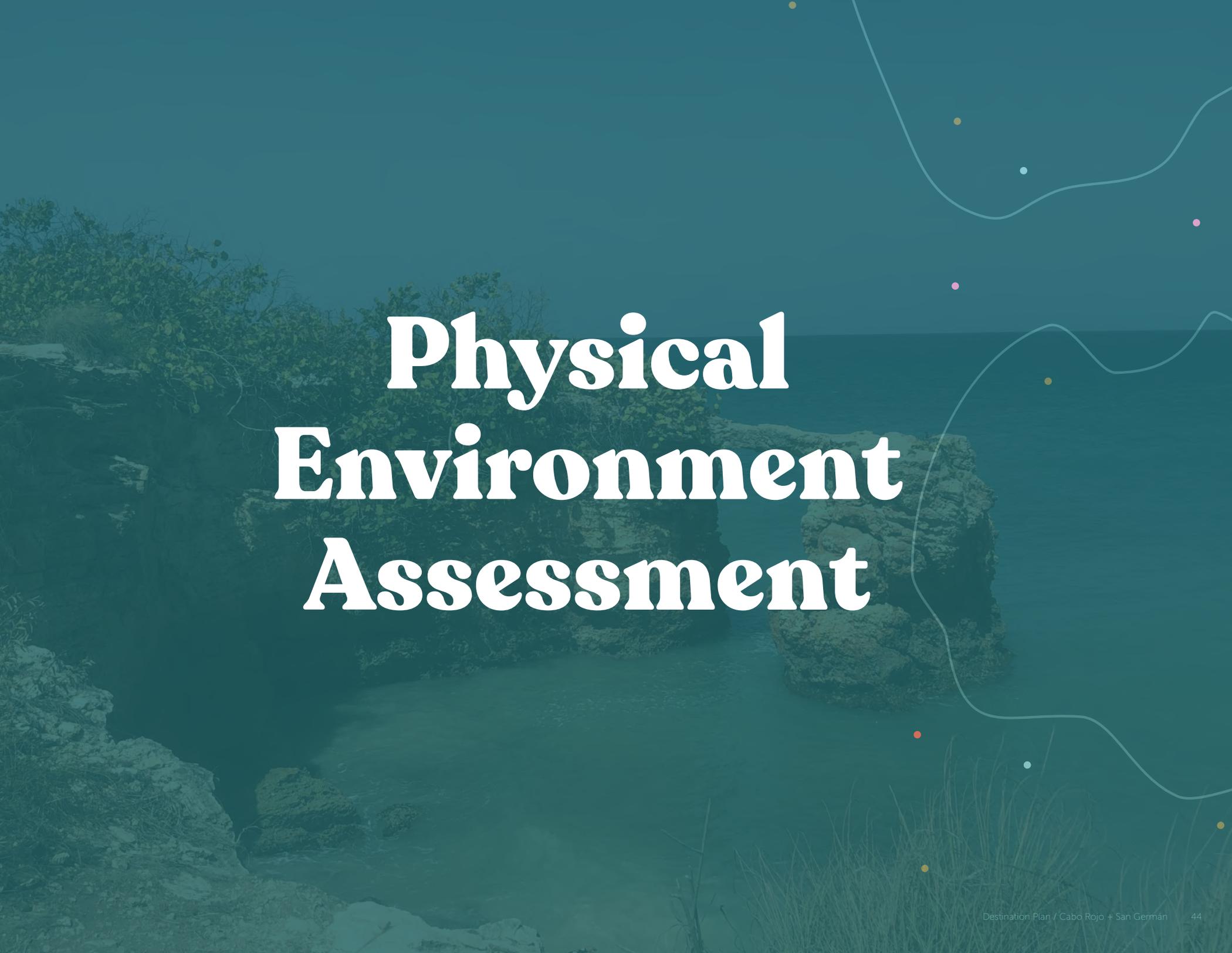
### Attractions

For Boomers who may not be as physically able to participate in active recreation or natural attractions, these types of activities have less appeal. But, while they do not place as much value in some attractions, shopping and cultural activities are of high importance for traveling Boomers. Shopping is also relevant not necessarily for Boomers themselves, but for purchasing souvenirs for loved ones at home. Boomers have seen more of life than younger generations, so unique cultural attractions are often of interest.



Source: Shutterstock

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# Physical Environment Assessment

# Physical Environment Assessment

The built environment and quality of a place play a significant role in consumer decision-making and satisfaction. The overall appearance sends a strong message to visitors and newcomers as they walk and drive the region.

Customers want to know: Is it comfortable? Does it feel safe? Is it easy to get around? Is it visually appealing? And ultimately, will the visitor enjoy spending time there? The answers to these questions are informed by a combination of factors, including, but not limited to, the quality of the physical environment, for example, public areas (streets, plazas and sidewalks); the ability to arrive/depart in comfort and convenience; and the possibility of moving easily once there.

Along with FPR staff and Field Teams, the Destination Planning Team took time to walk the streets, drive around, visit local assets and attractions, and spend time in public places to assess both visual and physical connectivity. Two site visits in Summer 2019 included walking and driving tours of the area's assets. The first site visit enabled the consultant to assess existing challenges in the physical environment, as well as communicate with stakeholders.

## Accessibility

Cabo Rojo and San Germán are located in the southwest coast of Puerto Rico. Driving to the region requires approximately 3 to 3 ½ hours (almost a 173-kilometer drive) from San Juan metropolitan area using either PR Route 22/2 to the North passing by Aguadilla, or PR Route 52/2 to the South traveling through Ponce. Both routes are well-maintained limited access highways. While San Germán has direct access to PR Route 2, Cabo Rojo and some of its most popular waterfront areas (Puerto Real, Joyuda and Boquerón) require driving through a mix of local roads. Among them is PR Highway 100, a divided three-lane road and popular cycling route that serves as the main gateway for Boquerón, Combate Beach and Puerto Real. PR Route 308 and Route 102 are smaller regional connectors within the region.

## Mobility & Transportation

Considerations on how visitors arrive to the region, and the ease and variety of options available to commute between areas (such as attractions, downtowns, restaurants and nearby cities on an itinerary list) can be a notable competitive advantage to the region.

Convenient and comfortable connections enable travelers to develop itineraries that allow them to visit and engage with multiple assets and offerings and potentially give them a reason to extend their length of stay.

The Destination Planning Team assessed the utility of a variety of transportation modes to determine the degree to which each mobility option is available to visitors.

- A “high” rating level is assigned if the region offers high quality infrastructure and transportation services.
- ◐ A “medium” rating level is assigned if the region offers moderate quality infrastructure and transportation services.
- A “low” rating level is assigned if the region does not meet baseline conditions typically expected by visitors.



## General Mobility Assessment by Mode Type

Cabo Rojo/San Germán

Type	Utility
Car Rental	●
Flight	
Boat	○
Taxi	○
Public Transit	
Rideshare	
Bike	◐

Note: .No circle means the mobility item is not applicable or available.

## Car Rental

As with other regions in Puerto Rico, the visitor is best served by a rental vehicle. The majority of visitors to this region will arrive by rental car leased upon arrival at Luis Muñoz Marín International Airport (SJU) near San Juan.

## Flight

Cabo Rojo and San Germán are equidistant from both the Rafael Hernández International Airport (BQN) in Aguadilla and Mercedita International Airport (PSE) in Ponce. Travel time is a little over an hour, barring traffic, which can add another half hour to the trip. At this time, both airports service inexpensive nighttime arrivals that primarily serve the Puerto Rican diaspora traveler who is visiting friends and family. However, the times of arrival are inconvenient and less likely to attract the average traveler who might be uncomfortable arriving in a foreign location in the middle of the night.

## Boat

The Port of Mayagüez is located about a 20-30-minute drive to the north of the region. It is the third busiest port in Puerto Rico. While outside of the region of study, the Port of Mayagüez once hosted cruise ships and a daily ferry to the Dominican Republic. It was slated for a \$300 million renovation that was approved in 2017, but the effort was permanently delayed after Hurricane Maria.

The Port of Ponce is located to the east of this region, about an hour-long drive. In the

high season from December-March, Port of Ponce hosts Royal Caribbean cruise ships and associated shore excursions, primarily in the immediate vicinity of Ponce.

For those arriving by personal boat, Marina Pescaderia in Cabo Rojo is the only full-service marina on the West Coast. It was recently named an official US Port of Entry, opening up significant opportunities for growth among visitors who arrive from other Caribbean islands by boat and seek a place to purchase provisions.

## Public Transit

Formal public transit is nonexistent. There are no public bus routes. A system of “carros publicos” or “public cars” exist that are like taxi cabs, but they operate on fixed routes and leave from a local terminal located in the center of town. Users typically must wait until a vehicle is full before departing. Service is patchy and they tend to service small geographic areas that do not include visitor destinations.

## Bike

Bike infrastructure is mostly for recreational purposes, rather than serving as a meaningful method of transportation. The bike trails are located predominantly in Cabo Rojo, where there are over 100 listed trails in popular trail sites, of which Cabo Rojo Bike and Hike Trail Association maintains more than 50. Many of these trails cater to seasoned mountain bikers, who often travel cross-island or around the world in pursuit of biking trails.



Source: Flickr

## Road Conditions

The road conditions in Puerto Rico are of high quality, with a sophisticated network of regional and local roads. Many of the food-offerings are conglomerated in auto-oriented clusters, based on the need to rent a car to access attractions. A vehicular evaluation of accessibility to destinations within the region is offered in the table “General Vehicular Mobility Assessment by Destination”. Generally, the historic urban centers of Cabo Rojo and San Germán, both destinations and attractions within the region, are also highly car-accessible, with public parking and on-street parking available for visitors.

## Rideshare and Taxi

There is no rideshare in the region. Some visitors hire personal drivers or join tours. There is no taxi service in the region.

## General Vehicular Mobility Assessment by Destination

Cabo Rojo/San Germán

Type	San Germán Urban Center	Cabo Rojo Urban Center	Boquerón	Joyuda
Street Parking	●	●	○	
Parking Lots	◐	◐	◐	
Parking Structures		○		
Routes/Visibility	○	◐		○
Street Condition	○	◐	○	○
Street Widths	○	◐		

Note: No circle means the mobility item is not applicable or available.

## Pedestrian

There are a few notable walkable environments in the region, including the historic downtown areas of Cabo Rojo, San Germán, and Boquerón.

Both Cabo Rojo and San Germán are traditional “pueblos” with tight-knit, walkable environments built before the advent of the automobile. In the case of Cabo Rojo, the center has a relatively flat terrain. On the contrary, San Germán is very hilly (it is known as “The City of Hills”). The steep pitch of several streets impedes walkability for less active visitors beyond the main plaza. However, the plazas – there are two of them – do not require walking up or down any significant inclines.

Boquerón is a small village in Cabo Rojo that is one of the most popular tourist attractions on the southwest coast. Public areas within Boquerón were recently renovated with an emphasis on the public realm, including reconstruction of streets, plazas and waterfront zones. The area is among the few in Puerto Rico with a strong walkable identity and high pedestrian traffic. Conflicts between automobiles and pedestrians occur owing to the narrow streets and lack of sidewalks.

Pedestrian conditions at other assets are also uneven. The walk to Faro Los Morillos, the Cabo Rojo lighthouse, is a long, unpaved path on a steady uphill grade. Accessibility is difficult for visitors who are not active. For very young and older travelers, climate conditions further exacerbate the challenges associated with walking the distance to the lighthouse.

## General Pedestrian Mobility Assessment by Destination

Cabo Rojo/San Germán

Type	San Germán Urban Center	Cabo Rojo Urban Center	Boquerón	Joyuda
Wide Sidewalks	●	●	◐	
Trees		○		
Visible Signage	◐	◐	●	○
Outdoor Seating	◐	◐	○	
Contiguous Paths	◐	●		
Crossings	○	○	○	
Lighting	●	●	●	

Note: No circle means the mobility item is not applicable or available.

## Cleanliness & Safety

Cleanliness and safety are significant components of visitor satisfaction. Reviews of some of the most popular destinations make note of the poor conditions of public facilities (the bathrooms at Balneario de Boquerón, for instance) and the trash that litters some of the key assets. Waste management is lacking across the Island, and trash and refuse is notable at many key tourism assets.

This is a concern throughout the Island, and in many places this issue greatly hinders the maintenance of basic standards of cleanliness. The need to reduce waste is an on-going challenge and part of the reason why trash is difficult to manage - there is simply no place to put it. Puerto Rico Solid Waste Authority estimates that all of the island's landfills will be full in 20-25 years. Yet in most places, even in higher end business establishments, single use plastic and styrofoam continue to be used with regularity, adding to the pollution and trash disposal concerns in the region.



Trash is a concern for many locals, particularly along the beach where there is irregular trash pickup or removal. Source: Streetsense



Trash can in Cabo Rojo downtown, where streets are generally found to be kept clean. Source: Streetsense

# Business Environment Assessment

# Business Environment Assessment

This assessment examines the potential for businesses to meet the needs and expectations of customers, as well as an understanding of hyper-local private sector realities.

## Business Clusters

The major visitor economy areas in Cabo Rojo and San Germán are based around a mix of ocean-side activities, cultural and historic urban centers; and natural, geologic, or biological features.

Within the region, relatively long drive times separate various clusters, making each destination somewhat geographically isolated from the others.

Identifying some of the major anchors, as outlined in the strategic positioning, is useful in determining the potential gravitational pull the region has for various potential visitors. On their own, destination “drivers” are a key for any visitor economy; however, identifying the major clusters to which they belong helps leverage the anchors and magnets.

The **Boquerón** area is a well-established cluster of ocean-side activities and is home to the area’s most well-known nightlife economy.

A few hotels, many restaurants, and pop-up kiosks are complemented by recent public investments in the area. Public investment can signal to the private sector that an area is worth investing in, and can help to improve safety, catalyze visitorship, and support local businesses. Boquerón’s walkability and ocean-side recreation makes it an anchor for the entire region.

**Joyuda Beach** business cluster saw significant damage from Hurricane Maria. This is a larger geographical zone, compared to other waterfront areas, but has less business density and its road networks do not establish a baseline for walkability. However, Joyuda does have a mixture of nearby and accessible attractions and restaurants. To this end, investments in a public plaza for the area are explored throughout the final recommendations to support existing businesses.

**Cabo Rojo urban center** is the largest of the three urban areas in the region, slightly larger than San Germán historic center. This area offers public space, walkable street networks, and an activated ground floor environment, although a majority of the commercial space is vacant or otherwise not tenanted to experiential retail needs. This may be the result of a lack of visitation in its current state. The retail streets in this urban center are oriented around a recreational, active plaza that can support additional daytime events. This area is served by a municipal parking facility.



Food stands and kiosks in Boquerón. Source: Flickr

**San Germán urban center** cluster is anchored in the traditional plazas, the town’s architectural elements, and the historic sites, such as the Porta Coeli Convent church, that are located in the area, or nearby. The cluster, like Cabo Rojo urban center, lacks a critical mass of retail and restaurants. Some restaurants are placed on the periphery of the walkable environment, indicating that many businesses are currently neighborhood-serving, rather than ready for the visitor economy, among other factors that will be discussed throughout the report. However, the combination of the area’s built environment and a few operational and regular musical events, position the plaza to capture night-time economic and cultural activity.

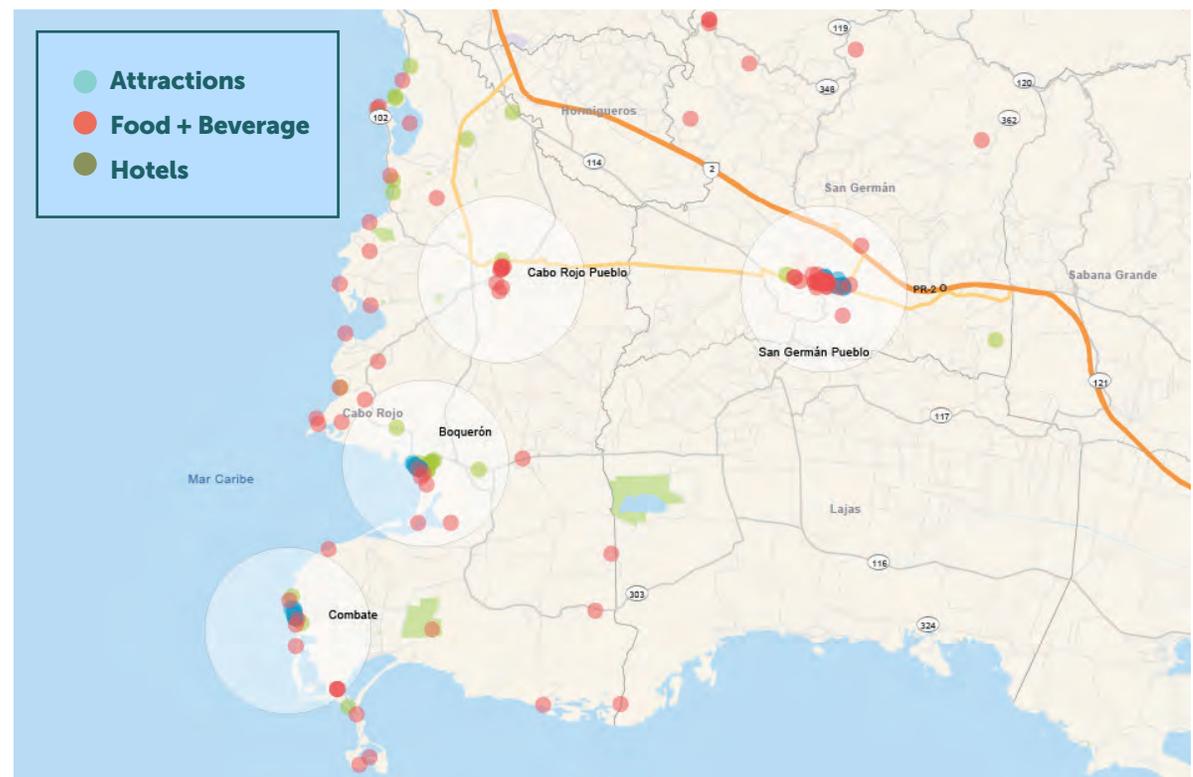
In order to distinguish San Germán and Cabo Rojo, both historic downtowns, within the region, it is key to differentiate some of the activation spaces, retailers, and lodging potential with their respective market distinctions. While Cabo Rojo has had some momentum in terms of cultural events, some visitor economy promoters may be interested in hosting events in the urban center of San Germán.

The cluster around **Combate Beach** is small, but has a notable presence given its legacy businesses, which are reportedly popular for the existing visitor population. These businesses, Combate Beach Hotel (Parador), and Annie’s Place (seafood), are located within a short walking distance of each other and Combate Beach. At an economy of scale, the Combate Beach cluster is unable to be a

destination anchor for the region, however, it is positioned to capture some of the primary activities of a visitor through its lodging, dining, and attractions, making it a strong cluster.

The majority of the following assessment breaks down the composition of the visitor economy by topic, with particular note and consideration given to these clusters.

### Business Clusters in Cabo Rojo and San Germán



Source: Streetsense; Foundation for Puerto Rico. 2019.

# Attractions

The basis of the region’s unique strategic position lies in a comprehensive set of offerings that include tranquil beaches, active inland and waterborne recreational opportunities, pleasure boating and fishing, nature preserves and wildlife refuges. Additionally, the history of the urban center of San Germán, home to the Island’s oldest church, is a remarkable addition to the region’s distinct set of offerings.

The FPR Field Teams identified over 100 assets (refer to “Attractions List”). The majority are cultural attractions (58%) primarily clustered in San Germán, followed by natural (35%), and recreational attractions (7%) clustered at waterfront locations.

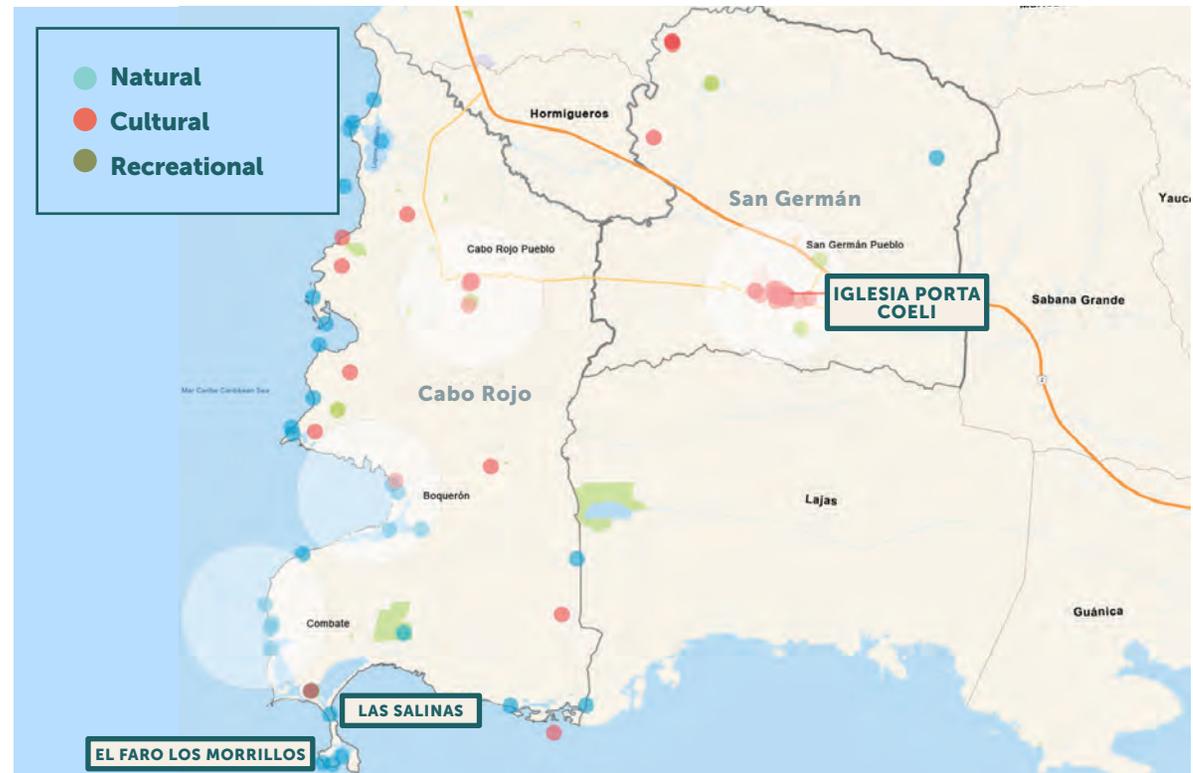
The most popular attractions in the region are primarily nature oriented. These include a variety of beaches, preserves, and bays. The following assessment explores the quality of these destination drivers to the region.

