



4.0

Regional Governance



4.1 A Vision for Transformational Regional Governance

Across the globe, governance systems must increasingly cut across jurisdictional boundaries, align diverse sectors, and respond nimbly to complex social, economic, and environmental change. In Puerto Rico’s Eastern Region, the accelerating pressures of climate change, population shifts, infrastructure challenges, and the demands of a growing visitor economy underscore the need for a new governance approach, one that is both visionary and grounded in local realities. Over the next decade, we envision that Puerto Rico’s Eastern Region will be recognized as a national model of smart, sustainable, and collaborative development, thriving under a unified governance framework that amplifies local capacity and ensures long-term shared prosperity.

At the center of this transformation will be the Eastern Region Economic Development Council, a multisectoral body that will provide the backbone for coordination, continuity, and innovation. Through this entity, municipalities will move from operating in isolation to aligning strategies and investments, leveraging shared resources, and planning across jurisdictions. The Council will create an environment where regional priorities—such as mobility integration, workforce development, asset revitalization, and innovation—are advanced collectively, not piecemeal. By aligning municipalities, businesses, nonprofits, and residents



around common priorities, the Council will serve as the institutional anchor for resilience, competitiveness, and quality of life.

The Council will ensure that strategies are sustained across political cycles and grounded in community voice by embedding smart governance tools, transparent decision-making, and inclusive participation. Residents, local leaders, community organizations and small enterprises will see their priorities reflected in regional planning and key initiatives; businesses and investors will benefit from greater predictability and scale; municipalities will gain the technical and financial support needed to deliver on ambitious projects.

This is the future of governance in the Eastern Region: one where collaboration replaces fragmentation and siloed decisions, where shared stewardship strengthens resilience, attractions and assets are co-managed, and collective action turns local assets into engines of opportunity. Through the Economic Development Council, the Eastern Region will model a new way of leading, one that unites communities and institutions in shaping a sustainable, inclusive, and competitive future for Puerto Rico.



4.2 Building the Institutional Backbone for Regional Collaboration

The Eastern Region Economic Development Council is the cornerstone strategy for transforming governance. It provides the institutional framework through which municipalities, businesses, nonprofits, and residents can coordinate investment, align priorities, and sustain long-term efforts. By establishing a permanent body with defined powers, inclusive representation, and professional capacity, the Council will replace fragmented efforts with a unified platform for collaboration.





Building this backbone will require both a design and implementation process. First, the Council must be carefully structured with its purpose and powers defined, its functions established, its organizational framework set, and its legal and financial tools aligned. Then, it must be brought to life through phased implementation, stakeholder participation, capacity-building, and early demonstration projects that prove its value. Only through this deliberate sequence of design and action will the Eastern Region create not just a new institution, but a durable system for regional collaboration that can adapt and grow over time. Through this process the region can scale solutions, secure long-term funding, and adopt international best practices in destination management and regional economic development.

4.2.1 Economic Development Council Purpose and Powers

Puerto Rico's Eastern Region has long grappled with fragmented authority, inconsistent interagency collaboration, and limited institutional capacity and infrastructure to support regional coordination, planning and execution. The proposed governance model for the Economic Development Council addresses these challenges with a phased, broad-based, agile and adaptive framework grounded in the region's social, political, and economic realities. Its purpose is to coordinate and support economic development strategies in the Eastern Region, to foster multisectoral alignment, build trust, promote shared stewardship, and drive innovation in the visitor economy as prerequisites for long-term impact. Rather than a rigid structure, the model is a dynamic platform capable of evolving with changing opportunities and constraints.

The Economic Development Council will serve as a unifying mechanism that will exercise a set of powers that give it both convening authority and operating capacity. These include:

- Authority to Implement an Approved Strategic Plan for the Region, including the coordination, planning and execution of sustainable development initiatives, the pooling of resources, and the integration of governance structures and practices across the region. This may include integrated transportation and mobility; management of natural, cultural and recreational assets; business and entrepreneurial strengthening; human capital and workforce development; regional promotion and marketing; research, innovation and technology, data governance, and strategic planning.
- Institutional Representation, as an independent nonprofit entity, with balanced participation from municipal governments, community-based organizations, tourism and economic development groups, private industry, academic institutions, and relevant regional, and governmental agencies, the Council will represent the Eastern Region in local, national, and international forums on economic development, mobility, tourism, culture, and sustainability.
- Financial Stewardship, with the ability to manage, receive, administer, and distribute public and private funds; establish and charge fees for services and activities; and leverage financial mechanisms to support innovation, marketing, and economic development programs for the region.
- Operational and Administrative Capabilities, including the authority to operate and administer strategic assets under concession or delegation; hire personnel, consultants, and experts; establish regional or subregional offices; adopt internal regulations and procedures; and delegate responsibilities to thematic or intermunicipal committees.