## Anchors and Magnets

Anchors and magnets form the basis of a region’s authentic strategic position and offer opportunities for clear differentiation rooted in the region’s unique DNA. These assets are what give Cabo Rojo and San Germán meaningful competitive advantages that cannot easily be matched by other areas and regions competing for the same customer.

The most popular assets in the region, determined by number of reviews on TripAdvisor, include the following:

Attractions in Cabo Rojo and San Germán



Source: Streetsense; Foundation for Puerto Rico. 2019.

- Playa Sucia
- Bosque Estatal del Boquerón
- Los Morrillos Lighthouse
- Playa Buyé
- Balneario de Boquerón
- Combate Beach
- Surf 'N Fun Water Park

- The Salt Flats of Cabo Rojo
- Cabo Rojo National Wildlife Refuge

The key assets that set this region apart and present opportunities to increase the set of perceived offerings by visitors include:

High quality seafood at **waterfront restaurants**, particularly in Joyuda, Puerto Real and Boquerón where there are well-known clusters of restaurants and bars.

**Tranquil waterfront beaches**, including Combate Beach, Boquerón Beach, and Playa Sucia where there are fewer waves, making them more appropriate family beach destinations.

**Cabo Rojo National Wildlife Refuge** run by the U.S. Fish and Wildlife Service and well-known habitat for native bird species and migrating birds between North and South America.

**Historic, religious and cultural sites** are extremely important to this region, particularly in San Germán Historic District which has over 100 significant buildings within its boundaries, including the Church of Porta Coeli, for which the tourist destination “Porta del Sol” is named.

The region is also well known for **active recreation opportunities**, such as El Peñón Rosario, and is also popular in the cycling and mountain biking community. Water sports and other “extreme” adventures, such as cave tubing, hiking and swimming are also popular activities.

While our assessment found a diverse array of offerings in the region, it should be noted that the vast majority of assets identified by the FPR Field Teams were unlisted on TripAdvisor webpage. Many were also listed by their alternative English names. Moreover, clusters of businesses at distinct geographic destinations were often difficult to find. Boquerón, for instance, is a destination in and of itself, with a variety of offerings that make for a full day or multi-day itinerary. To the visitor conducting research in advance of a visit to Puerto Rico, TripAdvisor has individual

listings of restaurants, water activities and the beach, but there is no sense that these offerings are co-located and therefore easy to combine into a single visit.

Finally, the Field Teams referenced a number of natural assets, including inland caves, hikes, waterfalls that are located on private property. These offerings were not included in the asset list owing to their lack of public inaccessibility. The Field Teams further indicated that more often than not property owners have concerns about liability issues and seek to keep visitors off of their land.



*Porta Coeli Church in the San Germán Historic District. Source: FPR*

## Attractions List

Name	Municipio	Type	Name	Municipio	Type	Name	Municipio	Type
Rosario Peñón Rock Climbing area	San Germán	Recreation	Playa Buyé	Cabo Rojo	Nature	Salinas de Cabo Rojo	Cabo Rojo	Nature
Surf 'N Fun Water Park	San Germán	Recreation	Punta Guaniquilla	Cabo Rojo	Nature	Playa Sucia	Cabo Rojo	Nature
Coliseo Rebekah Colberg	Cabo Rojo	Recreation	Parque Nacional Balneario de Boquerón	Cabo Rojo	Nature	El Puente de Piedra	Cabo Rojo	Nature
San Germán Mountain Bike Park	San Germán	Recreation	Bahía Bramadero	Cabo Rojo	Nature	Los Morrillos Lighthouse of Cabo Rojo	Cabo Rojo	Nature
Túnel Guaniquilla	Cabo Rojo	Recreation	Refugio de Vida Silvestre de Boquerón	Cabo Rojo	Nature	La Concha Acústica	San Germán	Culture
Torre Observation Salinas de Cabo Rojo	Cabo Rojo	Recreation	Laguna Rincón (Laguna Boquerón)	Cabo Rojo	Nature	Comunidad Rosario	San Germán	Culture
Playa "Tres Tubos"	Cabo Rojo	Nature	Los Pozos Beach	Cabo Rojo	Nature	Museo Comunidad Rosario	San Germán	Culture
Playa Azul, Joyuda	Cabo Rojo	Nature	Sierra Bermeja	Cabo Rojo	Nature	Plaza Artesanal Rolando Ortíz	Cabo Rojo	Culture
Laguna Joyuda	Cabo Rojo	Nature	Playa Mojacasabe	Cabo Rojo	Nature	Santuario Schoenstatt	Cabo Rojo	Culture
Charco El Pilon	San Germán	Nature	Combate Beach	Cabo Rojo	Nature	Club Deportivo Del Oeste	Cabo Rojo	Culture
Isla de Ratones	Cabo Rojo	Nature	Refugio Nacional de Vida Silvestre de Cabo Rojo	Cabo Rojo	Nature	Trapiche Belvedere	Cabo Rojo	Culture
San Germán Skatepark	San Germán	Recreation	Puerto Argelino	Cabo Rojo	Nature	Parroquia San Miguel Arcángel	Cabo Rojo	Culture
Punta Ostiones	San Germán	Nature	Centro Interpretativo de Las de Salinas de Cabo Rojo	Cabo Rojo	Nature	Monumento a Salvador Brau y Asencio	Cabo Rojo	Culture
Playita Punta Carenero	Cabo Rojo	Nature	Bosque Estatal de Boquerón	Cabo Rojo	Nature	Obelisco a los fundadores del Pueblo	Cabo Rojo	Culture
Punta la Mela	Cabo Rojo	Nature	Playa La Pitahaya	Cabo Rojo	Nature	Teatro Excelsior	Cabo Rojo	Culture

Source: Streetsense, Foundation for Puerto Rico. 2019.

## Attractions List

Name	Municipio	Type
Taller de Arte y Cultura de Cabo Rojo (Escuela JML Curry)	Cabo Rojo	Culture
Casa Alcaldía de Cabo Rojo	Cabo Rojo	Culture
Antigua Ermita de San Sebastián	San Germán	Culture
La Ceiba de la Libertad	San Germán	Culture
Escalinata Poly	San Germán	Culture
Interamerican University San Germán Campus	San Germán	Culture
Tienda Lisandro Lugo S.G.	San Germán	Culture
Casa Joffre Vivoni Bahr	San Germán	Culture
Iglesia San Germán de Auxerre	San Germán	Culture
Plaza de Recreo San Germán	San Germán	Culture
Historic Puente de Bolas	San Germán	Culture
Casa Museo Aurelio Tió	San Germán	Culture
Point 42	San Germán	Culture
Museo de Arte Religioso Porta Coeli	San Germán	Culture
Casa Morales Lugo	San Germán	Culture

Name	Municipio	Type
Museo de Arte y Casa Estudio Alfredo Ramírez de Arellano	San Germán	Culture
Casa del Componte (ruinas)	San Germán	Culture
Plaza Santo Domingo	San Germán	Culture
Museo de Historia de San Germán	San Germán	Culture
Farmacia Domínguez Museo la Botica	San Germán	Culture
Torre de Piedra	San Germán	Culture
Casa de los Kindy	San Germán	Culture
Logia Masónica de San Germán	San Germán	Culture
Museo de Arte Religioso Porta Coeli	San Germán	Culture
Distrito Histórico de San Germán	San Germán	Culture
Paseo de los Próceres	San Germán	Culture
Túneles de San Germán	San Germán	Culture
Antigua Estación de Ferrocarril	Cabo Rojo	Culture
Museo de los Próceres	Cabo Rojo	Culture
La Cambija (antigua cisterna de trenes)	Cabo Rojo	Culture

Name	Municipio	Type
Cueva Del Pirata Cofresí	Cabo Rojo	Culture
Monumento a Ramón Emeterio Betances	Cabo Rojo	Culture
Monumento a Roberto Cofresí Ramírez de Arellano	Cabo Rojo	Culture
Hacienda Paraíso	Cabo Rojo	Culture
Plaza pública de Cabo Rojo	Cabo Rojo	Culture
Arrecife Margarita	Cabo Rojo	Culture

## Online Presence

The importance of online visibility cannot be underestimated. According to well established industry research, review sites have a significant impact on travelers' decision-making.<sup>61</sup> Nearly two thirds of travelers, or 68%, indicate that reviews are important to "helping them know about attractions". When it comes to lodging, 83% of respondents indicated that reviews help them pick the right hotel and a full 53% won't commit to a booking until they read reviews. As such, the quality of reviews is critically important, in part because research has found that increases in online review ratings can lead to increase in revenue caused by higher visitation.<sup>62</sup>

As such, our team conducted an in-depth analysis of attractions against TripAdvisor, an American internet-based travel company that in 2019 generated approximately 730 million user reviews and opinions. It is generally regarded as one of the world's largest and most popular travel sites.

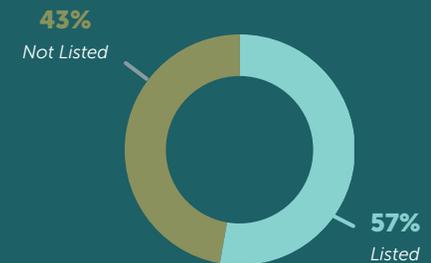
An assessment of Cabo Rojo and San Germán's listings on TripAdvisor found that 58 of 101 locally identified visitor attractions were not listed on the site. Most of these unlisted assets included destinations and offerings with limited ability to drive visitor traffic, including public busts of local historic figures in San Germán along Calle Felix Arce Lugo, a few beaches (Playas Laguna, Villa La Mela, Mojacasabe) and small museums with very limited hours (John Will Harris Museum and Aurelio Tió Museum and Studio House).

Of the 101 unique assets identified in ViewPR, only nine (9) had more than 45 reviews. On average, nearly all of the most popular sites according to TripAdvisor scored fairly well with respect to the ratio of "Excellent" or "Good" ratings as a percentage of total ratings. Only three destinations received over 90% of ratings of either Good or Excellent. These were Playa Sucia, Parque Nacional El Boquerón and Los Morrillos Lighthouse. The lowest ratings were reserved for the Balneario de Boquerón and the Surf 'N Fun Water Park.

The moderate 68% Excellent/Good rating for Boquerón is particularly problematic given that this is one of the most highly visited locations in the region. TripAdvisor reviews of three stars or less generally cited the poor conditions of the public facilities and overcrowding.

## Listed vs. Unlisted Assets on TripAdvisor

Cabo Rojo/San Germán



Source: Streetsense. 2019.

<sup>61</sup> "Independent Study of 12,000 Global Travelers". PhoCusWright. 2013.

<sup>62</sup> "Reviews, Reputation, and Revenue: The Case of Yelp.com". Michael Luca. Harvard Business School. 2016.



Dock and pedestrian area at Boquerón. Source: FPR

## Top-Rated Assets on TripAdvisor

Cabo Rojo/San Germán

<i>Community Identified Asset</i>	Name on TripAdvisor	# of Reviews	Rating	% Excellent or Good
Playa Sucia	Playa Sucia	884	4.5	93%
Bosque Estatal de Boquerón	Parque Nacional El Boquerón	763	4.5	92%
Faro Los Morillos en Cabo Rojo	Los Morillos Lighthouse	382	4.5	93%
Playa Buyé	Buye Beach	268	4.5	88%
Balneario de Boquerón	Balneario de Boquerón	131	4	68%
Combate Beach	Combate Beach	104	4.5	89%
Surf 'N Fun Water Park	Surf 'N Fun Water Park	66	4	85%
The Salt Flats of Cabo Rojo	Salt Flats and Wildlife Refuge	55	4.5	87%
Cabo Rojo National Wildlife Refuge	Cabo Rojo National Wildlife Refuge	48	4.5	88%

Note: This list only includes assets with more than 45 reviews. Source: Streetsense. 2019.

## Visibility

In particular, the network of roads that serves the region's waterfront assets is local in nature and consists of two-lane roadways with limited capacity to serve current or projected visitor traffic volume. The map presented earlier illustrates the attractions, highlighted by the community during the Field Team immersion period, in the context of the road networks. Additionally, parking, adequate road lighting, and road quality are issues for some of the attractions, such as the path to Playa Sucia. We recognize the limitations that have been raised with respect to improving the road network inside a protected natural preserve but posit that as long as the site is open to visitors, these improvements are vital to public safety as well as necessary for the on-going protection of the natural environment from visitors.

Signage and wayfinding are also in short supply. The limited access highways that serve the region have sparse wayfinding signs - the signage that exists was erected by the PRTC and is often faded and nearly illegible. A comprehensive signage system might operate at two different levels. Primarily, to include regional roadway signage, which can help leverage a brand. Secondly, the signage program can help support individual attractions. Currently, many of the destinations are unbranded, unmanaged, and do not take advantage of the opportunity to explain or create itineraries and networks.

Although assets may appear when searched via mapping tools such as Google or Waze,

many assets do not have typical addresses that include a building number and street name, making it difficult to successfully use other GPS mapping tools that visitors from abroad may be using to find assets. It is frequently necessary to input precise longitudinal and latitudinal coordinates to get proper directions. In this environment, directional signage becomes even more critical to visitors who are driving - and often getting lost - as they try to find even the most popular visitor assets in the region.



*Playa Sucia and the major rock formation attractions have no directional signage and are located on minor local roads.  
Source: Streetsense*

## Amenities

Visitor amenities include opportunities to purchase provisions and goods necessary to fully enjoy an experience, from needs as basic as bathrooms, water, and food to more, such as snorkeling equipment.

Boquerón, for example, is one of the most popular destinations in the region with two unbranded hotels in a uniquely walkable downtown core (Parador Boquemar and Aquarius Vacation Club). While the area is an active nightlife destination, those who spend the night wake up to find there is no coffee shop or bakery within walking distance of the hotel. The nearest bakery, Boquerón Bakery, is located a five-minute drive from the hotel in an auto-oriented strip mall along Route 101. While some might argue a five-minute drive is not far, an overnight visitor who elects to stay in a walkable environment will find it inconvenient to use their car from something as basic as a coffee and breakfast sandwich.

Other popular visitor destinations, including beaches (Playa Sucia), Faro Los Morillos and inland hiking paths, lack basic provisions of water, snacks or public restrooms.

In Joyuda, a popular dining destination along the coast that is well known for its seafood restaurants, public gathering spaces and walkable streets are missing entirely, making it difficult if not impossible for a visitor to linger and enjoy the waterfront. Instead, most customers park in lots associated with distinct restaurants which discourages them from patronizing multiple establishments because they would have to re-park their cars. Without the ability to “park once”, there is a limited customer base for a wider variety of complementary retail and dining establishments.

# Lodging

One of the fundamental pieces of decision-making and of expectations is lodging. Today, the landscape of accommodations includes traditional hoteliers and informal lodging, such as campsites, and Airbnb.

## Formal Lodging

The formal lodging in the region serves several groups of customers. Despite increases in growth of popularity of platforms like Airbnb, every age-defined group of customers still prefer hotel accommodations.

The following sections assess the region's formal lodging clusters and the market challenges that these establishments are facing.

The majority of lodging establishments in the region are hotels, motels, small resorts, boutique hotels and vacation rentals. The lodging stock is mostly small, local-based, independent hotels and paradores, with an average 2.7 stars. Only three establishments are endorsed by the PRTC, all located in Cabo Rojo.

Hotels play an important role, specially in a region that provides a variety of lodging options for a diversity of traveler types. There are approximately 780 rooms available in Cabo Rojo and 80 in San Germán (including motels, paradores, and guest houses paying occupancy taxes to the Hotel Tax Division)<sup>63</sup>. Across the region, approximately 25% are endorsed by the PRTC. Major clusters and development patterns indicate and reflect existing conditions, to the extent that hotels cater to the visitor economy.

<sup>63</sup> "Hoteliers Registry - Room Tax Division". Puerto Rico Tourism Company. March, 2018.

<sup>64</sup> JLL. Hotel Destinations. 2019.

<sup>65</sup> "Registrations by Country of Origin Report by Regions". Puerto Rico Tourism Company. 2019.

## Formal Lodging Locations in Cabo Rojo and San Germán



Source: Streetsense; Foundation for Puerto Rico. 2019.

The PRTC Tax Division identifies and monitors lodging demand by guest origin, Average Daily Rates, and Room Nights Sold. A 2019 JLL report, commissioned by the PRTC, identifies that a majority of room nights are generated by residents, at 63%.<sup>64</sup> This indicates that few visitor nights are generated, and that the majority of the hotel-casinos and resorts are not ready to cater to the off-island customer segment. Visitation, however, peaks during the winter months, likely the result of the end of hurricane season. Throughout January and

April, 42% of hotel registrations in endorsed lodgings across the Porta del Sol region were from US Mainland visitors, while 54% were from residents.<sup>65</sup> Following US Mainland visitors, the next largest geographic origin was Europe, at 1.3% of visitation.

Few of the roughly 800 hotel rooms are located in San Germán. Presently, active hotels are adjacent to walkable corridors and the ocean. As illustrated in the map "Formal Lodging Locations", the major drivers for

these hotel clusters are primarily in Boquerón, Combate, and Joyuda. In these clusters, conditions of nightlife economies and Food and Beverage are also present.

### Amenities and Customer Ratings

The following table examines lodging that are available online for customer ratings. paradores, B&B's, and formal hotels are among the stock that was available for assessment on Hotels.com.

While many customer groups are willing, or even prefer, to stay in boutique hotels, these independent operators are challenged by aging infrastructure and outdated finishes. Amenities are limited in the region and not all hotels offer 24-hour desks, which are often expected by customers and allow for flexibility in arrival time.

Additionally, almost no formal hotels assessed in the region are listed online, where customers can easily make choices. This likely further contributes to lower occupancy rates in the region.

### Lodging Amenities and Customer Ratings

Cabo Rojo/San Germán

Indicators	Cabo Rojo	San Germán	Combined
Total View PR Lodgings*	45	2	47
Total Hotels*	30	2	32
Total Air-Conditioned Lodgings	34	3	3
Total with Front Desk	15	-	15
Average Star Rating	2.75	2.25	2.7
Average Number of Ratings	193	45	177
Average Customer Rating	8	9	8
Total Number of Ratings	1,155	89	1,244

\* Note: This data has been modified and updated to reflect current conditions. Source: Streetsense; Foundation for Puerto Rico. 2019.

## Language Barriers

Local operators bear more burden when it comes to hiring and training. However, like having a 24-hour desk, the ability to provide information and services in the target customer language is essential. Local operators without resources for language training are at risk of not meeting certain customer expectations, should they see a boom in visitorship.

## Performance

The occupancy rate for formal lodging falls below 60% in the Porta del Sol submarket,<sup>66</sup> where Cabo Rojo and San Germán are located. The island-wide occupancy rates have historically been above 70%, including the period following Hurricane Maria in 2017. Although there are historic differences in the Average Daily Rates (ADR is estimated at \$25 less than the island-wide average)<sup>67</sup> other submarkets, such as the metropolitan area, have gains on daily Revenue per Available Rooms (RevPAR) in excess of approximately \$50. At over ten percent below the island-wide rate, and with a lower historic Average Daily Rate than the rest of the island, it is likely that many local operators (the predominant use for hotels) are struggling to maintain a RevPAR that allows them to invest in their businesses.

An additional 52 rooms are currently in the financing and permitting process stages of development in Cabo Rojo<sup>68</sup>. This may further contribute to a hyper-local occupancy rate change.

Within the Porta del Sol submarket, competitive lodging nodes, such as Rincón, may have a sustained impact on Cabo Rojo and San Germán's formal lodging supply performance, based on supply volumes, Hotel Class that closely aligns with customer preferences, and historic marketing campaigns.

Although it may be tempting to respond to investor or brokerage interest in the region to leverage Opportunity Zone property exemptions or PRTC Tax Credits on hospitality and visitor economy development, it is recommended that the market stabilize before significant hotel development is pursued. In the meantime, it is possible that a visitor's trip to the region does not include hotel stays in the municipality; however, projects that pursue upgrading facilities could make the hotel lodgings more competitive.

An occupancy rate that generally indicates a hotel market can withstand additional supply is above 60%; while occupancy rates are increasing year over year, additional lodging is not recommended without subsidization from external parties, as an oversupply of lodging, without a significant increase in visitor demand, may amplify the challenges for the region's local operators and business owners to maintain and invest in businesses.

<sup>66, 67</sup> JLL. *Hotel Destinations*. 2019. .

<sup>68</sup> *Planning Pipeline. Planning and Development. Puerto Rico Tourism Company*. .

## Informal Lodging

Online services that enable homeowners to list their properties for short term rental are growing in popularity. The market is dominated by Airbnb, but also includes VRBO (formerly Vacation Rentals by Owner) and HomeAway. The assessment of informal lodging focused on Airbnb demand owing to the availability of data through AirDNA, an online open data source that includes metrics for every Airbnb and VRBO rental worldwide.

There is some significant informal lodging activity outside of the major commercial business clusters studied throughout this assessment, but lacking in the formal cluster areas, which is aligned with the nature of offerings in primarily residential areas. Throughout the Cabo Rojo and San Germán region, Airbnb is clustered oceanside, particularly at Joyuda Beach. This may indicate the clear advantages of adjacency to attractions and density.

### Composition

Short term listings in the market are mostly entire houses or apartments, followed by a private room, and finally, a few shared rooms. Cabo Rojo has 2,518 rooms and 1,058 listings. By contrast, San Germán has less than 50. The majority of the listings are clustered in Boquerón, the whole Cabo Rojo area, and in Lajas, a nearby municipality.

## Performance Metrics

Boquerón has the highest Average Daily Rate. Full homes are rented for \$152, at an occupancy of 29%. In Cabo Rojo at large, the occupancy rate is slightly higher for a full home, at 35%.

Informal Occupancy Rates range from 28% in San Germán to 35% in Cabo Rojo, while formal lodging Occupancy Rates are slightly below 60%. These figures reflect a customer segment that has yet to fully embrace informal

lodging accommodations. Although informal lodging demand is accelerating in the region, additional challenges, such as perceived safety, amenities offered by hotels, and capacity, have yet to be overcome in the informal lodging market. As there is yet to be an established baseline occupancy to indicate “high-performing” submarkets, the informal lodging market can be understood as a factor of the formal hotel market and the customer profile to the region.

### Informal Lodging Locations in Cabo Rojo and San Germán



Source: Streetsense; “AirDNA Data”. AirDNA. 2018.

## Competitive Markets

The region's close proximity to other formal hotel lodging markets, most notably Rincón, should be considered. The region's walkable attractions are far from other major tourist destinations and are geographically insular, reducing the total number of overnight visitors who make a trip to Cabo Rojo or San Germán. Both formal and informal lodgings may require significant investment and subsidization before the occupancy rates increase significantly. Focusing on areas adjacent to walkable centers, which may be under served, may help carve a niche in the market (for example, in San Germán historical center); while other areas, such as ocean-side Airbnb opportunities, may continue to stabilize.

## Short Term Rental Performance (by market)

Cabo Rojo/San Germán

Area	Average Daily Rate	Occupancy Rate	Total Revenue	Total No. of Bookings
Boquerón	\$145	30%	\$3,000,086	6,858
Cabo Rojo	\$141	35%	\$2,425,849	4,415
Lajas	\$200	29%	\$1,671,788	3,178
San Germán	\$122	28%	\$109,679	334

Source: "Property Performance. Last Twelve Months." AirDNA. Streetsense. 2018.

# Food and Beverage

Culinary tourism is a growing segment of the visitor economy. Food and Beverage retail increasingly serve as destinations in and of themselves, making it a significant factor in driving visitor demand.

The purpose of the following section is to identify existing Food and Beverage hubs and challenges that operators face as changes occur in the visitor economy.

Additionally, as the goal of this assessment is to understand the ways to leverage Food and Beverage retailers to help enhance the visitor economy, a review of the positioning - whether by unique cuisine offerings, geographical clustering, or customer expectations - is undertaken to identify the current performance and key opportunities for investment.

## Clustering

Food and Beverage retailers offer the benefit of engaging local operators with the visitor economy, offering experiential opportunities for the visitor, and reflecting the cuisine of the geography's culture. To ensure that Food and Beverage establishments are positioned within each region to capture the demand from a visitor, the clustering of these retailers is examined.

The map "Food and Beverage Establishments" illustrates the restaurants identified by Field Teams and the communities as assets. Food

and Beverage is clustered in Combate, Boquerón, Joyuda, and San Germán urban center. In addition to these and the other studied business clusters throughout this assessment, there are no other noted clusters in Cabo Rojo, but there is an additional "Restaurant Row" found in Joyuda Beach. Most of these Food and Beverage clusters are located in walkable areas, which can help create an activated destination area.

In San Germán, clustering Food and Beverage towards active plazas can help cultivate and enrich open cultural events that may take place. In ocean-side clusters, leveraging views of the ocean can help support the overall brand of a restaurateur.

## Online Listings

Customers navigate the digital landscape to inform decision making and to navigate to retail establishments themselves. A majority of online listings are unmanaged by an owner in this region (85%)<sup>69</sup>, based on an assessment of restaurants identified by the Field Teams and the community. Online listing management allows restaurants to share basic information, including business hours, curate media, capture audiences, manage perceptions, and respond to reviews, which helps customers plan trips and manage expectations. This kind of data management, among other tools that businesses are not using in the region, is critical to a scalable business model that helps local businesses capture the spending of new residents as the emerging visitor economy grows.



Bamboleio leverages adjacency to the ocean as a visual branding tool. Source: Streetsense



Boquerón is a highly walkable Food and Beverage cluster Source: Flickr

<sup>69</sup> Streetsense; Foundation for Puerto Rico. 2019. .

**Food and Beverage Establishments in Cabo Rojo and San Germán**



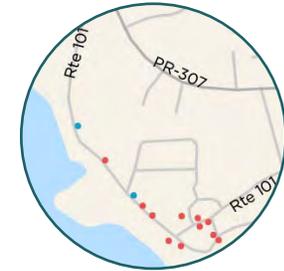
Source: Streetsense; Foundation for Puerto Rico. 2019.



**JOYUDA**



**SAN GERMÁN URBAN CENTER**



**BOQUERÓN**



**COMBATE BEACH**

## Customer Perceptions

Though establishments may not be managed online, they may still have an online presence. Customers interact with a “page” or a “listing” for a geo-tagged restaurant, including uploading photos and leaving reviews. The average Google Rating of the assessed dining establishments is 4.4 out of 5 stars.<sup>70</sup> This may indicate that the inventory is able to meet customer expectations.

Because the region has historically served local customers, many with limited means, food is offered without a range of price points. Budget casual price points may be supported by existing visitors, but as customers are willing to spend on experiential dining opportunities, it may be possible to expand a range of price points, should additional tourists come in the future. This reflects the challenges of maintaining a year-round local restaurant business that might be significantly impacted by the long hurricane season. As the region’s food businesses begins to employ data-driven methods, they may find in the future that new customers expect more diversity in their offerings. Although the region is known for some of the traditionally fresh Caribbean seafood, currently, few restaurants can accommodate a range of dining expectations. Customers that are willing to pay for experiential opportunities may be able to support the expansion of curated menus and varying price points in the future.

One major additional challenge to attracting and meeting the expectations of customers

is the perception of quality. Likely due to concerns about cost, existing supply chains are highly dependent on single-use plastics to serve customers, which are a growing concern for many visitors interested in reducing their ecological footprint when they travel.

## Accommodating Customers

Menus are mostly in Spanish, posing an opportunity to increase language accessibility to tourists. Similar to the challenges faced by independent hospitality operators, the Food and Beverage industry may have difficulty scaling up operations without consideration given to language barriers. Menus with images, graphic design, and symbols can help businesses overcome barriers between language of employees and visitors as the customer groups generate a larger influence on dining.

<sup>70</sup> Streetsense; Foundation for Puerto Rico. 2019. .

## Cultural Assessment

Culture has become an important drive of tourism due to the increasing importance of authenticity in the visitor experience. In Puerto Rico, arts, culture and heritage represents an important asset to the Island's positioning as a destination. Despite its geographical extension, which could sometimes suggest homogeneous cultural manifestations, the natural and historical diversity and a structure of 78 municipalities allow the opposite. These factors suggest at least three levels of narratives that support tourism activity: national, regional and local. To clearly define the phenomenon of cultural assets, three main categories are proposed: tangible, intangible, and natural heritage. These categories integrate artists, historical figures, beaches, nature reserves, traditions, legends, artistic projects, historical buildings, farms, organizations, gastronomy, events, and festivals. These manifestations are present at different levels of development and recognition, so this analysis seeks to present challenges and opportunities.

Despite the existence of a wide cultural and creative production around the Island, it is important to strategically structure this offering to strengthen different narratives in the regions. It is also important to maintain a balance between the national and regional levels. For example, coastal regions share a storytelling around the sea, fishing, and music, among others. In the central areas, on the opposite, the narratives concentrate

on the agricultural, the Jibaro music, and images related to the rural life. However, at the municipal level there is some consistency in terms of the municipal festivities, religious traditions, the presence of illustrious figures, commemorations, and historical events. The gastronomic richness represents a balance between national and local levels, as well as Latin musical genres such as Salsa and Urban Music.

Management of arts and culture in Puerto Rico presents very similar challenges to other countries. Financing resources for cultural activity have been reduced over the years, especially the budgets of public entities in charge of protecting and disseminating cultural heritage. In terms of the private cultural sector, there is much informality in projects, which in many cases makes it difficult to access funds to address economic sustainability. Similarly, in many cases there is a lack of coordination between levels of government, third sector, and private sector, representing a great limitation for potential projects with high impact on the visitor economy. Despite this, artists, collectives and cultural organizations operate in an environment of innovation and entrepreneurship, keeping their projects afloat through self-management.

## Trends in Cultural Tourism

It is relevant to highlight the growing importance of culture in the visitor's experience. For example, the United Nations World Tourism Organization (UNWTO), in its report "Tourism and Culture Synergies" establishes that four out of ten tourists choose their destination based on the cultural offering. A survey of 69 countries states that in 90% of cases cultural tourism is part of their public policy, while 84% mention that it is an important component of their marketing and promotion strategy.<sup>71</sup>

Another important trend related to cultural tourism is the so-called **night economy**. Entities such as Sound Diplomacy have published guides for cities to design, expand, and/or regulate their offer after 6pm, strengthening entertainment and leisure alternatives for citizens and promoting safety and accessibility in environments that are normally designed only for the day. An additional trend is known as **creative tourism**.<sup>72</sup> According to the Creative Tourism Network, this new trend consists of a practice where the tourist co-creates the experience with a local. In this case, the visitor assumes an active role of creation, whether through gastronomy, dance, crafts, music, or visual arts, among other activities.

Finally, we highlight the importance of official designations made by international organizations such as UNESCO (United Nations Conference for Education, Science and Culture). On the one hand, there are the official designations of the list of tangible

<sup>71</sup> "Tourism and Culture Synergies". World Tourism Organization. 2018.

<sup>72</sup> "Una guía para gestionar su economía nocturna". Sound Diplomacy. 2018.

and intangible heritage. These lists include important historic sites around the world, among them Old San Juan in Puerto Rico, but also customs and traditions through the list of intangible heritage.<sup>73</sup> On the other hand, UNESCO also has developed a program of creative cities to highlight those areas that stand out in seven creative activities: crafts, design, film, gastronomy, literature, media arts and music.<sup>74</sup> The network currently has 246 cities among all categories and these designations contribute to the city's brand and its offering to the visitor.

Based on these trends, it is possible to explore at least three main strategic components that could channel the cultural assets in the region: (1) night economy, (2) cultural events and creative experiences, and (3) main squares. First, most of the municipalities have developed gastronomic clustering in different regions that could evolve to include live experiences such as music. In terms of cultural events and experiences, it could be important to expand the impact of actual events and festivals to address the visitor's demand for authenticity. Also, new events could be developed in order to diversify the attractions available for tourists. Beyond events, the offering of experiences, some related to creative tourism, could be developed and promoted on platforms such as Airbnb Experiences. Finally, all of the main squares represent the traditional plazas of the Island. These sites provide opportunities for new attractions that could impact different tourist segments due to their history, architecture, gastronomy, and live entertainment elements.

<sup>73</sup> "Intangible Heritage List". UNESCO. 2019.

<sup>74</sup> "Creative Cities Network". UNESCO. 2019.

## Island-Wide Cultural Challenges

At the island-wide level, cultural organizations are hobbled by a number of challenges, including:

- Limited budgets to sustain operational costs, and limited ability to charge entrance fees. In many cases organizations avoid charging entry fees owing to concerns that they will need to pay taxes and that it will complicate accounting for what are largely volunteer organizations.
- Lack of coordination between different levels of government (state and municipal)
- Lack of on-going financial support from the Instituto de Cultura Puertorriqueña (ICP) to Cultural Centers
- Limited entrepreneurial mentality among cultural organizations
- Most cultural organizations do not track visitation. They may collect monthly number of visitors, but these are typically in sign in books, making it difficult to accurately estimate attendance and glean any information about the primary customer.
- Centralization of cultural activity in the metropolitan area
- ICP has indicated that they have not explored National Endowment for the Arts "Our Town" Funding, for which many local cultural projects might be eligible.

## Region-Specific Opportunities

The conversations with multiple stakeholders in the region of Cabo Rojo and San Germán shed light on a number of cultural assets that might contribute to destination development, especially based on the visitor's experience. In general terms, downtown areas in both municipalities represent zones that, due to their historic architecture, main squares and diverse commercial activity, could represent an area of interest for visitors and diversify the sun and beach approach of the area. Specifically, San Germán is one of the oldest towns in the Island and has preserved its colonial architecture at the downtown. Visits to this area could be an attraction for tourists visiting Cabo Rojo and way of expanding their stay. Also, Cabo Rojo has developed gastronomic clustering through the different barrios of Boquerón, Joyuda and Combate. Each of these zones could develop their own differentiation by adding cultural events to their offering.

The following list presents a summary of opportunities, strategies and projects related to cultural tourism for the region.

### Improvements at waterfront and beach areas

drive significant visitation to their region. Suggestions from stakeholders and community members included the following:

- Increased water attractions (boats) in the Joyuda area
- Joyuda, Combate and Boquerón as gastronomic centers and night cultural/entertainment activity

- The gastronomic culture of fresh seafood in Cabo Rojo
- Diversity of alternatives in Cabo Rojo, from diving, kayaking, cycling, hiking, etc.

### “Living” Cultural Event and Activities.

There is an increasing interest from the Instituto de Cultural Puertorriqueña (ICP) to explore the use of historic plazas as cultural spaces. However, our interviewee at ICP noted that these spaces are controlled by the local municipalities and events and music in the plaza are expensive to produce. In many cases the resources aren't there for the municipality to hold regular events.

- Cultural programming oriented to families (tours, events, etc.), integrating beaches, old town and rural areas
- Nighttime activity in beach areas
- Circuit of museums and historic homes in San Germán (3)
- Development of fish markets as a gastronomic experience
- Salinas of Cabo Rojo as a tourist attraction
- Murals project in Joyuda as an attraction in the area
- Guided visits to spaces and workshops of artists in both towns
- Collaborations with the Mayagüez Creative Incubator
- Musical activities in downtown San Germán like the Jazz Jamming Nights

The region is also well known for **active recreation** and stakeholders and community members expressed an interest in the following:

- Cycling activities in Cabo Rojo (cycling community)
- Ecotourism activities in the Rosario neighborhood of San Germán
- Development of adventure and ecological tourism activities in the northern area of San Germán (Rosario)

### Specific Cultural Tourism Strategies

- Festival and cultural programming in the area of Joyuda (Rock and Go, MOSS)
- Development of cultural tours based on history and historic figures such as Betances and Pirata Cofresí (IC)
- Locate visible calendar where local cultural programming is published. (Sirena Montalvo)
- Cultural programming with live music in the Plaza, suggests using the Acoustic Shell. (La Calaca Restaurant)
- Cultural tours of the historic center (ICP)
- Maximize the operation of museums (ICP)
- Map with information of the places of interest, especially the Museums and routes (San Germán History Museum)
- Tour in the historic tunnels of San Germán (San Germán History Museum, Lupitos Restaurant)
- Physical information center and digital

platform with accessible and updated information. (ACRES)

- Creation of tourist routes, outdoor activities and “walking tours” (Lupitos Restaurant)
- Large-scale printing of historical images and placing them in abandoned structures (San Germán History Museum)
- Cultural and gastronomic activity around the main square area in San Germán
- Diversity of tours around the historical heritage at the main square in San Germán



San Germán History Museum Source: FPR



# Gap Assessment

# Gap Assessment

The gap analysis conducted by the Destination Planning Team evaluates the condition of each of the customer segments identified. This enables communities and stakeholders in each region to conceptualize visitor economy projects to the extent that they address two main issues:

## Meet the needs and expectations of targeted customer segments

- Which segments are we most or least likely to attract? What investments should be prioritized to attract a specific segment?

## Maximize the benefits of resource allocation and capital investments

- Which assets are under-performing across most or all customer segments? What investments should be prioritized to improve the visitor experience for as many customer segments as possible?

The gap assessment considers each customer type and each identifiable class of tourism-attraction (transportation and mobility, lodging, attractions, shopping, and dining) and helps provide a framework for thinking about what elements of the visitor economy must be addressed to better meet the needs of the most likely off-island visitors to Puerto Rico.

## Existing Asset Assessment

Attractions and assets were rated on multiple dimensions, and the observations and findings are reflected in a performance rating system that ranks them as follows:

- A “high” rating level is assigned if a site or asset offers a high level of visitor satisfaction and/or consistently meets customer expectations.
  - ◐ A “medium” rating level is assigned if the site or asset offers a moderate level of visitor satisfaction and/or frequently, though not always, meets customer expectations.
  - A “low” rating level is assigned if the asset or offering does not meet the baseline expectations of visitors.
- No circle means the item is not applicable or available.

Cabo Rojo and San Germán perform well in the realm of car rentals and cultural offerings; moderately well with respect to destinations that offer walkability and lodging with basic amenities; and low in accessibility metrics including flight availability, rideshare and taxis.



## Existing Performance Rating

Cabo Rojo/San Germán

Type	Rating
<b>Mobility</b>	
Flights	
Car Rentals	●
Rideshare	
Taxi	○
Walkability	◐
Transit	
<b>Lodging</b>	
Availability	◐
Price + Variety	○
Amenities	◐
<b>Attractions</b>	
Natural	◐
Cultural	●
Recreational	○
Shopping/ Entertainment/Dining	○

# Values By Customer Segment

The value and importance that each customer segment places on the offerings and characteristics associated with mobility, lodging, and attractions offers a framework for prioritizing improvements and projects that will improve the visitor experience.

- 

A “high” value level is assigned if customer segments make choices based on the line item. For example, if lodging price points or variety do not match the customers’ expectations or preferences, the customer will likely choose a different location to visit.
- 

A “medium” value level is assigned if customer segments are more likely to require or desire certain kinds of offerings during their visit. For example, the lack of higher end or branded lodging options may not deter Gen Z or Millennials from a visit, but it may play into their decision making and/or affect their overall satisfaction with their visit.
- 

A “low” value level is assigned if customer segments do not traditionally make choices based on the line item. For example, it is unlikely that the lack of public transit will impact visitor satisfaction for some customer segments like Families and Boomers that would have been highly unlikely to use it in the first place.

Unlike the supply-based assessments, the rating for customers does not change based on the region. The following chart identifies the rating assigned to each segment.

## Customer Value Levels By Segment

Type	Families (with children)	Gen Z (aged 18-25)	Millennials (aged 26-40)	Gen X (aged 41-55)	Boomers (aged 56+)
<b>Mobility</b>					
Flights	High	High	High	High	High
Car Rental	Medium	Low	Medium	High	Low
Rideshare	Medium	High	High	High	Low
Taxi	High	High	High	High	High
Walkability	High	High	High	High	High
Transit	High	High	High	Medium	Medium
<b>Lodging</b>					
Availability	High	Medium	Medium	Medium	High
Price + Variety	Medium	Low	Low	High	High
Amenities	High	Medium	Medium	High	High
<b>Attractions</b>					
Natural	High	High	High	Medium	Medium
Cultural	Low	High	High	Medium	High
Recreational	High	High	High	Medium	Low
Shopping/ Entertainment/Dining	High	High	High	High	High

# Regional Gap Assessment

The gap assessment analyzes how significant improvements or investments are meeting the needs and expectations of each individual customer segment. When looking at the region’s potential for upgrades, the assessment offers an evaluation based on priorities. **Which improvements are critical to building and sustaining visitation from each customer segment?**

Most notably, improvements to transportation and mobility emerged as critical to customer needs and expectations, including the ease and convenience of arrival and departure to the region as well as improved mobility and linkages between assets that are not solely reliant on rental car vehicles.

- 
 A “high” priority level is assigned if addressing the issue is critical to improving the experience for the customer segment. Some large or fundamental gaps may require long-term strategies outside of the scope of this effort.
- 
 A “medium” priority level is assigned if improvements would be beneficial, not necessarily critical to attracting more visitors from that customer segment.
- 
 A “small” priority level is assigned if improvements are not critical to attracting more visitors from the identified customer segment.

## Gap By Priority Level For Cabo Rojo/San Germán

Type	Families (with children)	Gen Z (aged 18-25)	Millennials (aged 26-40)	Gen X (aged 41-55)	Boomers (aged 56+)
<b>Mobility</b>					
Flights	High	High	High	Medium	Medium
Car Rental	Small	Small	Small	Small	Small
Rideshare	Medium	High	High	High	Medium
Taxi	High	High	High	High	High
Walkability	Medium	Medium	Medium	Medium	Medium
Transit	High	High	High	Medium	Medium
<b>Lodging</b>					
Availability	Medium	Small	Small	Small	Medium
Price + Variety	High	Small	Small	High	High
Amenities	Medium	Small	Small	Medium	Medium
<b>Attractions</b>					
Natural	Medium	Small	Small	Small	Medium
Cultural	Small	Medium	Medium	Medium	Medium
Recreational	Medium	Medium	Medium	Medium	Medium
Shopping/ Entertainment/Dining	Medium	Medium	Medium	Medium	Medium

## Transit & Mobility

For visitors to Cabo Rojo and San Germán, mobility can present challenges for some generations. Given the distance from Luis Muñoz Marín (SJU) International Airport and middle-of-the-night arrival times for most flights to Aguadilla's Airport, making plans to visit the region can be particularly complicated for families. Car rental companies are aplenty in Cabo Rojo and San Germán, so this aspect of travel is sufficient for tourists of all ages.

Cabo Rojo and San Germán's transit options have room for significant improvement in order to meet tourists' standards and expectations. Rideshare is unavailable in Cabo Rojo and San Germán which can create issues for visitor segments that depend on on-demand transit availability. Public transit is not readily available for tourists in the region and should be made available if communities are looking to attract younger, more price-sensitive customers. The lack of taxi services in Cabo Rojo and San Germán for tourists creates the largest barrier for tourists looking to get around.