- Partnership and Contractual Powers, including entering into agreements with public and private entities, delegating functions to concessionaires or strategic allies, and implementing regional initiatives in collaboration with multiple stakeholders.
- Policy and Advisory Roles, including issuing reports, recommendations, and technical advice to the executive and legislative branches of Puerto Rico, ensuring that regional needs and opportunities are consistently elevated to decision-making levels.

The internal governance of the Council will be guided by bylaws, transparent decision-making protocols, and principles of participatory inclusion to ensure legitimacy and accountability. It will be structured to ensure contributions across municipal, community, academic, business, and nonprofit sectors. In addition to a prescribed number of seats for the leadership board, the model also promotes the adoption of flexible mechanisms for equitable participation—such as rotating leadership roles, standing advisory groups, and regional roundtables to incorporate varied viewpoints and interests like youth, coastal communities, and heritage conservationists. This guarantees governance remains open, adaptive, and grounded in lived experience, propelling priority initiatives, while maintaining a manageable and accountable core structure.

In the current governance landscape, no single institution holds the mandate or capacity to coordinate region-wide development across sectors. The Economic Development Council will fill this critical gap by serving as a neutral and permanent anchor, bridging jurisdictions, aligning funding with community priorities, and sustaining momentum across electoral cycles. By improving policy continuity and institutional trust, the Council will de-risk regional collaboration and unlock new investment opportunities that no single actor could achieve independently.

Around the world, similar governance bodies have been established to manage tourism destinations and lead regional development (see Table 4.1 for a list of Destination Stewardship Organizations and their functions). The Economic Development Council adopts and adapts these proven models to the Eastern Region, ensuring that regional governance in Puerto Rico can meet the challenges of today while building a foundation for long-term resilience and prosperity.

Case Study: Shared Stewardship

Shared stewardship is a best practice that emphasizes co-responsibility among public agencies, private actors, civil society organizations, and community members in managing a region’s natural, cultural, and economic resources. Used in managing diverse systems, including environmental assets (e.g., Lake Tahoe Regional Planning Agency¹), tourism economies (e.g., Destination Stewardship Councils in Jackson Hole, Hawaii,² and The Bahamas³), and regional infrastructure projects (e.g., Auckland’s integrated planning

¹ For more information about Tahoe Regional Planning Agency see: <https://www.trpa.gov/>

² For more details about the Hawai'i Tourism Authority's Destination Stewardship Program see: <https://www.hawaiiitourismauthority.org/what-we-do/destination-stewardship-programs/>

³ For a description of The Bahamas Ministry of Tourism's Destination Stewardship Initiative on four Family Islands, see: <https://www.gstc.org/the-bahamas-destination-stewardship-initiative-a-conversation/>





authorities) it is gaining prominence as an emerging standard for regional coordination, continuity beyond political cycles, pooling expertise and funding, community ownership and benefits, and better alignment with public and private funding mechanisms that prioritize collaboration.

The U.S. Forest Service promotes a shared-stewardship approach to regional land and resource management, while the Economic Development Administration emphasizes alignment, integration, and collaboration across stakeholders. Both highlight the value of coordinated holistic approaches. Together, these federal priorities reflect the type of regional coordination that can help the Eastern Region Economic Development Council position the region at the forefront of strategic and inclusive development.

4.2.2 Functions of the Economic Development Council as a Multisectoral Coordinating and Decision-Making Body

The Economic Development Council is more than an administrative structure. Its functions are designed to resolve duplication, improve resource alignment, and maintain stability across successive leadership transitions. The Council will be structured to address complex regional development challenges, such as transportation and mobility, asset management and revitalization, and human capital development, that require collective efforts. Its legitimacy will derive from its ability to convene diverse actors, mobilize resources, and deliver measurable results with transformational impact. By lowering the cost of collaboration and creating new opportunities for synergy, it will serve as a regional catalyst to accelerate the region's economic development.