Improving connections to major on-island points of origin is important to bring people to the region. Because the number of attractions is limited, and the duration of time is likely a challenge to justifying a long trip to a small region, projects may do more than just enhance transit connections, but create visitor economy networks with adjacent municipalities.

## Lodging

Cabo Rojo and San Germán's lodging options meet the expectations of younger travelers but lack options for families and Boomers who seek higher quality lodging. However, customers with more flexibility can find that the current hotels of Cabo Rojo and San Germán meet their needs.

Where lodging needs rely on hotels and paradores, improvements might attract more customer types. This could include subsidized facade improvement programs.

## Attractions

A combination of projects that support improvements in these areas are discussed, evaluated, and recommended in the following section.

# Administrative Capacity Assessment

# Admin Capacity Assessment

The ability to execute the projects outlined in this plan is directly related to the capacity of existing organizations and partners on the ground that have the staff, expertise and resources to advance towards implementation.

However, despite the wide potential for arts and cultural production with a focus on the visitor economy, some administrative challenges have been identified that require immediate attention.

## Current and On-Going State of Emergency

The natural disasters that have continued to hobble the Island in the form of both hurricanes and earthquakes have significantly impacted the capacity of both governmental and quasi-governmental entities. Resources for non-essential needs must be weighed against the pressing needs associated with broader recovery efforts. In addition, several political issues at state level have further complicated the ability of the government to address needs and challenges.

## Lack of Coordination between Different Levels of Government

On several instances during the process of interviewing local stakeholders, problems related to lack of communication between levels of government (municipal, local, and federal) were discussed. For example, there are natural and cultural assets under the jurisdiction of federal agencies that some local projects are interested in using to develop visitor experiences. However, in the process, these initiatives encounter a lot of administrative and bureaucratic hurdles. In other instances, the lack of cleaning or maintenance of natural, historical, or cultural assets is also related to the absence of coordination between municipal and state government.

## Access to Local and Federal Proposals

Several cultural initiatives and projects commented on the lack of access to funds to support their work. On many occasions, access to funds from local and state-side foundations requires a non-profit organization structure with a state and federal tax exemption 501(c)(3), designations that very few entities have in Puerto Rico.

## Lack of Access to Operational Funds

Even in cases where they are eligible for grants, there is a challenge of not having funds for operational expenses, something that affects the sustainability of the initiatives.

## Regulations and Permits

There are multiple regulations that affect the performance of cultural projects and ventures. One of those regulations include having a production license for events, required for any event with admission's rights. Also, the regulations for the certification of tourist guides limits the development of ventures that seek to integrate cultural experiences as part of their offering.



*Many of these issues were discussed during community meetings (above the first Destination Planning meeting in Cabo Rojo). Source: FPR*

# Comparable Benchmarks

# Comparable Benchmarks

Today's travelers have many choices when planning vacations, be it a long weekend or a multi-week stay. In order to ensure that Puerto Rico is the destination of choice for those seeking a warm-weather experience, we identified and compared two competitive destinations to the offerings and assets in Cabo Rojo and San Germán, based on visitors with similar interests.

To select the most relevant and comparable locations, we again viewed travel through the eyes of the visitor. The goal of the case studies is to identify best practices in attracting each of the specific customer groups. Factors considered in the selection process of comparable destinations include the geographical location, types of attractions, and the target tourist demographic.

Mexico and the Dominican Republic were selected in consultation with FPR due to similarities in attractions, access, and visitor profile between these countries and Puerto Rico. Travel time between major tourist nodes in these comparable destinations is like that between San Juan and the west coast of Puerto Rico. Once tourists arrive, the activities are also similarly focused on natural assets with many additional activities and existing infrastructure geared toward tourists. Recent studies completed by the PRTC<sup>75</sup> identify

Florida, the Bahamas, Mexico, and Costa Rica among the top destinations considered by visitors to Puerto Rico. Discover Puerto Rico also identified the same regions, adding to that list the Caribbean-at-large, Hawaii, Mexico, the Dominican Republic, and Colombia.

To inform both the gap analysis for each region and to develop potential project ideas, the team analyzed two competitive destinations whose stakeholders have succeeded in closing their own asset gaps, the Riviera Maya along Mexico's Caribbean coast and the Samaná Peninsula in northeast Dominican Republic.

The selected competitive destinations are popular coastal regions with a 1 to 2-hour drive away from a major international airport. Both are located in Spanish-speaking countries. Moreover, Samaná and Riviera Maya have seen recent and noteworthy investment in tourism, which is a significant economic generator for both destinations.

It is important to note that while the Riviera Maya and the Samaná Peninsula may provide Cabo Rojo and San Germán with tourism best practices to emulate, we do not mean to suggest that this region's tourism economy could or should cater to tourists in the same way as those destinations, whose economies were shaped by their own local stakeholders with particular goals and interests. Cabo Rojo and San Germán's project ideas, articulated later in this document, reflect the communities' considerations, rather than a desire to emulate these competitive destinations.

<sup>75</sup> "Perfil de los Visitantes". Gobierno de Puerto Rico. Junta de Planificación. November 14, 2019.

## Comparable Benchmark

# Riviera Maya, Mexico

The Riviera Maya is a large and established visitor destination for travelers looking for history, beaches, and outdoor activities throughout. This destination is an important competitive market. A 2018 study commissioned by the Discover Puerto Rico found that prospective visitors to Puerto Rico are 4% more likely to visit Mexico (19%) than Puerto Rico (15%).<sup>76</sup>

The lodging options in the Riviera Maya are more varied and range in quality, price, and location. Tourist attractions in Cabo Rojo and San Germán are centered around a mix of cultural, historic and natural activities.



<sup>76</sup> "Puerto Rico DMO Brand Health Research".  
Insights Strategic Marketing and Research. 2018.

## Comparable Benchmark

# Samaná, Dominican Republic

The Samaná Peninsula is a collection of quaint beach-side neighborhoods and natural assets. The Peninsula's location relative to the nearest major city, Santo Domingo, resembles that between the region and San Juan, and a car is typically required to get to this tourist node.

The assets of the Samaná Peninsula are similar to Cabo Rojo and San Germán, with a strong presence of active recreational and nature-based tourism activities.



Source: Shutterstock

# Comparative Existing Performance

The following chart illustrates the assessed existing conditions of each area’s ability to meet customer needs in comparison to each respective benchmark.

## Mobility and Transit

The location of Cabo Rojo and San Germán and the comparable destinations in relation to major tourist hubs make mobility challenges similar across all locations. Cabo Rojo and San Germán are located a few hours away from the airport by car, and while they require an automobile to get to the tourist node, there are sufficient car rental options to get to all locations. Local public transit does not exist in Cabo Rojo and San Germán, whereas in Riviera Maya and the Samaná Peninsula, public buses are available that enable tourists to access and zones wherein pedestrians can explore the local culture. Rideshare has no presence in Cabo Rojo and San Germán or in the Riviera Maya, but an Uber can be called from Santo Domingo’s main international airport, making the Samaná Peninsula more accessible for tourists who rely on or prefer that mode.

## Lodging

Lodging in Cabo Rojo and San Germán falls in the middle of the spectrum across all criteria, but hotels in Riviera Maya and Samaná rate much higher. The availability of hotels in Riviera Maya, ranging from budget to luxury,

## Comparative Benchmark Performance

Cabo Rojo/San Germán

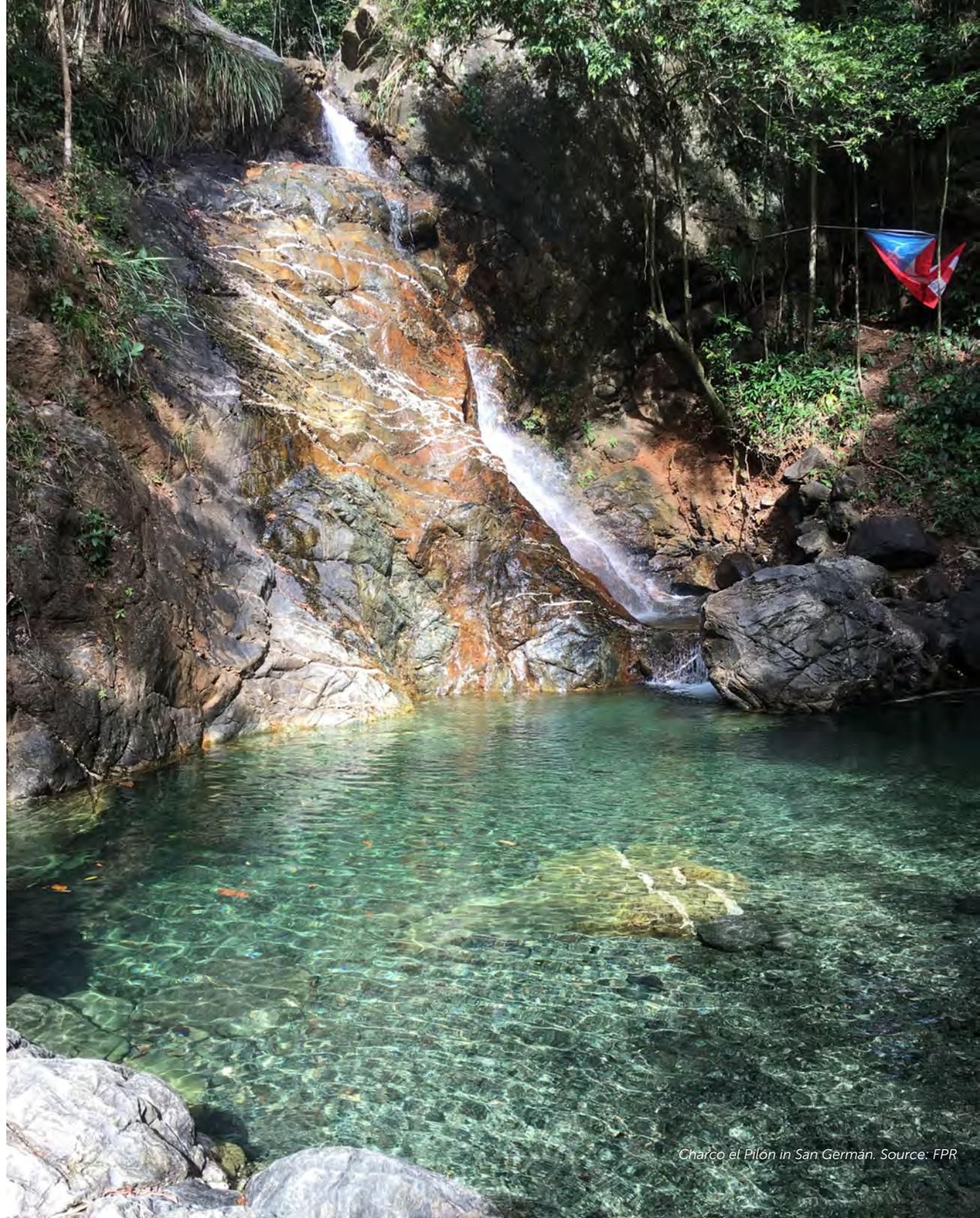
Type	Region	Riviera Maya	Samaná
<b>Mobility</b>			
Flights	◐	●	◐
Car Rentals	●	●	◐
Rideshare			◐
Taxi	○	●	◐
Walkability		◐	◐
Transit		●	◐
<b>Lodging</b>			
Availability	◐	●	○
Price + Variety	◐	●	●
Amenities	◐	●	●
<b>Attractions</b>			
Natural	◐	●	●
Cultural	○	●	○
Recreational	○	◐	◐
Shopping/Entertainment/Dining	◐	◐	○

Note: An empty circle indicates low performance, a half circle indicates average performance, and a filled circle indicates high performance. No circle means the item is not applicable or available.

surpasses that of Cabo Rojo and San Germán, while the Samaná Peninsula has fewer options available to tourists but increasingly more Airbnb options for visitors.

## Attractions

Natural attractions, such as beaches, nature reserves, and caves, are prevalent and outstanding in both Cabo Rojo and San Germán as well as the Riviera Maya and the Samaná Peninsula. However, the attractions in the comparable destinations are more accessible and have greater capacity to accommodate tourists. While Cabo Rojo and San Germán have existing cultural attractions, such as museums and historic churches and homes, many are lacking in quality, are open infrequently and with limited hours. Tulum in the Riviera Maya is primarily known for ancient Mayan ruins that draw tourists from around the globe. While Cabo Rojo and San Germán have ample opportunities to create more recreational activities, such as water activities, zip-lining, and hiking, for visiting tourists. These areas do not have the infrastructure in place to provide the high-quality active recreation activities that tourists seek.



# Vision + Strategic Positioning

# Vision and Strategic Positioning

The community vision statement for this effort reflects the community's values and intentions. It was generated through discussion at a series of community meetings that included local merchants, organizations, and residents. The community vision helps ensure consensus among partners and helps direct investment into community assets.

A strategic positioning statement reflects the guiding principles and unique competitive advantages of each region as determined by both the community and the assessment process. The strategic positioning statement reflects the community's vision by rooting it in data-driven market realities. It communicates a region's brand essence and orients strategies towards the point of market distinction.

Together, the community vision and strategic positioning generate a coupled approach to drive economic development through the visitor economy (while maintaining a collaborative setting) and invite investment within the community vision.

## Community Vision

Spanish: La región de Cabo Rojo y San Germán será desarrollada siguiendo los principios de sustentabilidad y cooperativismo para ofrecer una diversidad de experiencias naturales e históricas y eventos culturales y gastronómicos distinguidos por un servicio auténtico y acogedor.

English (*translated*): The Cabo Rojo and San Germán region should be developed with the principles of sustainability and cooperativeness in order to offer a diversity of natural and historic experiences, cultural events, and cozy and authentic food establishments.

## Strategic Positioning

Cabo Rojo and San Germán offer visitors quaint, small town destinations with notable sights, including nature and science-driven attractions (among biological tourism and birdwatching) and a historic-based experience.

San Germán's lodging is based on proximity to other areas, while Cabo Rojo has a small presence of *paradores* near the beaches. The cornerstone of the region is the aggregation of small, walkable corridors in Boquerón and San Germán that cater to both historic and night-life aficionados. The gastronomy and attractions are casual, budget, and local experiences.

# Recommendations Framework

# Recommendations Framework

The projects outlined in the following chapter fall into two main categories, those **specific to the region and rooted in much needed improvements to local assets**, and those that address **widespread challenges that are shared across the Island** as a whole.

## Region-Specific Recommendations

These recommendations are rooted in a set of essential and comprehensive improvements that aim to improve the overall visitor experience while also reinforcing the quality of places for which the region is already well known.

This section is further divided into two key components.

**Strategies for Growing Demand from Off-Island Visitors.** This includes raising awareness of existing assets through marketing, promotion, and branding, as well as strategies that improve the accessibility and visibility of the region's offerings.

**Strategies to Improve the Supply of Offerings,** including the quality and quantity of offerings that are unique to the region, with an emphasis on strategic destination drivers that reinforce brand and further differentiate the region from other destinations. Improvements to supply focus on the assets that were analyzed and assessed through this process, including cultural and visitor assets, lodging and accommodations, and retail, and Food and Beverage operators.

Projects were further classified into six designations as follows: 



### Marketing and Promotion

These efforts aim to raise the profile and awareness of existing regional offerings and improve overall visitation to the region's unique assets.



### Place-Based Asset Enhancement

The projects here focus on capital investments to places and strategic destination drivers that improve key cultural, natural, or business assets and result in measurable improvement to the visitor experience.



### Infrastructure

These projects are, by their nature, island-wide and while outside of the scope of the Bottom Up Destination Planning effort, must continue to be highlighted as critical to stabilizing and supporting any form of economic growth on the Island.



### Access and Mobility

These projects address challenges that visitors may have getting to/from the Island, and their preferences for moving around the Island and between assets or experiences once they arrive.



### Business Support

These projects focus on the needs of existing businesses and outline strategies to help them raise their profile and better meet the needs and expectations of off-island visitors.



### Organizational Capacity

These projects address some of the challenges associated with meaningful implementation of the plan by local partners, and their resources and capacity to implement, manage and maintain the assets in question.

## Visitor Economy Recommendations

Throughout this planning process, it became exceedingly clear that there are several issues that were not unique to any region, but instead reflected **systemic island-wide challenges**. Addressing these challenges at the highest levels of government is critical to ensuring the sustainability of the economic development and visitor economy efforts on the Island. These needs require a mix of advocacy, direct intervention and a clear road map for action at the highest levels of government. We envision building and improving upon these recommendations in each subsequent regional plan. As such they will likely evolve over time as new information and a deeper understanding of subsequent regions further inform their development.

We propose that this section of recommendations can be led by State and local government agencies and communities, with the support of FPR and other non-profit partners on the Island.

## How Were Projects Selected?

Project ideas were generated using a variety of mechanisms, including community workshops, a call for proposals (El Nido Cultural) led by Inversión Cultural, as well as by the Destination Planning Team.

Over the course of the Destination Planning effort, dozens of ideas for projects were generated through community outreach led by the FPR Field Teams and staff, as well as through stakeholder interviews and working sessions with the Destination Planning Team. **The projects outlined here form an interrelated set of improvements that together create the conditions necessary to support growth in the visitor economy.**

Each project was filtered and pre-qualified against a set of criteria as follows:

- Projects that would result in **tangible physical improvements to unique assets** that differentiate the region from others and help to further reinforce the region's strategic position and brand.
- Projects that address fundamental **organizational, operational, and financial obstacles** that create the conditions necessary to support improvements and long-term maintenance of key visitor assets.
- Projects that raise **awareness of offerings and drive visitation** to the region's unique set of natural, cultural, and business offerings

- Projects with **reasonable complexity and risk**. Typically, these are "shovel ready" projects with a readily identifiable "champion", i.e. a clearly defined partner with the know-how and access to the resources necessary for implementation.

## Tracking Impact

Key Performance Indicators (KPIs) are measurements that express impact through numbers or ratios. Recommendations for project-specific KPIs were included, but we note that significant outstanding questions regarding who will be responsible for measuring and tracking the impact of these improvements overtime remain. Statistically robust methods of performance tracking are not accessible for most organizations. As such we have focused on "fit for use" measurements that can be tracked easily by the implementing entity or by an island-wide organization with resources for evaluation. We have also avoided KPIs that seek to measure business impacts owing to the difficulty of collecting accurate sales data and the widely understood challenges associated with determining causality between projects and business impacts. As such, the KPIs outlined here seek to measure direct outcomes for each individual project and utilize more readily available metrics.<sup>77</sup>

<sup>77</sup> The metrics outlined here are informed by the "Handbook on Key Performance Indicators for Tourism Marketing Evaluation" published by the United Nations World Tourism Organization, 2017.

# Recommendations Strategy Matrix

## Region-Specific Recommendations



### Marketing & Promotion

	Project	Timeframe	Location
1	Cultural Event Grant Program in the Plazas	Short	Cabo Rojo + San Germán
2	Regional Branding Strategies	Short	Cabo Rojo + San Germán
3	Ecotourism Routes	Short	Cabo Rojo + San Germán



### Place-Based Asset Enhancement

	Project	Timeframe	Location
4	Joyuda Waterfront Restaurant Row	Long	Cabo Rojo
5	San Germán Historic District	Medium	San Germán
6	El Faro Los Morrillos	Long	Cabo Rojo
7	Agri-Tourism	Short	Cabo Rojo + San Germán



### Business Support

	Project	Timeframe	Location
8	Train Businesses to Manage Online Listing	Short	Cabo Rojo + San Germán
9	Menu Campaign	Short	Cabo Rojo + San Germán



### Address Capacity Gap

	Project	Timeframe	Location
10	Merchants Association	Medium	Cabo Rojo + San Germán

## Visitor Economy Recommendations



### Asset Enhancement

Project	Timeframe	Location
1 Small Lodging Financing Fund	Long	Island-Wide



### Mobility & Accessibility

Project	Timeframe	Location
2 Regional Mobility - Highway Signage, Pedestrian Signage	Short	Island-Wide



### Support Business Retention & Growth

Project	Timeframe	Location
3 Amplify the Region's Assets on Online Review Sites	Short	Island-Wide
4 Grants for Business Operations and Improvements	Medium	Island-Wide
5 Customer Service Training	Medium	Island-Wide



### Build Capacity of Inter-Organizational Asset & Resource Managers

Project	Timeframe	Location
6 Entrance Fees for Sustainable Asset Management, Employment, and Improvements	Medium	Island-Wide
7 Shared Services	Long	Island-Wide
8 Fiscal-Sponsorship for 501C3 Status	Long	Island-Wide
9 Technological Tools to Facilitate Services and Experiences	Long	Island-Wide



### Systems & Infrastructure

Project	Timeframe	Location
10 Electrical Service	Long	Island-Wide
11 Waste Management	Long	Island-Wide
12 Water Quality	Long	Island-Wide

# Region- Specific Recommendations

# Region-Specific Recommendations

The anchor attractions of the region are the historic urban centers, beach towns, active recreation and high-quality seafood in a place renowned for a robust commercial fishing industry. San Germán in particular retains high value as a visitor destination in the region. It is the second oldest city in Puerto Rico after San Juan and home to the oldest church in Puerto Rico, Porta Coeli. In fact, the entire region of "Porta del Sol" pays homage to this historic site. For this reason, the PRTC has also identified historic preservation as a key element of any strategy to grow the local visitor economy. Additionally, the region is home to a fairly robust commercial and recreational fishing industry which has resulted in a strong brand identity for its seafood and restaurants, particularly in Boquerón and Joyuda along the coast.

## Grow Off-Island Demand

### Promotion + Marketing

1. Cultural Event Grant Program in the Plazas
2. Develop a Regional Branding Strategy
3. Create Ecotourism Routes

## Improve Supply

### Place-Based Asset Enhancement

4. Joyuda Waterfront Restaurant Row
5. San Germán Historic District
6. El Faro Los Morrillos
7. Facilitate Agricultural Tourism

### Business Support

8. Train Businesses to Manage Online Listings
9. Provide Technical Assistance to Restaurant Operators to Improve Quality of Menus

## Address Capacity Gaps

10. Create a Place-Based Merchants Association



Inside Porta Coeli Church in San Germán. Source: FPR



Trail to Faro Los Morillos in Cabo Rojo. Source: FPR

## Grow Off-Island Demand:

# Promotion & Marketing

1

## Cultural Event Grant Program in the Plazas

*Support the management and organization of cultural events in public spaces in San Germán, Cabo Rojo, and Joyuda Beach.*

<b>Origin</b>	Community
<b>Budget</b>	Medium Budget (\$50k - 200k)
<b>Timeframe</b>	Short Term (Less than 1 year) / Ongoing
<b>Risk</b>	Low - Initial seed money and project leads are the main items.

## Action Items

Create a competitive grant program for community driven events. There are a number of existing events that could use support. Additionally, stakeholders indicated interest in creating new events that would be led by private promoters.

## Diagnostic (Why?)

Events and activities that align with the region's overall strategic positioning will further reinforce a unique brand and improve visitor expectations. The region's historic urban places and plazas are well positioned to benefit from this type of activation. Existing festivals are a good place to start. Some include Joyuda Vive and Festival de los Reyes Magos. Events should combine festivals with monthly events that could promote regularly attendance and direct impact in restaurants and vendors.

## Partners & Resources

- Local anchors, including but not limited to churches, cultural institutions, the municipalities, and local businesses.
- Merchants associations are key partners, among them, the one in process of establishing in Joyuda.

## Process

- Evaluate existing calendar of community driven events
- Identify opportunities to enhance, add, delete events from the calendar

- Develop process for receiving and evaluating proposals for grant funds (include 'roll-out' campaign, grant award events, and ribbon cuttings)
- Make awards (celebrate them)
- Funders should participate in the events

## Key Performance Indicators

For existing events:

- Attendance- compare attendance to previous years when the event was held

For newly-created events:

- Attendance
- Number of participating local businesses
- Sales generated by participating (if businesses are required to share sales data following the event)
- Volunteers recruited
- Total count and value of sponsorship raised

## Case Study or Best Practice

In Memphis, TN the Downtown Memphis Commission provided **"Engage Downtown Activation" Grants** of between \$250 and \$3,000 for events that are free, inclusive and large-scale.



# 2

## Regional Branding Strategy

*Aligned with national branding strategy.*

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Medium Budget (\$50k - 200k)
<b>Timeframe</b>	<p>Short Term (Less than 1 year)</p> <p>The duration and cost for this project will be determined in part by the ability to leverage existing web assets such as the Discover Puerto Rico website. A brand and tagline can be established within a relatively short time utilizing the findings from this assessment. Building and maintaining itineraries will require on-going cultivation of local partners and guides.</p>
<b>Risk</b>	<p>Low (particularly if the effort is tied to the existing marketing efforts, such as those of Discover Puerto Rico and PRTC) - However, this effort could also be designed as an engagement strategy that helps bring together local community partners, businesses and tourism assets in the region. More detailed planning and a champion would have to be identified.</p>

## Action Items

First, develop and refine a branded tagline for the Cabo Rojo and San Germán Region (amplify area to include La Parguera, Lajas, PR).

The branding strategy should also include a set of branded, regional itineraries rooted in the area’s identity of outdoor-oriented activities with a strong cultural and historic set of complimentary offerings. Build these itineraries into Discover Puerto Rico’s online web portal. Finally, align these brand strategies with the national strategies being developed by the Discover Puerto Rico and create co-op marketing initiatives with this organization to gain exposure and brand awareness of the Southwest region.

## Diagnostic (Why?)

While the area is a popular destination for Puerto Ricans, it flies under the radar for most off-island visitors. Recent research completed by the Puerto Rico Planning Board found that Cabo Rojo and San Germán see just over 1% of primary visitors to the Island. There is an overall lack of awareness of the robust offerings in this region, particularly as they relate to action-oriented water activities that are safe for families and older visitors owing to the relatively calm waters of some beaches. A recently developed “glamping” (i.e. “glamorous camping”) facility is an indicator of a potential thematic brand rooted in rustic, action-oriented offerings in a natural environment.

While La Parguera Bioluminescent Bay is located outside of our study area, it is an internationally renowned destination that is among the most significant drivers of visitation to the Southwest region. As such we recommend that any regional branding efforts include reference to this asset.

**Cabo Rojo & San Germán is an adventure-filled, off-the-beaten path destination**

that combines some of Puerto Rico’s richest cultural and historic assets with its most notable standalone natural destinations.



## Partners & Resources

- Discover Puerto Rico
- Municipalities of Cabo Rojo, San Germán and Lajas
- PRTC (state, municipal and Porta del Sol offices)

Given Discover Puerto Rico’s efforts to grow the off-island visitor, a regional branding effort must be developed collaboratively.

## Process

- Convene a group of stakeholders who manage and control some of the region's key assets - including local hotel operators, business owners, hospitality front line staff, and key community leaders.
- Engage a branding team to support the development of a brand, logo and strategy in close coordination with existing tourism organizations.

## Key Performance Indicators

- Increase in Average Daily Rate (ADR)
- Increase in Occupancy rates
- Increase in Occupancy tax collection
- Increase in Website traffic over previous base
- Build a base on opt-in subscribers for ongoing email communications

## Case Study or Best Practice

Kent County Tourism Corporation is a Destination Marketing Organization for Kent County Delaware and its incorporated cities and towns. Working with local stakeholders to develop a strategic positioning assessment of the region's key assets, the community adopted **the brand "Delaware's Quaint Villages" and a tagline "At Your Own Pace"**. The brand was launched via a new website that offers online tools to build visitors itineraries.



# 3

## Ecotourism Routes

Create tourism itineraries using existing eco-asset networks in the region.

<b>Origin</b>	Community
<b>Budget</b>	Low Budget (Under \$50k) to Medium Budget (\$50k-200k)
<b>Timeframe</b>	Short Term (Less than 1 year) to Medium Term (1-3 years)
<b>Risk</b>	Low



Refugio de Vida Silvestre Iris L. Alameda Martínez at Boquerón. Source: FPR

## Action Items

Support the creation of itineraries that can be marketed in collaboration with municipal and island-wide entities. Tour guide training and support for individuals with an interest building ecotourism offerings is required.

## Diagnostic (Why?)

Cabo Rojo in particular has a strong brand associated with adventure and ecotourism. There are a number of existing tour operators that offer natural environment, 'off-road' and ecotourism experiences. The community recognizes the need to build out these offerings and make them more available and prominent to visitors.

## Partners & Resources

- Tourism-related asset managers and business owners
- Discover Puerto Rico
- Municipal entities such as: Cabo Rojo Touristic Development Office and the San Germán Tourism Office.

Organizations with an interest in combining natural ecosystems and economic growth, including but not limited to:

- Sociedad Ornitológica Puertorriqueña, Inc. (SOPI)
- Agricultura con Conciencia Rural. Ecológica y Sustentable (A.C.R.E.S.)
- Conservación Costera PR (CoCoPR)
- Cabo Rojo National Wildlife Refuge

## Process

- Provide training for tourism operators on how to develop effective itinerary packages.
- Encourage tourism stakeholders to develop ready-made packages and itinerary "circuits" related to existing offerings.
- Create new packages in partnership with local operators and tour guides and offer these for purchase directly to the public via tourism stakeholders.

## Key Performance Indicators

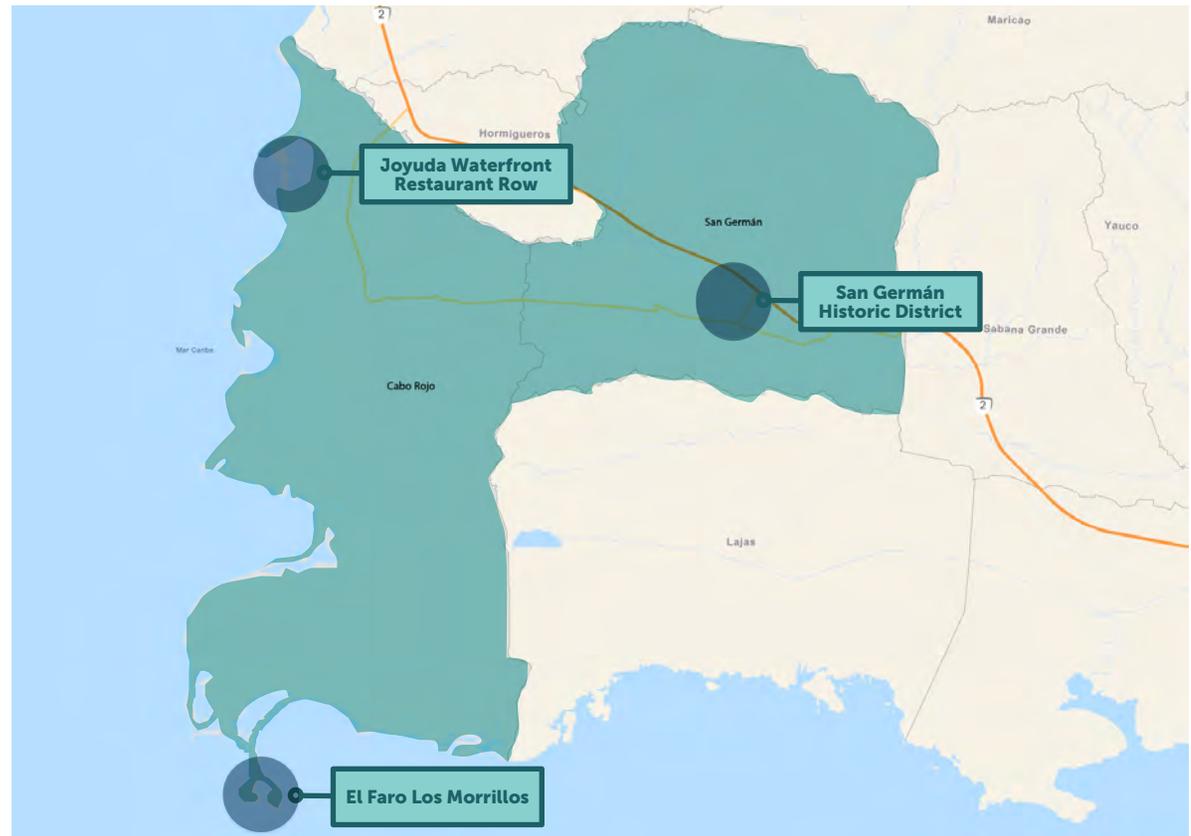
- Number of packages created
- Number of itineraries purchased
- Number of new partnerships established
- Increased tourist spending per trip (through surveys)
- Visitor satisfaction as reflected in the ratio of 4- and 5-star reviews to 1,2,3-star reviews

## Location of Place-Based Enhancements Within the Region

While the region offers a plethora of assets and offerings for visitors, the recommendations outlined here focus on a discrete set of place-based assets that together round out a visitor experience that reinforces the unique combination of natural assets, cultural offerings, and local seafood cuisine that differentiates this region from other areas in Puerto Rico.

In the case of **Joyuda**, the seafood restaurant cluster is well-known among locals but falls under the radar for most visitors. Coastline erosion is a significant concern at this location. Following Hurricane Maria, the complete destruction of a well-known restaurant left a significant vacant lot that now represents an opportunity to address both resiliency issues and the need for public space that restores the shoreline. The Destination Planning Team also recognized the opportunity to support a strong cluster of existing merchants who have begun to explore efforts to establish a merchant's association to organize promotional events. At this time the group does not have an appropriate physical location to support these on-going programmatic efforts.

**Downtown San Germán** is one of Puerto Rico's most significant historic gems, replete with excellent examples of the Island's historic religious and residential architecture. However, it falls behind in offerings, mainly lodging and activities, that would enable it to compete



effectively for the cultural tourism dollar. Most significantly, historic preservation efforts hinge on finding viable economic uses for the many old wooden colonial residential structures that make up the unique architectural and cultural fabric of the town.

Finally, **El Faro de Los Morrillos** is the most popular destination in the region, a place where a visitor can visually experience a stunning 360-degree view of the Caribbean, the island of Puerto Rico, and 200-foot tall limestone cliffs, as well as the increasingly

popular "Stone Bridge" that has become a favorite spot for photographs. Improving safety and accessibility, managing the growing number of visitors, and establishing a sustainable source of revenue that will enable improved maintenance at the site are priorities.

Improve Supply:

## Place-Based Asset Enhancement

4

### Joyuda Waterfront Restaurant Row

Support strategies for public realm improvements in Joyuda

<b>Origin</b>	Key Stakeholders
<b>Budget</b>	Individual Project Budgets Differ: <b>Low Budget</b> (Under \$50k): Tactical traffic calming and lighting interventions, public space activation program. <b>Medium Budget</b> (\$50k - \$200k): Feasibility study and design of shared parking lot; feasibility study and design of public plaza. <b>Large Budget</b> (\$200k +): Construction of public plaza, construction of shared parking lot, reconstruction/expansion of sidewalks and permanent sidewalk lighting.
<b>Timeframe</b>	The implementation of projects should be phased, as such: <b>Short Term</b> (Less than 1 year): Tactical traffic calming and lighting interventions, commission design of shared parking lot, feasibility study and design of public plaza. <b>Medium Term</b> (1-3 years): Repave and stripe shared parking lot, implement parking management strategies. <b>Long Term</b> (3+ years): Construction of public plaza, reconstruction/expansion of sidewalks and permanent sidewalk lighting, public space activation program.
<b>Risk</b>	Property owners may be hesitant to participate in shared parking due to concerns about maintenance of lot, loss of parking revenue, or unintended sales impacts to tenants.

## Action Items

A key opportunity is the acquisition of vacant lots with direct views of the water. The identification of a waterfront lot that can be repatriated and turned into public space is critical to creating a connection for visitors to the water, while also creating an attractive location for events. Moreover, thoughtful investments in parking solutions that encourage parking in clustered lots and walking along improved sidewalks would enhance this location as a regional destination. Additionally, painting of facades that face the roadway would help enliven the streetscape and add a sense of identity to the area.

1. Shared Parking Lot
  - a. The municipality should work towards either **i) acquiring a large parcel near the waterfront that can serve as a shared parking lot** for local businesses in the area and for visitors to Joyuda Beach, or **ii) engage a willing property owner and jointly develop a shared parking facility**.
  - b. In the latter, under a public-private model, the shared parking agreement should include the following stipulations:
    - i. The municipality will directly lease parking from a private facility for use as public parking.
    - ii. The entire facility, or portion of the facility, would be open for public use. Public use could be restricted to certain hours/days, depending on public plaza event needs.

iii. To incentivize participation, the municipality will collect revenue during the “public” hours. Any net revenue could also be shared as part of the agreement.

- c. Once an agreement has been reached, the municipality should lead management of the shared parking lot, including repaving (as needed) and painting to delineate clear spaces in the lot, installing parking payment systems/ structures, hiring of security staff for the lot, establishing parking rates, and creating clear parking wayfinding and signage.
- d. A well-crafted shared parking agreement and incentives can improve return on investment and dramatically improve the efficiency of parking in the Joyuda Beach area.



Repainted surface of public space. Source: NYC Department of Transportation (Flickr)

- b. In the short term, **quick and inexpensive tactical lighting and traffic calming interventions** should be implemented in partnership with local artists and businesses. These low-cost and easily permitted fixtures, including ornamental tree lighting and painted bulb-outs, improve visibility and perception of safety, and can be creatively designed to reflect the area’s character and local neighborhood aesthetics. The installation of ornamental lights is especially beneficial for commercial corridors/clusters and may also be more easily funded through philanthropic grants focused on arts and cultural efforts.

## 2. Sidewalk Improvements/ Traffic Calming

- a. In order to address safety issues and encourage the use of the shared parking lot by visitors, adjacent sidewalk improvements must be made to ensure the safety of pedestrians walking from their vehicles to local businesses and the proposed new public plaza. A suite of sidewalk improvements should include **i) reconstruction and expansion of existing sidewalks on at least one side of the street** (ADA sidewalk requirements require a minimum sidewalk width of 4 feet), **ii) installation of pedestrian scale-lighting and other traffic calming measures.**



Re-imagined waterfront public space. (After) Source: Streetsense.

## Action Items (continued)



*Ornamental tree lighting in Koreatown Los Angeles.  
Source: Streetsense.*

### 3. Creation of a Waterfront Public Space

- a. Creating a common space with access to the water (that also restores the coastline and incorporates resiliency features) is critical to re-establishing Joyuda Beach as a waterfront dining destination. Through the acquisition of vacant waterfront property, the municipality should design a public plaza that: i) is informed by the business and property owners along the alley, ii) ensure the “greening” of and incorporate resiliency measures into the design of the waterfront public space through canopy trees, permeable surfaces, and landscape planters, iii) provides visitors with opportunities to extend dwell time in the area by creating public seating, outdoor cafe seating, outdoor lighting, new paving, and utilities for mobile vendors.
- b. With a well-designed public space equipped with utilities (e.g. sufficient power outlets, lighting) to support mobile vending, more events and programs may be organized in the area to activate Joyuda Beach year-round and extend dwell time of visitors, encouraging them to browse more stores and products. Ambient entertainment makes a customer’s visit to a district exciting and turns it into places to visit - not just for shopping and dining.
- c. To support ambient and impulse entertainment in the public plaza, the municipality should create a public space activation program that provides resources and technical

assistance to local artists, property owners, community organizations, and businesses that wish to contribute to the waterfront ambiance. The program should support a range of public space activation projects that are made available free to the public including performance series, public art installations, and parades/festivals. The program should provide a nominal sponsorship assistance up to \$1,000 to local businesses and nonprofit organizations that are interested in holding activities in designated the public plaza. The grant should mainly cover code/permit applications, artist commissions, event logistics, etc.

### Diagnostic (Why?)

The fishing village of Joyuda is a well-known “restaurant row” replete with popular seafood restaurants that attract visitors from throughout the Island. While many restaurants have Oceanfront dining, they effectively turn their back towards the road, creating a visual barrier to the water. Moreover, the narrow sidewalks and lack of parking often result in cars parked on the sidewalk which in turn forces pedestrians into the street, which is often very busy. Stakeholders identified the need to improve the attractiveness of offerings through events and activities that embrace the water. Merchants have begun to collaborate. Joyuda Vive is one such example. Stakeholders also expressed interest in converting oceanfront property to public space.

## Partners & Resources

- Local businesses
- Municipality of Cabo Rojo
- Public entities

## Process

Early steps:

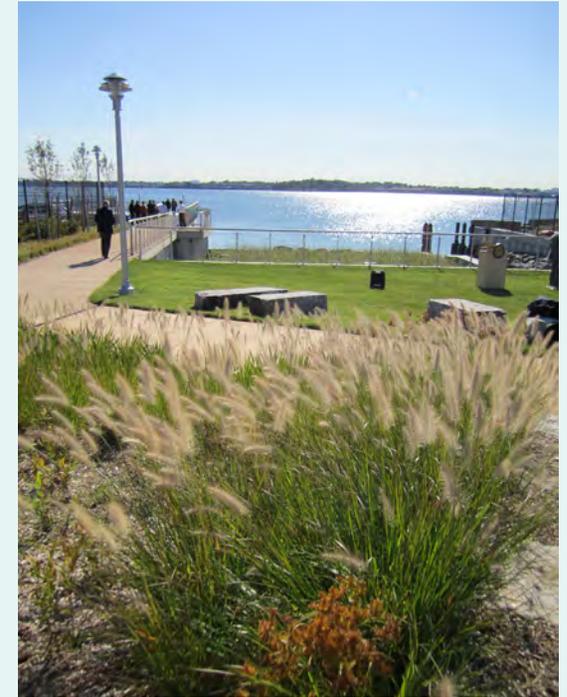
- Convene property owners and stakeholders
- Share collective vision and approach and get buy-in from property owners.
- Explore public-private partnership for shared parking lot.
- Find resources for feasibility and design study for both shared parking lot and public plaza

## Key Performance Indicators

- Visitor satisfaction as reflected in the ratio of 4- and 5-star reviews to 1,2,3-star reviews
- Total number of attendees for events held at the public plaza
- Average daily pedestrian count (through installation of a digital pedestrian counters)
- Increased sales revenue for local businesses (through annual surveys).

## Case Study or Best Practice

**Hunts Point Landing, South Bronx.** What was once a dead-end street that ended at the East River became a popular community gathering space that incorporates shoreline restoration and resiliency features in an area prone to flooding and offers improved waterfront access for boats. The effort was led by a local non-profit who applied for and won federal resources to develop a plan to connect the area, long isolated from the waterfront, to the river through the redesign of public spaces. Hunts Point Landing includes a number of important resiliency measures, including natural grasses at the shoreline and tumbled stones to prevent further erosion (known as "rip rap").



Hunts Point Landing. Source: NYC Economic Development Corporation (Flickr)



Hunts Point Landing. Source: NYC Economic Development Corporation (Flickr)

# 5

## San Germán Historic District: *Designation*

Explore the historic designation of San Germán, including UNESCO World Heritage site designation

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Medium Budget (\$50k-200k) to Large Budget (\$200k+)
<b>Timeframe</b>	Medium Term (1-3 years)
<b>Risk</b>	High - UNESCO Designation is often a multi-year commitment of expertise and resources to prepare and submit a competitive application.



The City of Quito in Ecuador is included in the UNESCO World Heritage List. Source: Flickr

### Action Items

Explore the designation of San Germán as a World Heritage Site from the UNESCO (United Nations Educational, Scientific and Cultural Organization). To do so, the Island must first secure listing on a “Tentative List” before putting forward a nomination.