In carrying out its mandate, the Council will first serve as the coordinating body for participatory planning of a Sustainable Development Plan for the Eastern Region using this Strategic Vision as a fundamental basis. It will ensure alignment across the initial four strategic pillars for regional development:

1. Strengthening regional governance with a focus on the development of the regional economy that integrates the visitor economy, manufacturing, biotechnology, agrotechnology, aerospace technology, information technologies, and innovation services as complementary engines of growth;
2. Advancing infrastructure investments with a focus on an integrated transportation and mobility network at the intermunicipal level that facilitate visitor access, business logistics and labor mobility (for more, see Transportation and Mobility Pillar);
3. Promoting training, education and human capital development programs that address the needs of the visitor economy and strategic industrial sectors; supporting talent retention and initiatives for investment attraction and reshoring of strategic industries (for more, see Human Capital Pillar);
4. Supporting sustainable tourism by administering and co-managing tourist, recreational, cultural, natural and other assets, promote asset revitalization and the development of clusters, itineraries, new products, and small- and medium-sized businesses in tourism and





the regional value chain; developing and executing strategies to improve the visibility of offerings and services as well as other innovative tools that position the Eastern Region as an integrated destination for investment, tourism and economic development (for more, see Attractions Pillar).

Beyond planning, the Council will play an implementation and service role. It will convene stakeholders to co-develop and lead regional projects, offer shared services that increase efficiency and capacity for municipalities, nonprofits and small businesses, and facilitate public-private partnerships to mobilize additional resources and expertise. These functions will allow the Council not only to design strategies but also to translate them into tangible results to the benefit of all.

Technology will be central to the Council’s operations. By leveraging smart governance tools—including digital collaboration platforms, data-sharing systems, and project-management technologies—the Council will coordinate, monitor and support regional initiatives more efficiently. It will promote applied research and deployment of new technologies for regional management and strengthening of emerging sectors. Embedding technology into its core functions will allow it to optimize resource allocation, track impacts, and maintain institutional memory, ensuring continuity and sustained progress over time.

Finally, the Council will act as a catalyst for partnerships, lowering barriers for intergovernmental, multisectoral, and community collaborations. Through co-branded projects and co-managed assets, it will generate collective impact while helping partners tap into new funding streams. All its core functions will be carried out in accordance with principles of transparency, participation, institutional continuity, and accountability, ensuring that governance remains legitimate, adaptive, and aligned with the Eastern Region Strategic Vision.

4.2.3 Organizational Framework: A Living Platform for Regional Collaboration, Innovation, and Influence



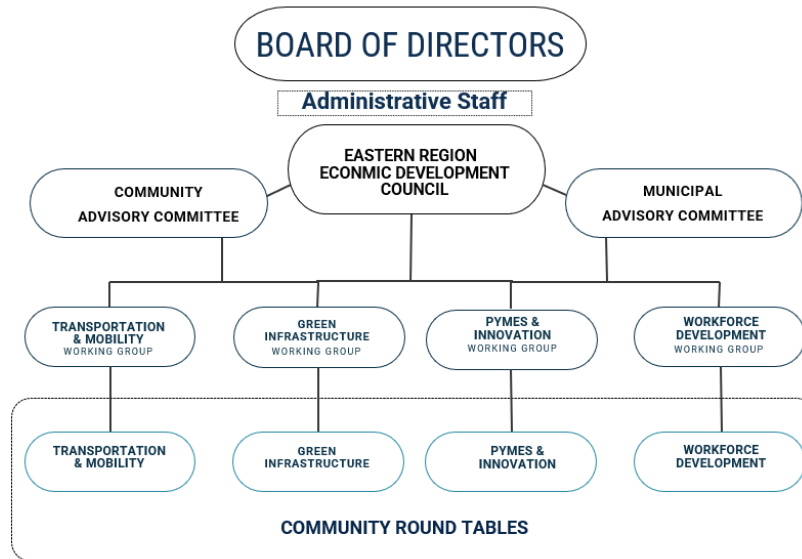


Figure 4.1: Example of an Organizational Structure for the Council

A core premise of the Economic Development Council is that regional governance produces better outcomes. The Council will serve not only as a coordinating body, but as a structured platform for dialogue, shared decision-making, and broad participation across the Eastern Region.