### Diagnostic (Why?)

The unique historic nature of San Germán is clear to any visitor, but the buildings and assets that make up that cultural and architectural heritage are at risk. UNESCO World Heritage Site designation is given to communities that have unique and special cultural and physical significance. The sites are often subject to risk from human negligence. Inclusion on the list can help support conservation efforts, attract international resources and drive significant visitation from those seeking cultural experiences.

### Partners & Resources

- Municipal and state government
- PRTC
- UNESCO World Heritage Sites and/or World Heritage Cities Program.
- Instituto de Cultura Puertorriqueña

### Process

- Conduct additional research and exploration of UNESCO criteria and an assessment of San Germán’s eligibility for nomination.

- Prepare suite of submission materials for nomination, including comprehensive surveys and mapping that are required of the nominating sites. In addition, consensus among key stakeholders must also be reached and demonstrated in the application.
- Prepare an application to the “Tentative List” for either the World Heritage Site (for Porta Coeli) or World Heritage Cities Designation (for San Germán).

### Key Performance Indicators

- Inclusion on the Tentative List for potential UNESCO World Heritage nomination
- Designation as a UNESCO World Heritage Site
- Overall annual visitation to the area and nearby lodging occupancy rates

### Case Study or Best Practice

**Quito, Ecuador** was named a UNESCO World Heritage Site which has galvanized local leaders to support widespread investment in the capital city. To reinforce that initiative, the Inter-American Development Bank led a multi-million-dollar investment for the rehabilitation of the historic downtown in support of sustainable tourism efforts. Investments included upgrading sidewalks, streets, the building of parking garages and loans to restoration projects.

5

**San Germán Historic District: Lodging**

*Support the rehabilitation of the historic Hotel Oasis and explore strategies to support more peer-to-peer lodging in historic homes.*

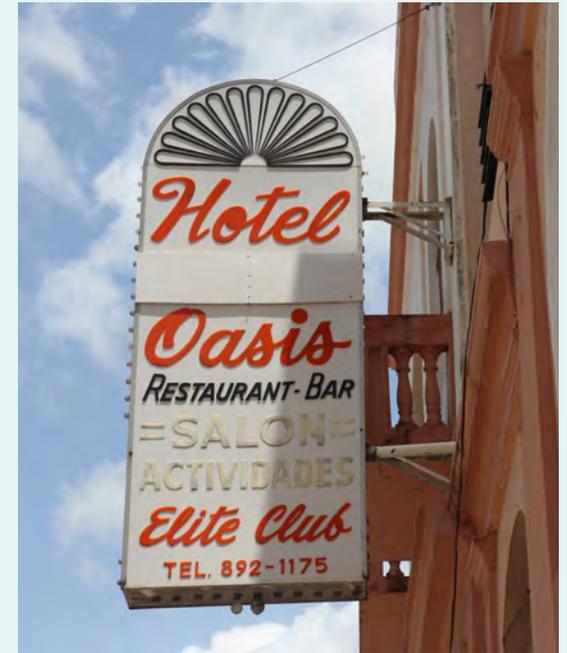
<b>Origin</b>	Community
<b>Budget</b>	Independent provider peer-to-peer: Low Budget (Under \$50k) Developer-led peer-to-peer: Large Budget (\$200k +)
<b>Timeframe</b>	Independent provider peer-to-peer: Short Term (Less than 1 year) Developer-led peer-to-peer: Medium Term (1-3 years)
<b>Risk</b>	Health/zoning code enforcement may be difficult to achieve with independent peer-to-peer (P2P) accommodation, especially if no permitting processes are set in place.

**Action Items**

As visitor demand grows, the potential to locate some rooms adjacent to San Germán urban center could arise. These lodging options could very well be owned and managed by the community. The peer-to-peer form of accommodation, also widely known as short term rentals, occurs when individuals offer, in exchange for money/ rental fee, a room or an entire house for short-term accommodation to a visitor. According to the World Bank, peer-to-peer (P2P) accommodation, especially in emerging economies, may expand tourism product, service, and sector offerings; improve visitor access to the market; and provide new opportunities for local income generation. There are several digital platforms that currently enable peer-to-peer accommodation in Puerto Rico including, HomeAway (owned by Expedia), Booking.com, Airbnb, TripAdvisor Rentals, 9Flats.com, OneFineStay, and HomeStay.com.

**Diagnostic (Why?)**

Growing interest in cultural and heritage tourism is a strong opportunity in San Germán, however there are few short-term stay options for visitors interested in lodging options in historic homes in the downtown area. Furthermore, on the whole, there is limited moderate to high-quality lodging in the historic downtown, which reflects a gap in an offering that is important for a town of great historical distinction and home of one of the Island’s most prominent historic monuments.



*Signage of the currently closed Hotel Oasis. Source: FPR*

## Partners & Resources

- PRTC
- Private Sector Developers
- Hotel Operators
- Airbnb
- Property management companies
- San Germán Municipality

One example of a local operator is the Morgan Reed Group who is already investing and collectively managing a number of visitor lodging options in the region.

However, for peer-to-peer to successfully grow tourism in San Germán, regulations/policies must also be put in place by the municipality and the state government to ensure high quality and safe peer-to-peer accommodations that may lead to increased tax revenue. Registration processes for providers of peer-to-peer accommodation should be transparent and easy to comply with so that municipalities are able to conduct site inspections, enforce health/safety codes, and collect appropriate tax revenues.

## Process

Early Steps:

- Inventory potential properties suitable to rehab/renovation for P2P accommodation (within historic city center).
- Marketing shortlisted sites to potential developers/investors.
- Supporting public financing options.

For Independent provider peer-to-peer:

- Partner with Airbnb to launch an educational program that provides interested P2P accommodation providers with training in entrepreneurship, technology, and hospitality skills that will enable them to grow their business. The program should include sessions on how to create, promote, and maximize profits from accommodation listings, as well as how to proactively fill accommodation calendars and how to offer quality products through training in host safety and security.

For Developer-led peer-to-peer:

- Although developer-led P2P accommodations may limit the impact of income generation for local homeowners, it is also a viable P2P accommodation model to consider in San Germán. With capital investment from private developers, this model more easily enables the full rehabilitation of old building stock in the historic center. Various short-term rental property management providers such as Sonder, Lyric, and Blueground currently lease newly renovated buildings or whole floors in apartment buildings in various cities across the world, managing them as short-term rentals licensed as hotels. These hybrid hospitality companies aim to combine elements of hotels and homestay rentals.
- In New Orleans, for example, Sonder is partnering with local real estate and development company, Quarter Holdings, to renovate 1016 Canal Street, a building that was destroyed by a fire in 2016. Through the renovation, the building will

host over 47 apartments on the upper floors as whole-home commercial short-term rentals managed by Sonder. Sonder outsources cleaning and customer service to local companies, generating some local income.

## Key Performance Indicators

- Increase in total count of rooms available
- Increase in Average Daily Rate (ADR)
- Increase in Occupancy rates
- Increase in Occupancy Tax revenue



*A2Tiempos AyS, Bed & Breakfast, is one of the few available lodging option in the urban center of San Germán. This accommodation is managed by a local business owner and distinguished by its historical architecture and customer service.*  
Source: FPR

## Case Study or Best Practice

Independent provider peer-to-peer:

In South Africa, **Airbnb partnered with Open Africa, the South Africa College of Tourism, and the Cape Innovation and Technology Initiative** to start a pilot program in 2017 that provided training to 15 existing Airbnb hosts to help them grow their homestay businesses. The training program helped cultivate other support programs such as co-hosting, in which a tech-savvy person is allocated to manage listings for hosts who lack confidence in their digital skills.

Independent provider peer-to-peer:

In Thailand, for example, the Ministry of Tourism and Sports has developed a dedicated set of standards for peer-to-peer accommodations. Among these standards is the requirement that the homestay serve as a supplemental source of income, not primary. To qualify, homestay owners must apply as a group (minimum of four participating homes in a community/neighborhood) and receive certification from the authority that is valid for a period of two years. Certified homes also receive an official **“Home Stay Standard Thailand”** sign that must be displayed at the entrance to the peer-to-peer accommodation.

Developer-led peer-to-peer:

The French Quarter in New Orleans is a popular visitor destination that relies heavily on culture, music and history as dominant experiential elements. **The French Quarter Hotel Collection** is a collection of six renovated boutique hotels managed by a single entity and located in historic homes and buildings throughout the historic district.



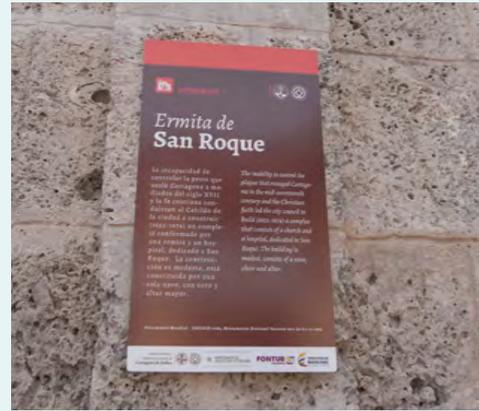
*Courtyard Hotel in the historic French Quarter of New Orleans.  
Source: Flickr.*

# 5

## San Germán Historic District: Wayfinding

Establish a Historic District Wayfinding/Signage program

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Medium Budget (\$50k- 200k)
<b>Timeframe</b>	Medium Term (1-3 years)



Information signage affixed to a historic building in Cartagena. Source: Flickr.



Stand alone signage in a plaza in Cartagena. Source: Flickr.

## Action Items

Develop a branding strategy and increase bilingual signage to attractions, lodging, downtowns, and major points of entry. This includes wayfinding signs for drivers, which are larger and more visible to motorists, as well as pedestrian wayfinding and directional maps in the urban center that are smaller in scale.

## Diagnostic (Why?)

Lack of visible wayfinding signs for drivers and for pedestrians can make finding attractions difficult (including the downtowns). This challenge is further exacerbated by the fact that Puerto Rican addresses are not completely accurate in Google Maps, leading visitors to the wrong locations when using mapping or GPS tools.

## Partners & Resources

- San Germán Municipality
- Department of Transportation and Public Works

## Key Performance Indicators

- Total count of newly- branded signs
- Improved customer sentiment

## Case Study or Best Practice

**Cartagena, Colombia** is a UNESCO World Heritage Site and among the top visitor destinations in Latin America. Wayfinding signage in the area is consistently branded and provides visitors with good orientation to select historic assets.

# 6

## El Faro Los Morrillos: Road and Parking

Manage road quality and parking

### Origin

FPR Field Team/ Destination Planning Team

### Budget

Individual Project Budgets Differ:

**Low Budget** (Under \$50k): Wayfinding signage (planning/design).

**Medium Budget** (\$50k - \$200k): Parking management (implementation).

**Large Budget** (\$200k +): Repaving and reconstruction of Route 301 (including feasibility/planning studies)

*\*Potential funding: Federal Highway Administration (FHWA) TIGER Program*

### Timeframe

The implementation of projects should be phased, as such:

**Short Term** (Less than 1 year): Wayfinding design and implementation.

**Medium Term** (1-3 years): Parking lot improvements

**Long Term** (3+ years): Including planning, design, and construction of new roads.

### Risk

High - Recurring flooding events will continue to erode infrastructure in the area if not built with resilient measures. Additionally, the area is a protected nature reserve. Having experts and wildlife conservationists groups in the process is key to planning and developing this zone without having a negative environmental impact.

## Action Items

Tourist Journey at El Faro Los Morrillos

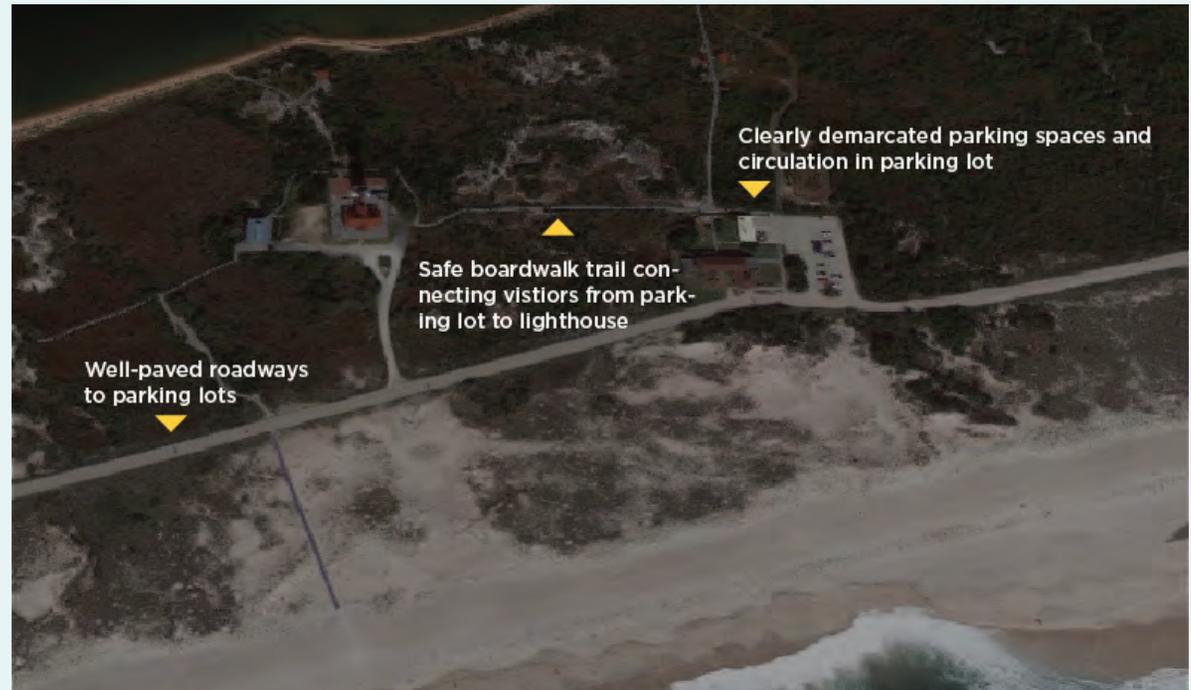


Source: Streetsense

1. Address unsafe road conditions along Route 301
  - a. Following the deterioration of major roads leading to the tourist attractions, Faro Los Morrillos and Play Sucia, the asphalt pavement of route 301 will need to be rehabilitated. This will include reconstruction of certain sections of the route and application of thermoplastic painting, signage installation, and where appropriate, street lighting installation.

- b. Furthermore, these roads will need to be reconstructed and rehabilitated to withstand future potential climate and watershed changes. The redesign and reconstruction of Route 301 will need to reduce vulnerability by either reducing the sensitivity of the roads to extreme events or by enhancing the adaptive capacity of the roads, or both. Many of these strategies are already standard practices and FHWA in fact encourages application of these practices.
  - c. The FHWA Puerto Rico Division should lead the implementation of this highway rehabilitation project from its inception to its construction, including planning, design, and environmental review.
2. Parking management at Faro Los Morillos
- a. Improve existing parking lot

- i. The existing parking lot located between the beachfront and the lighthouse should be expanded and better managed to include clearly demarcated parking spaces and traffic lanes to allow for maximum parking efficiency and easy navigation. There should also be designated priority parking spaces for tour buses to accommodate any future increase in demand for group parking.
- ii. The design of the parking lot should also incorporate green infrastructure as an approach to stormwater management, including vegetated swales, increasing landscape to paved area, planter boxes, etc.



Fire Island Lighthouse, New York. Source: Streetsense

## Diagnostic (Why?)

The poor conditions of the main road to Faro Los Morillos, the Salt Flats and Playa Sucia impede ease of access to the most popular destinations within the region. Furthermore, parking is often in short supply during the high season and visitors who have planned their trips around a visit to any of these attractions will leave disappointed. Managing a high volume of visitors can be done through other methods, such as ticket or tour sales that can also help pay for the improvements and on-going maintenance of the site.

## Partners & Resources

- FHWA Puerto Rico Division
- Department of Natural and Environmental Resources of Puerto Rico (DNER)
- Cabo Rojo National Wildlife Refuge
- National Oceanic and Atmospheric Administration (NOAA)
- Department of Transportation and Public Works
- Comité Caborrojeño Pro Salud y Ambiente, Inc. (CCPSAI)
- The Nature Conservancy (an NGO that prepared a 2014 Cabo Rojo Conservation Plan)
- Natural and wildlife conservationist groups
- Cabo Rojo Municipality

## Process

Early Steps:

- Convene stakeholders and local partners to develop overall vision for the area.
- Reach out to FHWA and DNER to discuss possible improvements of Route 301.
- Conduct feasibility studies and environmental impact assessments for parking and route improvements.

## Key Performance Indicators

- Vehicle/traffic count at parking lot
- Visitor satisfaction as reflected in the ratio of 4- and 5-star reviews to 1,2,3-star reviews

## Case Study or Best Practice

**The Fire Island Lighthouse (New York)** is located in the Fire Island National Seashore and run by the National Park Service. Visitors are able to climb to the top of the Lighthouse and learn about the history of the site through an exhibit and a small museum that are located at the base of the building. The Lighthouse is operated by a non-profit organization called the "Fire Island Lighthouse Preservation Society (FILPS)" under a cooperative agreement with the National Park Service. Visitors pay fees to climb the lighthouse through a tiered payment system - \$8 for adults; \$4 for children, active military and seniors; \$2 members of the FILPS. Visitors park at a parking lot located off-site and walk along walking path boardwalks or along a restricted sandy road to reach the lighthouse.



# 6

## El Faro Los Morrillos: Concession Program

Establish a formal concession program at the lighthouse.

<b>Origin</b>	Community
<b>Budget</b>	Medium Budget (\$50k-200k)
<b>Timeframe</b>	Medium Term (1-3 years)
<b>Risk</b>	Concession models can range from complex - joint ventures and build-to-operate transfer agreements with a master concession provider, to simple licenses with vendors that are offered on an annual basis through competitive bidding.



Cedar's House Cafe. Source: Friends of Wissahickon Park.

### Action Items

Most concession programs on public lands are public private partnerships that are based on long term contractual agreements between public agencies and private parties for services. These may be structured as leases, formal joint ventures (in which revenue is shared between the agency and the concession holder), and can even require the private party to improve upon or build public infrastructure in exchange for concession rights.

A successful concession program can be an integral component of improving the revenue stream for the park - providing anywhere from 10-40% of its annual budget. This approach also plays into strategies that improve the visitor experience and make local assets more engaging and accessible to visitors.

### Diagnostic (Why?)

The lack of vendors and basic amenities at some of the region's most popular attractions serve to undermine the overall visitor experience. Water and light foods/beverages should be available at the Faro Los Morillos, especially given the arid and hot conditions and the long walk that is required of visitors from the parking lot to the lighthouse itself.

During our stakeholder interviews, we found that attempts had been made to offer vendor licenses but that the program had been suspended due to concerns over lack of transparency and favoritism. While it is unclear what has occurred, the need to offer licenses for vendors and simple furniture and seating at the lighthouse is critical given the high volume of visitation at this site.

### Partners & Resources

- Cabo Rojo National Wildlife Refuge
- Comité Caborrojeño Pro Salud y Ambiente, Inc. (CCPSAI)
- Local merchants
- Cabo Rojo Municipality

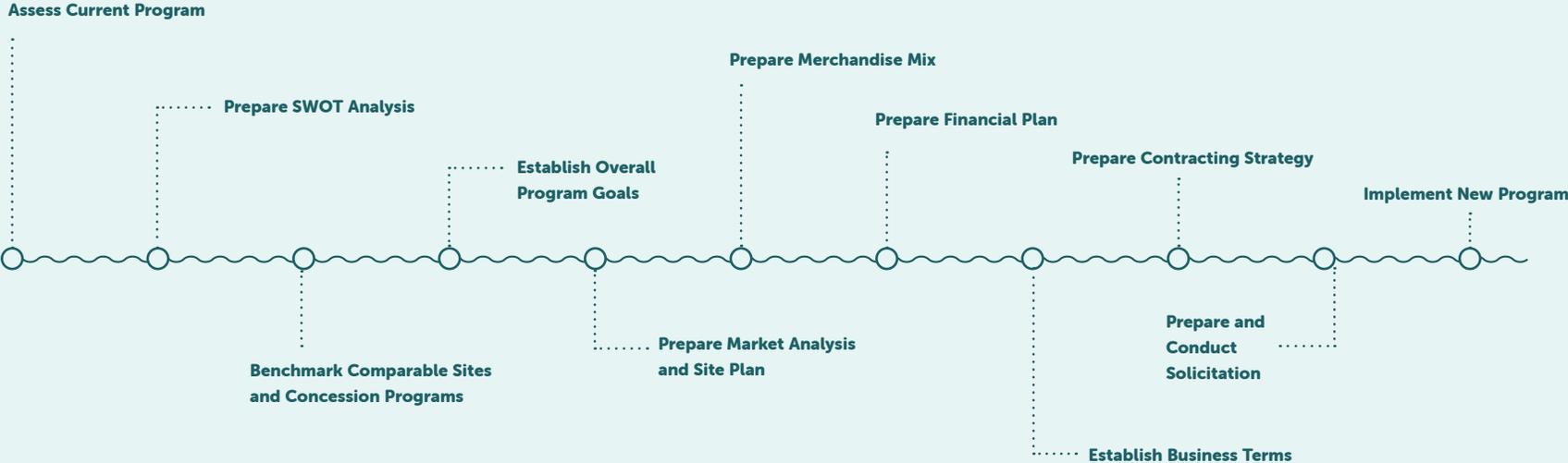
### Key Performance Indicators

- Visitor satisfaction as reflected in the ratio of 4- and 5-star reviews to 1,2,3-star reviews
- Annual revenue generated by concession program

### Case Study or Best Practice

In 2011, the Philadelphia Parks and Recreation Program procured a report that identified a clear concession strategy for the entire park system, rooted in concessions at key "gateway" sites that when complete, would generate as much as 15 of the park's budget. One of the earliest concessionaires is **Cedar's House Cafe**, located within a historic building in Wissahickon Valley Park. Another concessionaire is a long-term golf concession, whose owners invested \$500,000 in driving rangers, batting cages, a new cafe and family-style restaurant in Burholme Park.

# Concession Planning Process



Adapted from "Chapter 3: Establishing Goals for the Concession Program". Resource Material for Airport In-Terminal Concessions. 2011.

# 6

## El Faro Los Morrillos: Wayfinding

Install interpretive wayfinding/signage at the lighthouse.

<b>Origin</b>	FPR Field Team/Destination Planning Team
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Short Term (Less than 1 year)
<b>Risk</b>	Low - The design of signage may be done contextually to avoid disrupting the visual landscape while still providing clear information to visitors.



Aerial view of Faro Los Morrillos. Source: Discover Puerto Rico

### Action Items

In order to provide a clear and direct journey for visitors arriving at the parking area from Route 301 and to encourage them to explore the trails leading to the lighthouse from the parking area, clear wayfinding and signage will need to be installed i) along the state road, ii) at the parking lot, and iii) along the trails.

Although state road signs are heavily regulated by FHWA guidelines, wayfinding at the parking lot, along trails, and at the lighthouse should be consistently branded, contextually designed to fit the natural environment, and should be extremely visible to visitors.

Three basic sign types that should be considered to reorient visitors throughout the site include identification signs (at the parking lot, beach, and lighthouse), marker signs (along trails), and regulation signs (at the parking lot, beach, and lighthouse). Materials used should be able to withstand severe weather and wind over time.

### Diagnostic (Why?)

There is currently no interpretative signage at the lighthouse that helps deepen the visitors understanding of this place’s uniqueness and history, and other specific aspects of the natural environment, including the variety of ecosystems within the Wildlife Reserve.

### Partners & Resources

- Cabo Rojo National Wildlife Refuge
- Department of Transportation and Public Works
- Cabo Rojo Municipality
- Comité Caborrojeño Pro Salud y Ambiente, Inc. (CCPSAI)

### Key Performance Indicators

- Total count of new signs installed at the lighthouse
- Visitor satisfaction as reflected in the ratio of 4- and 5-star reviews to 1,2,3-star reviews.

### Case Study or Best Practice

**Outdoor signage at Herdade do Esporão**, an ecotourism site in Portugal, was designed out of rocks found on-site to integrate clear information in the property, without disturbing the natural landscape.



Signage at Herdade do Esporão. Source: Studio Eduardo Aires (Behance)

# 7

## Agri-tourism

Facilitate agricultural tourism in the region

<b>Origin</b>	Community
<b>Budget</b>	Medium Budget (\$50k-200k)
<b>Timeframe</b>	Short Term (Less than 1 year)
<b>Risk</b>	Medium - Project will require several interdisciplinary partners working together .

### Existing Online Resources

- **Puerto Rico Tourism Company.** [https://www.prtourism.com/dnn/Portals/\\_default/Turismo/Documents/Guia%20Agroturismo.pdf](https://www.prtourism.com/dnn/Portals/_default/Turismo/Documents/Guia%20Agroturismo.pdf)
- **Nolo Consulting** <https://www.noloconsulting.com/agricultural-programs>
- **Oregon State University** <http://tourism.oregonstate.edu/programs/agritourism/agritourism-best-practices/>
- **American Planning Association** <https://www.planning.org/knowledgebase/agritourism/>

## Action Items

Agri-tourism or agricultural tourism, and ecotourism, are visitor-oriented entrepreneurial activities that can leverage the variety of landscapes in the region. As existing visitor audiences are increasingly inclined to participate in nature-based activities, it is recommended that landowners and entrepreneurs are encouraged to collaborate on public-facing efforts and ensure land protections to maintain the environment.

## Diagnostic (Why?)

The wildlife refuges help anchor the region in nature-based tourism that enables visitors to interact closely with the natural environment. This includes birdwatching, diving, fishing, hiking, mountain biking, and eco-tours. Improving the maintenance, quality and quantity offerings, as well as improving accessibility to many of these natural assets is a key component of the strategic vision. In addition, there are several agricultural asset managers interested in developing agro-touristic experiences in their farms. Leveraging these opportunities and combining them with other nature-based activities is key to the creation of robust itineraries for visitors.



Livestock at A.C.R.E.S. farm in San Germán. Source: FPR

## Partners & Resources

- PRTC
- Local Universities
- Puerto Rico Department of Agriculture
- Small Business Development organizations
- US Department of Agriculture (USDA)
- Nolo Consulting
- Oregon State University
- American Planning Association
- Agricultura con Conciencia Rural. Ecológica y Sustentable (A.C.R.E.S.)
- Owners and managers of farms and agri-tourism assets within the region

## Process

- Research existing regulations to identify barriers/obstacles for agri-tourism uses and activities.
- Ensure some type of control/protection against negative impact to the natural areas and the operational practices of the farm where the activities will be occurring.
- Identify, encourage and incentivize local farm owners/operators interested in integrating agri-tourism activities to their business operations.
- Integrate the overall community in this effort.
- Establish customer feedback loop to ensure their concerns/recommendations are addressed (access, experience, cost, etc.)

## Key Performance Indicators

- Number of agri-tourism experiences/destinations enhanced
- Number of agri-tourism experiences/destination created
- Attendance to the experience/destination

## Case Study or Best Practice

**Frutos del Guacabo** is a well-established agri-tourism asset located in Manatí, Puerto Rico. This business is dedicated to the production and distribution of agricultural goods to promote the economic development and sustainability of Puerto Rico. The farm offers a diversity of activities for visitors, such as farm-to-table dining experiences and guided tours.



*Guided tour in Frutos del Guacabo. Source: Streetsense*

Improve Supply:

## Business Support



### Business Support to Manage Online Listings

Provide digital marketing education

<b>Origin</b>	Community
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Short Term (Less than 1 year)
<b>Risk</b>	Low

### Action Items

Provide training and one-on-one technical support to merchants to help them claim their business listings on a variety of popular review sites, including TripAdvisor, Google and Yelp.

### Diagnostic (Why?)

For most visitors, the decisions they make that inform where they go, where they stay, and what they do after arrival begins long before tickets are purchased. It starts with reviewing sites that aggregate content and provide travelers with qualitative assessments that inform their decision making. A business that is not listed on review sites like Google, Yelp and TripAdvisor effectively does not exist for most visitors. We understand that language barriers and discomfort with the internet may prevent many owners from claiming their listing, but this step is critically important to driving visitor traffic to local businesses and must be a priority for the Destination Planning effort.

Although this project is replicated in the *Visitor Economy Recommendations* section, it is imperative for this region to address the lack of online presence (particularly in popular review websites). The Destination Planning Team assessments found that 43% of the 101 locally identified visitor attractions were not listed in TripAdvisor, almost no formal hotels were listed online, and 85% of all restaurant listings in Google were unmanaged by their respective owner. Managing, promoting and keeping

an updated online listing can impact positively the revenues of many businesses and help increase the number of visitors to the region.

### Partners & Resources

- Local merchants associations
- Google collaborations with Universities
- PRTC regional and municipal tourism offices

### Process

- Identify service suppliers (including Google My Business) that provide training to businesses to enhance digital marketing and online listings.
- Develop a campaign to promote the educational program/training to business owners.

### Key Performance Indicators

- Increase in online listing from business from the region.
- Customer satisfaction as reflected in the ratio of 4- and 5-star reviews to 1,2,3-star reviews for local businesses.

### Case Study or Best Practice

Local small business service providers (in partnership with merchants associations) can work to build upon existing curriculum and develop training sessions and campaigns focused on getting each and every local business to claim and consistently manage their online profiles on TripAdvisor, Google and Yelp.

# 9

## Menu Campaign

*Kickstart a campaign to improve the quality of restaurant menus - including the design, photography, and language translation.*

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Short Term (Less than 1 year)
<b>Risk</b>	Low

### Action Items

Provide technical assistance, including photographers, graphic designers, and translators, to develop compelling menus that include bilingual text and attractive visuals of menu items.

### Diagnostic (Why?)

The Cabo Rojo/San Germán region is known for its seafood, however, language and cultural barriers can sometimes create challenges for visitors patronizing local eating establishments.

Having menus that clearly communicate offerings and include appetizing images of a restaurant’s food can be helpful in enabling visitors to confidently experience local culinary delicacies.

### Partners & Resources

- Local businesses
- Merchants associations
- Discover Puerto Rico

### Process

- Conduct an open call for businesses interested in improving the quality of their menus and promotional materials.
- Conduct an open solicitation for local graphic designers, food photographers, and translation suppliers to provide technical assistance to businesses.
- Provide matching grants for restaurants to hire translation and graphic design services from shortlisted professionals.

### Key Performance Indicators

- Total number of participating businesses
- Visitor satisfaction as reflected in the ratio of 4- and 5-star reviews to 1,2,3-star reviews
- Volume of mentions on online review sites (including TripAdvisor, Google, and Yelp)

## Improve Supply:

# Address Capacity Gap

10

## Merchants Association

Create a place-based merchants association in Cabo Rojo, San Germán, Joyuda, and Boquerón.

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Medium Term (1-3 years)
<b>Risk</b>	Medium - Consistent engagement with merchants will depend on individual business owners' willingness to participate and trust other members of the organization.

## Action Items

The goal of a merchants association is to position commercial corridors for growth by better aligning services and resources. An organization should provide services and/or other support to a defined geography of commercial activity. This includes a variety of place-based groups including block clubs, business associations, community development corporations, business improvement districts and business improvement zones. In the long term, consortiums can help manage strategic funds to create additional capacity for local businesses and management organizations.

## Diagnostic (Why?)

Certain locations that create positive experiences - or are well positioned to do so through the built environment and vibrant commercial activity - have difficulty focusing resources in order to scale up operations.

## Partners & Resources

- Local business owners
- Asset managers

## Process

- Identify and recruit local business/property owners and invite them to a meeting to discuss the formation of a merchants association. During this meeting, leaders will arise (not all will be vocal, so pay attention). Identify vocal attendees and engage them towards this effort. Subsequent interactions with

the 'leaders' will focus on technical assistance towards establishing an association(s).

- Establish the 'level' of complexity moving forward. Will a not for profit entity be created or will an informal partnership suffice? How will that be managed?
- Establish a regular meeting schedule (preferably on a monthly basis). Ideally the locations where the meetings are held can rotate to the various establishments owned/operated by the association members.
- Be inclusive; welcome new businesses and foster potential entrepreneurs.
- The initial goal of early meetings will be to form an entity and establish a regular roster of meeting attendees. Then, strategic planning can begin for the organization.
- Ensure quick successes to build momentum. Identify goals that are important and prioritize them based on the resources and capacity at hand.
- Shift member mindsets from simply looking at the individual business performance to the overall business cluster performance.

## Key Performance Indicators

- Number of participating businesses
- Number of annual meetings and attendance
- Identification of a project that is successfully executed

Brainstorming session during a community meeting. Source: FPR





# Visitor Economy Recommendations

# Asset Enhancement

1

## Small Lodging Financial Fund

Provide additional funding to existing small hotel operators

<b>Origin</b>	Community
<b>Budget</b>	Large Budget (\$200k+)
<b>Timeframe</b>	Medium Term (1-3 years) to Long Term (3+ years) / Ongoing
<b>Risk</b>	<b>High</b> - This will require many willing partners working across many layers of complexity. Thorough inspections of facilities from a structural perspective (buildings, infrastructure) should be completed. Selecting one or two operators as a pilot program to work out details and logistics prior to a full campaign is recommended.

## Action Item

Establish a pilot program to provide capital to existing small hotel operators in order to improve/upgrade their facilities. Funds may be used to purchase/enhance existing structures and basic amenities expected by visitors, including installation of water heating systems, air conditioning systems, and Wi-Fi.

## Diagnostic (Why?)

Lodging facilities require ongoing capital improvements in order to stay relevant. In many cases deferred maintenance results in lower occupancies, poor customer experiences, closure, or obsolescence. Many years, and sometimes decades, of unattended issues have resulted in sub-par conditions for some existing hotel facilities in the area. Economic circumstances make it infeasible for many operators to address these items as they have plenty to take care of with the present needs of the facility.

Assisting these operators in developing comprehensive, sustainable capital improvement plans to meet the needs of their facility, alongside providing low cost funding options for the implementation of these plans, are the goals of this initiative. Lodging operators with limited capital for improvements, including local paradores and B&Bs in the region, would be the primary beneficiaries of this program.

## Partners & Resources

- PRTC
- Puerto Rico Hotels and Tourism Association
- Local Financial Institutions
- Instituto de Cultura Puertorriqueña (ICP)

*(Many of these opportunities exist in the historic parts of the municipalities and in certain cases will require historic preservation considerations in the design of renovations/improvements; the ICP is the resource to ensure those considerations are made)*

- Municipal & State government
- Philanthropic Foundations
- Small Business Administration
- Grupo Guayacán



Source: Unsplash

## Process

- FPR should identify partners that can provide capital and strategic planning for this effort.
- Create a Hotel Operator Assistance Committee comprised of individuals with the various expertise needed (financing, construction, hotel operations, marketing, potential funders, etc.). The Committee would work with vetted operators. Parallel track will be designing criteria for selecting operators to assist under this program, whether is grants or loans, for example, underwriting criteria and leverage requirements (such as job creation, establishing a capital reserve account, money invested, etc.).
- A revolving loan fund could be created to ensure the program can continue. Interest rates can be very low and the loans could be combined with SBA loans for commercial real estate.
- Local and/or state agencies support can occur through existing (or newly created) economic development programs. These programs typically have some leverage requirements, such as job creation, for example.
- Establishing metrics/requirements for performance after improvements are made is essential. Metrics/requirements should include: keeping an up-to-date capital needs plan for the facility and establishing a capital reserve fund (which could be seeded under this program as well), among other items deemed essential by the Committee.

## Key Performance Indicators

Project-Specific Key Performance Indicators:

- Establishing the Fund (goal should be aggressive as the needs and costs will be high).
- Successful completion of the application/underwriting process for at least 1-2 hotel operators in a 12-month period.
- Moving from application to implementation on at least one applicant in a 24-month period.
- Successful completion of one project within a 36-month period.
- Once improvements are made, KPIs will include more operational items like increase visitation (occupancy rates), customer feedback, etc.

General Key Performance Indicators:

- Increased lodging options for tourists.
- Increased annual revenue for lodging operators.
- Increased tax base.
- New opportunities to expand existing facilities (this could be a growth of the program if robust funding can be made available moving forward).

## Case Study or Best Practice

Virginia Tourism Development Financing Program [www.vatc.org/tdfp/](http://www.vatc.org/tdfp/)

# Improve Mobility + Accessibility

2

## Regional Wayfinding

*Establish tourism-oriented directional signs, including highway signage and pedestrian signage*

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	<p>Medium Budget (\$50k-200k+)</p> <p>*Costs include Program Administration Costs and Sign Fabrication Costs. In addition, Puerto Rico Department of Transportation and Public Works (also known as DTOP, for its acronym in Spanish) will also need to devote staff time and resources. The program can be designed to ensure that all administrative and sign fabrication costs are paid for by applicants. Applicants can be charged an administrative fee, sign costs, and an installation fee, estimated at \$500-1,000 per sign.</p>
<b>Timeframe</b>	Short Term (Less than 1 year)
<b>Risk</b>	<b>Low</b> - Tourism-oriented directional signage is common and an accepted form of directional signage for visitor destinations in many places.

## Action Item

Provide tourism-oriented directional signage (TODS) to qualified tourist-related businesses, services, or activities where income is derived from visitors who do not reside in the immediate area where the business is located. TODS is a formal designation generally accepted by State Highway Agencies.

## Diagnostic (Why?)

Much of the directional signage across the Island is faded, outdated, or missing, owing in part to the impacts of Hurricane Maria. Furthermore, GPS coordinates are often inaccurate, making it difficult for visitors to find destinations with ease.

## Partners & Resources

- Puerto Rico Department of Transportation and Public Works (DTOP)

## Process

- Outreach to stakeholders and a convening of partners will be necessary to begin to enlist the appropriate agencies and identify the appropriate resources for this effort.

## Key Performance Indicators

- Total count of new signs directing visitors to local businesses and increase in sales and visitation.

## Case Study or Best Practice

The State of Wisconsin Department of Transportation has established a Tourist Oriented Directional Signage (TODS) Program that offers opportunities for qualifying businesses to have standardized signage along highway rights of way. Qualifying businesses include businesses whose income is derived from visitors who do not reside in the immediate area. The businesses also cannot have direct access to a state highway and must be located within five miles of the state highway. These businesses pay an administration fee (\$100 per sign) as well as the cost associated with the sign installation. Typically, these costs come up to approximately \$550.



Sample TOD Sign in Wisconsin. Source: Wisconsin Department of Transportation

# Support Business Retention & Growth

3

## Amplify Region's Assets on Online Review Sites

*Help businesses claim and manage their online listings*

<b>Origin</b>	Community
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Short Term (Less than 1 year)
<b>Risk</b>	Low

### Action Item

**Provide support and one-on-one technical assistance** to businesses to enable them to claim their business listings on a variety of popular review sites, including TripAdvisor, Google, Facebook, and Yelp.

**Become a Google My Business Partner.** Google has developed a new program that provides customized support to agencies that can maintain client business listings on their behalf. Agency partners receive a personalized dashboard that enables them to track and update basic business listing information, including a business' location, hours, and services.

**Structured Data Websites.** A well-designed website uses "structured data", which refers to the standardized format of providing information on a page and classifying content. When data is properly structured on a website, a user who searches for a business (for example, "best dinner in Cabo Rojo") will see results that include both listed and unlisted businesses.

### Diagnostic (Why?)

For most visitors, the decisions they make that inform where they go, where they stay, and what they do after arrival start long before tickets are purchased. It begins with review sites that aggregate content and provide travelers with qualitative assessments that inform their decision making. A business that is not listed on review sites like Google, Yelp, and TripAdvisor effectively does not exist for most visitors. We understand that language barriers and discomfort with the internet may prevent many owners from claiming their listing, but this step is critically important to driving visitor traffic to local businesses and must be a priority for the Destination Planning effort.

We recognize that FPR and its small business technical assistance partners have had different programs and workshops to help businesses claim their online listings. However, given the increasingly critical nature of online and mobile tools in travel decision making, we must continue to invest heavily in these efforts until there is significant improvement in Key Performance Indicators

## Partners & Resources

Programs like these require local partners and intermediaries who have established relationships with local businesses and have the capacity and resources to manage these efforts. For example: local merchants associations, universities, FPR, among others.

## Process

- Explore partnerships between merchants associations and local educational institutions that bring together technically savvy high school or college level students to provide technical assistance in exchange for credits.

## Key Performance Indicators

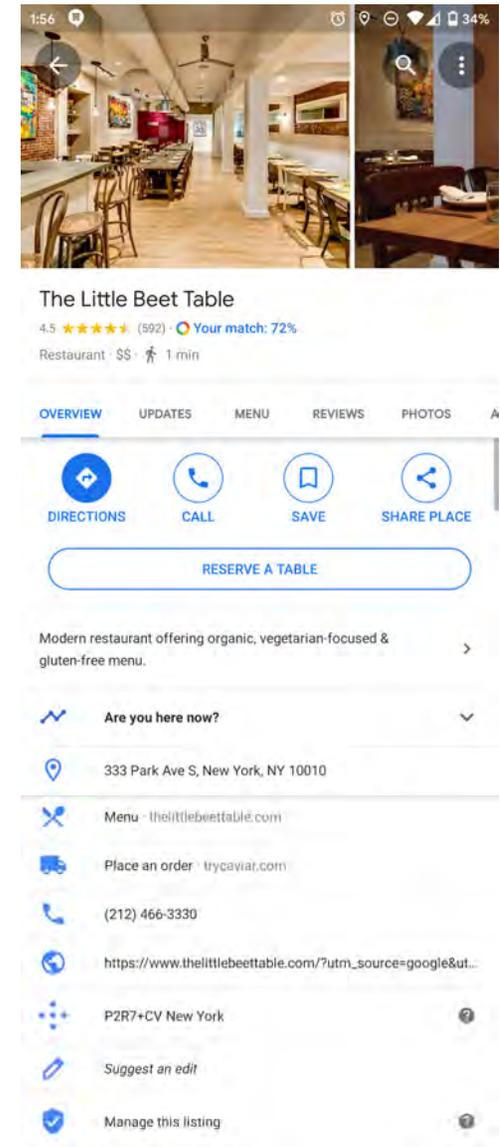
- Total count of small business participants in workshops
- Total count of assets actively managed on TripAdvisor

**85% of online listings are unmanaged**

based on an assessment of restaurants identified by the Field Teams and the community.

## Case Study or Best Practice

Local small business service providers can work to develop training curriculum in partnership with merchant's associations to develop campaigns that work to get each and every business owner and asset manager to claim their online profiles on TripAdvisor, Google, and Yelp.



Example of a 'rich' local business listing based on a user query. Source: Google.

# 4

## Grants for Business Operations and Store Improvements

Provide financial assistance to business owners to enhance business sales.

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Medium Budget (\$50k-\$200k)
<b>Timeframe</b>	Medium Term (1-3 years)
<b>Risk</b>	<b>Medium</b> - A permanent fund requires multiple partners to coordinate and share resources.

### Action Items

Provide grants to business owners for facade improvements and procurement of point of sale technology. Local business retention, expansion, and resilience should be supported by visitor economy institutions.

### Diagnostic (Why?)

Many businesses do not track customer data, sales, or have long-term business plans. This makes it difficult for them to grow, much less accommodate or respond to the needs of the visitor customer base. Basic operations, technology, and support for improvements will aid business owners in their efforts to sustain and grow their businesses.