The Council will be composed of a Board of Directors, professional administrative staff, advisory committees, and thematic working groups. The advisory committees will serve as permanent standing mechanisms for stakeholder participation and alignment including a Municipal Advisory Committee, a Nonprofit Advisory Committee, an Academic Advisory Committee, and a Business and Industry Advisory Committee. Working groups or thematic advisory committees, led by a board member, will be established to support priority initiatives and may include non-members to facilitate necessary coordination. Through public engagement activities in the region, such as a program of community roundtables, the Council will foster participation of residents and local leadership, particularly in participatory planning processes. This framework ensures that municipal governments, private sector actors, and civil society are all represented in shaping the region’s development. Participation will be governed by bylaws, transparent decision-making protocols, and principles of accountability to maintain legitimacy and public trust.

Through this structure, the Council will provide a permanent multistakeholder platform where diverse actors can align around shared challenges in human capital development, mobility and access, destination management, small business support, and other strategic areas. It will facilitate continual engagement across public administration changes and institutional mandates, enabling dialogue, collaboration, and learning over time. By embedding robust data systems and drawing from lived community experience, the Council will foster new alliances, generate shared solutions, and strengthen regional capacity to respond to both immediate needs and long-term opportunities. This will allow broader collaboration among stakeholders facing similar challenges across the island and globally, allowing leaders to anticipate and seize emerging opportunities.





In this way, the Economic Development Council becomes not only a governance body, but also a transformative force for building social capital, promoting economic resilience, and driving prosperity of the Eastern Region.

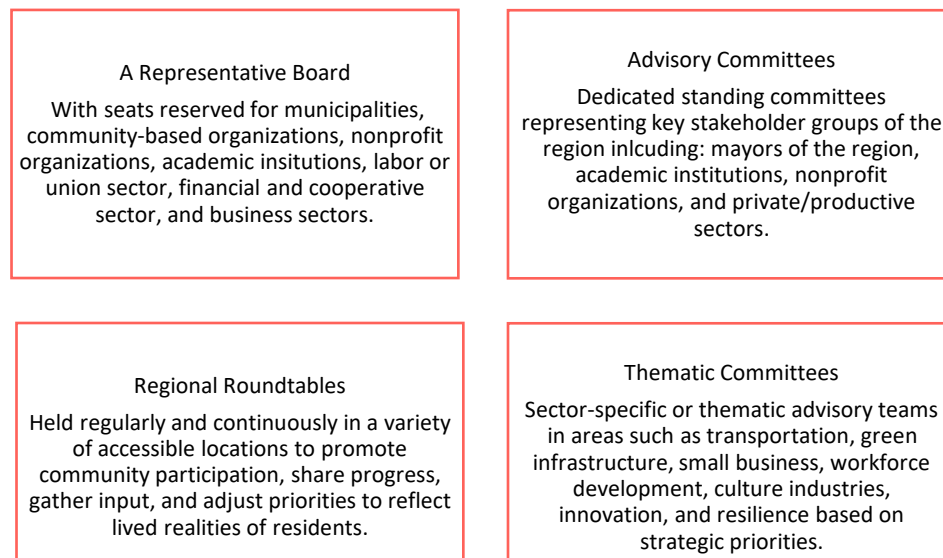
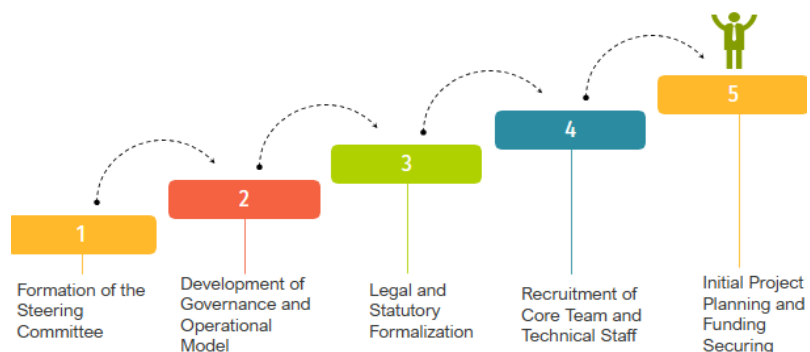


Figure 4.2: Components of the Council's multilateral engagement structure

4.2.4 Implementation: Phased and Adaptive Governance Development

The Council's development follows a phased approach that builds institutional capacity, stakeholder trust, and demonstrable impact over time. This methodology ensures that the Council emerges with broad community support, operational effectiveness, and the financial sustainability necessary for long-term regional leadership.