### Partners & Resources

- PRTC
- Local merchants associations
- Kiva (a crowdfunding resource platform)

### Process

Work with partners to develop grant proposals that focus on the establishment of a fund or lending tools that might include a variety of financing mechanisms, such as mini-grants through crowdsourcing platforms, revolving loan funds, or matching grants. The specific uses for the funds should be defined (i.e. point of sale technology, facade

improvements, expansions, or equipment acquisitions). Partners such as Kiva could support matching grants. PRTC could be a partner in the development of the fund. A call for applications could be developed twice a year for the grants. These be attached to the impact in the visitors economy, increased sales, or job creation.

### Key Performance Indicators

- Total number of participants to the program
- Total dollar amount invested/leveraged through the program (including any matching funds by participants)
- Total number of business expansions
- Reported increased sales and total jobs created through the program
- Increased sales tax base
- (Qualitative) Local business success stories and before/after visuals of facade improvements

# 5

## Customer Service Training

Provide training to local workers employed in the tourism economy and managing tourism assets.

<b>Origin</b>	Key Stakeholders; Destination Planning Team
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Short Term (Less than 1 year) to Medium Term (1-3 years)
<b>Risk</b>	Low



Source: Unsplash

## Action Items

Provide continued support and expansion of existing training programs in hospitality and customer service in partnership with targeted programs led by local partners.

## Diagnostic (Why?)

The lack of customer service training was consistently and repeatedly raised as a concern among business owners, hotel operators, and small business support intermediaries. A number of interviewees have developed programs in customer service training, including non-profits such as the Centro Para Emprendedores and the Boys and Girls Club. The owner of Combate Beach Hotel and the head of the Association of Hotels and Tourism further indicated that he sponsors regional hospitality training at his hotel. Continued support and expansion of these efforts is critical.

## Partners & Resources

The Boys & Girls Club of Puerto Rico have begun to lead customer service training efforts from some of their regional clubs in partnership with Generation, a Global employment program. PRTC, specially the Porta del Sol Office, has also hosted hospitality trainings in the region. Other partners include the Association of Hotels and Tourism of Puerto Rico and Centro Para Emprendedores.

Educational institutions such as the Interamerican University, Ana G. Méndez University System and University of Puerto Rico (UPR) may also be additional key partners.

## Process

- Identify partners that could offer training to local businesses.
- Design a program that addresses customer service for the visitors economy.
- Develop yearly programming (workshops, courses, and mentorship).
- Call for businesses to participate in the educational programming.

## Key Performance Indicators

- Total number of participants in the workshops

# Build Capacity of Inter-Organizational Asset Managers

Lack of coordination between different levels of government, lack of access to state/federal proposals and operational funds, and issues with permitting are some of the challenges to overcome in order to create a vibrant visitor economy. The following set of recommendations aim to support existing businesses and assets, as the visitor economy continues to evolve, by creating long-term partnerships to help build capacity or instituting policy change.

6

## Entrance Fees for Sustainable Asset Management, Employment, and Improvements

*Support assets by developing a fair and equitable fee model for entrance*

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Medium Term (1-3 years)/ Ongoing
<b>Risk</b>	Medium

## Action Items

Non-profit organizations need support and technical assistance in developing models that enable them to charge and easily pay taxes owed. These entrance fees are critical to long term sustainability of these assets. These include not only entrance fees, but also parking fees for access to key local assets as demand increases.

## Diagnostic (Why?)

The majority of assets and attractions have no user fees due in part to lack of staffing and challenges associated with taxation policies that some have indicated does not differentiate between non-profit and for-profit revenue. As a result, many non-profits choose to avoid collecting entrance fees and many assets lack sustainable financial resources for maintenance and improvements.

## Partners & Resources

Ticket Sales Companies (Tiketera, PRTicket, TicketCenter, TicketPop)

## Process

- Create an inventory of events and attractions with actual or potential entrance fee.
- Coordinate orientation or mentorships with ticket sales companies to identify benchmarks and reasonable fees.
- Provide information on experiences,

events, and venues to digital platforms that provide events calendars.

- Assess the impact of new entrance fee in attractions.

## Key Performance Indicators

- Number of organizations participating in orientations
- Target 'returns' per event/activity
- Total of new attractions with entrance fee
- Number of information sessions held to educate NGOs on how to address tax implications associated with entry fee models.

## Case Study or Best Practice

Entry fees are common in the non-profit world to help compensate for the administrative, staffing, and maintenance costs associated with meeting their non-profit mission. That said, the Internal Revenue Service (IRS) places restrictions on income generated by non-profit organizations. For income to be tax-exempt, it must be related to the non-profit's charitable purpose. NGOs need tax guidance to ensure that the fees they collect are not categorized as "Unrelated Business Taxes", which would be subject to taxation.

One example in Puerto Rico is Para La Naturaleza, a NGO that charges for tours and entry to a number of its locations on the Island.

# 7

## Shared Services

*Support shared operational services amongst small organizations working in the visitor economy*

<b>Origin</b>	Community
<b>Budget</b>	Medium Budget (\$50k-\$200k)
<b>Timeframe</b>	Long Term (3+ years)
<b>Risk</b>	<b>Medium</b> - This project requires coordination with multiple providers and identification sources of funds to support the participating organizations.

## Action Items

Conduct a needs assessment of local organizations in the visitor economy to better understand shortcomings and gaps in services and operational resources in order to develop a medium-term program to provide services grants or packages.

## Diagnostic (Why?)

Small non-profit organizations and projects have expressed the challenge of not having enough economic and human resources to address the operational aspects required to advance their visitor economy initiatives. This includes administrative issues, grant writing, accounting, and project management. This support could allow organizations to better focus their time and efforts on programmatic issues that impact local tourism.

## Partners & Resources

Universities, Philanthropic Foundations, and Non-Profit Organizations

## Process

- Identification of management and administrative needs for organizations and projects impacting the visitor economy.
- Identification of institutions providing management services to non-profit organizations.

- Developing a fund to offer services grants for organizations.
- Creating a call for applications of organizations interested in receiving support through services.
- Develop a membership model for the long-term sustainability of the initiative for shared services.

## Key Performance Indicators

- Total funds raised to provide shared services to organizations and projects impacting the visitor economy.
- Total of organizations benefiting from the shared services.

## Case Study or Best Practice

The Virginia Tourism Corporation Marketing Leverage Program run by the Virginia Tourism Corporation provides matching dollars to initiatives that are developed in partnership with other tourism service providers. Applicants are required to include a minimum of three partners to be eligible for matching dollars.

For more information, visit: <https://www.vatc.org/grants/leverageprogram/>



## Fiscal Sponsorship for 501(c)(3) Status

*Fiscal sponsorship to enable organizations to access 501(c)(3) status exemptions.*

<b>Origin</b>	Community
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Long Term (3+ years)
<b>Risk</b>	Low

### Action Items

Identify organizations or create a fiscal-sponsorship organization to support local non-profits. In addition, provide training to participating organizations so they may better understand compliance requirements and processes.

### Diagnostic (Why?)

Most non-profit organizations in Puerto Rico do not have formal 501(c)(3) tax exemption status. For this reason, they cannot apply for funding from foundations and government programs. They are also not eligible for tax exemptions from sales and property taxes.

501(c)(3) organizations are highly regulated entities, with strict rules of governance and ongoing compliance. Helping non-profit organizations understand these requirements and manage them is critical to enabling them to gain the benefits associated with tax exemption, which would help them with long-term financial sustainability.

### Partners & Resources

Local philanthropic foundations

### Process

- Identification of organizations and initiatives in need of fiscal sponsorship for new projects that could impact the visitor economy
- Identification of existing organizations that provide fiscal sponsorship.
- Assess the feasibility of creating a 501(c)(3) entity to provide fiscal sponsorship to projects in the visitor economy.

### Key Performance Indicators

- Total value of funds raised through fiscal sponsorship program

# 9

## Technological Tools to Enable Sales of Products and Entry Fees

*Provide technological tools to facilitate customer services and visitor experiences*

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Low Budget (Under \$50k)
<b>Timeframe</b>	Long Term (3+ years)
<b>Risk</b>	Low

### Action Items

Conduct a needs assessment to better understand gaps in technological tools/ resources amongst local assets. Following that, partner with technology companies to fill gap in services and provide technical training on tech solutions.

### Diagnostic (Why?)

Most cultural and social organizations with potential projects to support the visitor economy lack technological solutions that enable the sale of products and services or that enable them to collect entry fees. Reservation and ticket sales tools, payment methods, and digital marketing are important to ensure on-going sustainability of these organizations.

### Partners & Resources

Tech companies providing those solutions: ticket sales, POS software, etc.

### Process

This project could be aligned with the shared services initiative and the grants for business operations and improvements. Activities could include:

- Assessment of specific needs in the business community
- Coordination of orientations and mentorships with service providers
- Development of cash and/or services grants to support these activities

### Key Performance Indicators

- Total number of businesses participating in the program
- Perceived benefit of improvements by participating businesses
- Increased recorded sales from related activities

# Systems & Infrastructure-

The projects outlined here reflect significant infrastructure issues that fall outside the scope of this program effort. However, they are critical “top down” improvements that are necessary to support the long-term sustainability of the visitor economy.

10

## Electrical Service

Ensure long-term local resilience of electrical services

<b>Origin</b>	Destination Planning Team
<b>Budget</b>	Large Budget (\$200k+)
<b>Timeframe</b>	Long Term (3+ years)/ Ongoing

<sup>78</sup> “Puerto Rico Territory Energy Profile”. U.S. Energy Information Administration. November. 21, 2019.

## Action Items

Continue to lobby and advocate for the PR Electrical Power Authority (PREPA) to provide stable electrical connections. In addition, explore options for alternative electrical service, including a micro-grid.

## Diagnostic (Why?)

The Island’s electrical grid is notoriously dilapidated and antiquated. The damage inflicted by the hurricane knocked out power, and repairs were frequently limited to reconstruction in a “pre-hurricane” state.

Moreover, electricity costs for commercial establishments are nearly double that of the United States. Puerto Rican businesses on average pay 21.02 cents per kilowatt hour, compared to 13.17 cents in the United States.<sup>78</sup>

The secondary impact of high energy costs is manifold. Our stakeholder interviews found that businesses often elect to avoid running appliances, like dishwashers, to avoid using energy. Instead they elect to purchase disposable - often Styrofoam - plates and cutlery, finding the financial trade-off more economical. However, these decisions create additional waste management (see Waste Management below) and litter problems that further undermine the visitor experience.

## Partners & Resources

- State and municipal governments
- PREPA
- InvestPR



Fallen power lines and damaged roads following the aftermath of Hurricane Maria. Source: Flickr.

11

## Waste Management

*Ensure sustainable waste management practices and reduction of plastics/styrofoam products and packaging*

**Origin**

Destination Planning Team

### Action Items

While restaurants do need additional education on how preferences among visitors lean towards decreasing their ecological impact and reducing their use of single-use plastics, the need to address energy and water infrastructure is an important component of what may help improve the economics of small business decision-making towards reusable serving apparatus.

### Diagnostic (Why?)

In the long term, businesses are having difficulty procuring and maintaining affordable utilities. Energy costs are twice that of the United States. This is part of what makes it difficult to convince restaurants to reduce their use of single-use plastics and Styrofoam containers. The costs of running a commercial dishwasher can exceed the cost of purchasing single-use containers.



Source: Unsplash

Destination Planning and Marketing

12

## Water Quality

*Improve water quality through investments in sewage treatment*

**Origin**

Destination Planning Team

## Action Items

Advocate for and support water conservation efforts and sewage infrastructure improvements.

## Diagnostic (Why?)

Poor water quality is a significant threat to visitation and undermines the region's fishing economy. Addressing conservation and improving water quality is an important long-term goal if the region aims to see continued growth in visitors. The root causes of poor water quality include pollutants from urban/storm water runoff, inadequate wastewater systems, and collection system failures.

## Partners & Resources

- Seaventures
- National Oceanic and Atmospheric Administration (NOAA)
- Caribbean Center for the Reduction of Aquatic Debris
- University of Puerto Rico (UPR)
- Blue Flag Beaches

## Case Study or Best Practice

Watershed restoration at Playa Tamarindo in Culebra with NOAA's Office for Coastal Management; 2009 Reducing Monofilament Puerto Rico Coast Marine Debris.

# Conclusion

# Conclusion

The Destination Plan provides a set of a comprehensive and strategic starting points for investment and policies aimed at improving the assets that make each region unique. These improvements are based on an assessment of the gaps that exist between the assets themselves and the expectations of individual customer segments. The approach is comprehensive because growth in the visitor economy is a complex process that cannot be accomplished through a single project. Much like a three-legged stool – if one of the legs is broken, a project cannot succeed. For successful long-term efforts, a comprehensive approach is critical.

The projects outlined here are also incremental and focused on existing assets by design. Many of the short and medium-term projects in the plan are starting points to help communities build their ability to take on simple projects, which in turn leads them to a more sophisticated understanding of how the visitor economy works. Starting with projects that enable communities to see tangible success helps build the confidence, credibility and skill sets necessary to tackle more complex and ambitious projects over time. Every effort must begin somewhere, and we must begin where communities are, rather than where we want them to be.

## What Comes Next?

The strategies outlined in this plan address a multiplicity of forces that impact the overall visitor experience. Together they are greater than the sum of their parts. That said, priorities must be set to enable the efficient allocation of limited resources, including partners with limited staff, time, existing financial commitments, and stretched budgets. Moving forward, further refinement of projects and project ideas will require initial conversations with potential partners to identify champions and begin developing strategies for resource allocation through advocacy, grant writing, and partnerships. Ultimately, local leaders must have the desire, capacity, and wherewithal to support and lead project execution. This plan provides ideas and direction, FPR provides support, resources, and training, but ultimately, long term success is predicated on the involvement and commitment of community stakeholders.

Continued community engagement that enables the prioritization and further refinement of projects outlined here is a critical next step to determining which projects are truly ready for prime time. Exploratory conversations are necessary with potential partners, resource providers, and public leaders to determine which projects align with their interests and objectives. These conversations will build community confidence in the process and enable stakeholders to see how their participation results in tangible outcomes that lead to success. Engagement in turn builds the necessary capacity to support the long-term commitments necessary to change the fundamental underlying dynamics of the visitor economy.

Concurrent with community feedback, efforts should be made to establish a network of local leaders and develop a model of governance that will support plan execution. These local advisors will create a positive feedback loop to identify champions, resources, and community support for the projects and strategies outlined in this plan.

**Ultimately, local leaders must have the desire, capacity, and wherewithal to support and lead project execution.**

The Destination Plan should be viewed as a living document, a blueprint that will inevitably evolve as communities provide real time feedback, as partners and resources are identified, and as shifts occur island-wide and municipal priorities and leadership take place. These changes to the plan are to be expected and encouraged. In fact, the ability to spark dialogue and action, whether it looks exactly like the projects outlined here or reflects the push and pull of dialogue and compromise, are the hallmarks of a great plan – one that lives on in the actions and efforts of key stakeholders over time.

# Technical Appendix

# Glossary of Terminology

## Clusters

Businesses that benefit from working together to create and market tourism experiences that meet the needs of niche markets.

## Hotel Class

Hotel Class is a real estate term for commercial hospitality. There is no international classification adopted; hotels can be described based on their affiliation, their stars, or their customer offering (such as: Economy, Midscale, Upper Midscale, Upscale, or Boutique/Historic), but class describes the hotel's offerings based on price point and amenities, such as gyms, pools, and finishes. It is not used to make statements regarding the subjective qualities of hotels, customer ratings, or sentiment.

## Visitor Experience

The sum of all perceptions, senses stimulated, emotions evoked, and interactions a traveler has with the people, places, and cultures they encounter in a destination.

## Destination Marketing Organization vs Destination Management Organization

In recent years, the DMO acronym has been used to refer to traditional destination marketing organizations whose primary function is to promote and market the destination, tourism businesses, services, transportation, associated retail stores, restaurants, and events. Many also invest in primary research to inform decision-making. The alternate use of the term DMO (management) refers to organizations that include the promotion and research functions and also invest in broader industry development and stakeholder development activities.

Currently Puerto Rico has a Destination Marketing Organization also known as Discover Puerto Rico. The mission of this organization is to bring prosperity to Puerto Rico by collaboratively positioning our diverse and unique island as a premier destination for leisure, business and events.

## Puerto Rico Tourism Company (PRTC) & Porta del Sol

Founded in 1970, PRTC is a public corporation responsible for stimulating, promoting and regulating the development of the tourism industry in the Island. Both Cabo Rojo and San Germán have municipal tourism offices under the PRTC scope. In addition, both municipalities are part of Porta del Sol Region, a tourism brand developed by the PRTC in 2005. Porta del Sol has its own Regional Tourism Office located in Cabo Rojo where services are provided to the 19 municipalities that are part of this brand.

Porta de Sol Region is composed by the following municipalities: Aguada, Aguadilla, Añasco, Cabo Rojo, Guánica, Hormigueros, Isabela, Lajas, Lares, Las Marías, Maricao, Mayagüez, Moca, Quebradillas, Rincón, Sabana Grande, San Germán, San Sebastián and Yauco.

# Project Rubric

<b>Project</b>	Name
<b>Action Item:</b>	Description of the project
<b>Origin</b>	Where did the project originate from? You may select one or more options: Destination Planning Team, Community Meetings, Nido Cultural, FPR, National Agency, i.e. PRTC Porta del Sol Plan, or other.
<b>Diagnostic (Why?)</b>	Description we collected through the assessment that makes this a meaningful project. How did our findings lead us to this project?
<b>Budget</b>	<p>These budgets are our best guess right now, but these ranges may be subject to further revision based on our collective input.</p> <p><b>Low Budget</b> (Under \$50k), <b>Medium Budget</b> (\$50k - \$200k), <b>Large Budget</b> (\$200k +)</p>
<b>Timeframe</b>	<p>How long will the project take to implement?</p> <p><b>Short Term</b> (Less than 1 year), <b>Medium Term</b> (1-3 years), <b>Long Term</b> (More than 3+ years)</p>
<b>Partners and Resources</b>	Who are the potential partners and champions of this effort? Potential sources of funding may include Foundations, Public Funding Sources, Private Developers, Tax Haven investors, known grant opportunities, etc.
<b>Process</b>	What are the first and/or major steps towards the development of the project?
<b>Key Performance Indicators</b>	What are meaningful KPIs?
<b>Case Study or Best Practice</b>	Similar projects or initiatives implemented in other destinations.
<b>Risk</b>	<p>How challenging is this project to get off the ground?</p> <p><b>Low:</b> e.g. One-time investment with an identifiable champion, limited number of stakeholders, fewer unknown elements to the project, fairly-well identified.</p> <p><b>Medium:</b> e.g. These projects require 1-4 partners at the table, mostly local, more planning and funding, and may involve some capital investment where more detailed planning (i.e. construction documents) would be necessary, thereby making cost estimates difficult.</p> <p><b>High:</b> e.g. These projects require multiple partners, some may be State-level organizations, major capital projects with unknown conditions where pre-development feasibility is necessary, major infrastructure investments, etc.</p>

# Stakeholders interviewed

## Island-Wide

### **INprende**

Alessandra Correa

### **Kiva**

Several representatives

### **Grupo Guayacán**

Several representatives

### **Centro Para Emprendedores**

Nerma Albertorio Barnes

### **Instituto de Cultura Puertorriqueña (ICP)**

Jessa Vivas

### **Morgan Reed**

Brian Tenenbaum

### **ENDEAVOR**

Several representatives

### **Ports Authority**

Riollano Irizarri

### **Boys & Girls Club**

Patricia de la Torre

### **Invest PR**

Rodrick Miller

## Cabo Rojo

### **Llanos Tuna Community Association**

Mayris Noemi Ruiz Olmo (President)

### **Independent Fisherman/Diver**

Andrés Maldonado

### **Comité Caborrojeño ProSalud y Ambiente**

Pedro Valle (President, Board of Directors)

### **Municipality of Cabo Rojo**

Richard Matos Rivera (Recycling Coordinator)

### **Municipality of Cabo Rojo**

Orlando Toro Mercado (Director of Operations  
- Tourist Development Office)

### **Orobela Café Boutique**

Angela Ramírez (Owner)

### **Flamingo's / Pelicans**

Juan Carlos Muñiz (Founder/ Owner)

### **MOSS**

Luis Augusto Vargas (Owner)

### **Comité Caborrojeño ProSalud y Ambiente**

Sirena Montalvo (Vice President)

### **La Calaca Tex Mex**

Nydia Quiñones (Business Manager)

### **Rock N Go**

Antonio Cruz (Founder)

### **Cabo Rojo National Wildlife Refuge (CRNWR)**

Gisella Burgos (Ranger of the US Fish and Wildlife Service)

### **Combate Beach Hotel**

Tomás Ramirez

# San Germán

## **Museum of the History of San Germán (MHISA)**

Jose F. Lluch (President, Board of Directors)

## **Museum of the History of San Germán (MHISA); Círculo de Recreo de San Germán**

Jorge Luis Lamboy Torres

## **Lupitos Restaurant**

Luis Zaragoza (Owner and Head Chef)

## **Cultural Center Sangermeño Francisco Mariano Quiñones (CCS)**

Leonor Velázquez (President, Board of Directors)

## **Agricultura con Conciencia Rural, Ecológica y Sustentable (Agriculture with Ecological and Sustainable Rural Consciousness), ACRES**

Carmen Ramírez (President)

## **Municipality of San Germán**

Ramón Vázquez (Tour Guide)

## **Café Cultura Puertorriqueña, Inc. (Cafiesencia)**

Lisette Fas

## **Instituto de Cultura Puertorriqueña (ICP)**

Roxana Fernández (Cultural Promoter Representative for the South-West Regions)

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# Destination Plan Thank You

For more information, contact Foundation for Puerto Rico

787-773-1100 / [foundationforpuertorico.org](http://foundationforpuertorico.org)

Prepared by Streetsense



Foundation  
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**BOTTOM-UP**  
DESTINATION RECOVERY INITIATIVE