The implementation of the Council is envisioned in three distinct but connected initial phases, designed with flexibility so that stakeholders can co-create the institutional framework before its full formalization. During this formative period, the Council can benefit from the accompaniment of Foundation for Puerto Rico, which is positioned to contribute its experience in administration, finance, compliance and organizational development. This support will enable the Council to operate effectively from its inception while laying the groundwork for its transition to a self-sufficient and fully autonomous operational model. By supporting the structuring of internal processes and the strengthening of institutional capacity, FPR's involvement would accelerate the Council's progress toward achieving long-term sustainability and independence. Ultimately, the Council is expected to consolidate that autonomy and continuously adapt, innovate, and grow.





Phase I: Steering Committee and Early Action (Years 1-2)

The first phase focuses on the establishment of a steering committee that includes active participation of the private sector, public officials, non-profit organizations, educational institutions and private citizens. This Steering Committee will lead the formation of the Economic Development Council and establish organizational readiness for action to lead implementation of priority regional initiatives. This effort can be facilitated by Foundation for Puerto Rico (FPR), a neutral intermediary and support organization which has played a central role in convening actors and laying the groundwork for a shared regional vision. During this phase, stakeholders will prioritize areas of common interest—such as mobility, workforce development, or shared services—and advance early-win projects that generate tangible benefits. The steering committee will also co-develop the Council’s foundational governance framework, drafting bylaws, decision-making protocols, participation mechanisms, and a strategy for securing initial and long-term financing. With critical administrative functions provided by FPR, this incubation period will allow for early actions working as a convener, coordinator and implementor while the formalization process is initiated. Establishing trust and demonstrating value through short-term wins will be essential to build the legitimacy and momentum needed to carry the process forward.

Phase II: Formal Incorporation and Activation (Years 2-4)

The second phase involves formally incorporating the Council as an independent organization, with the formation of an initial Board of Directors as established in its founding charter and carrying out initial duties as required by the laws of incorporation. This would include a convening of the incorporators including ex-officio members to elect members of the Board of Directors, convening of the official meeting of the Board, election of the officers, adoption of the bylaws and corporate seal and initiation of the process of qualifying as a non-profit corporation. During this phase, the Council will activate all its core strategic functions—establishing its governance structure and multisectoral participation mechanisms, coordinating payment of essential operational and programmatic expenses including hiring of professional staff, regional planning, and implementation of high impact projects—while aligning its structure with relevant state and federal frameworks. The Council would continue to benefit from the support of an organization like FPR, to ensure that it acquires the institutional capacity to manage its operations effectively, secure diverse funding streams, and sustain continuity until it can operate independently. The goal is to create a resilient and responsive institution that will grow into one or more of the roles described in the Implementation Scenarios for the Long-Term section as an Economic Development Organization (EDO), a Regional Planning Organization (RPO), or a Destination Stewardship Organization (DSO), depending on the region’s evolving needs and strategic opportunities.

Phase III: Growth, Innovation, and Institutional Strengthening (Years 5 and onward)

The Council's third phase emphasizes developing innovative financing mechanisms and expanding institutional capacity. This phase includes implementing approved strategies such as innovative co-management models for natural, cultural and recreational assets, deploying cutting-edge data and civic technology systems, shared services for the small businesses and entrepreneurial ecosystem, and building the Council's role as a regional advocate, promoter,





and policy leader. The Council will continue to build its financial capacity to gain the skills, systems, and partnerships needed to secure diversified investment from governmental and non-governmental sources, including international funding streams and revenue generating services and value capture mechanisms. Success in this phase establishes the Council as a permanent institutional asset capable of coordinating long-term regional development while adapting continuously to emerging challenges and opportunities.

Building on Existing Momentum in the Region

The Council's implementation strategy will leverage years of collaborative groundwork already completed through Foundation for Puerto Rico's regional engagement process, as well as the achievements of other private and public organizations in the region. Municipal leaders, business owners, NGOs, community organizations, and residents have participated in extensive visioning sessions, identified shared priorities, and demonstrated commitment to regional cooperation. These sessions have identified critical synergies among stakeholders and sectors. Depending on the opportunities captured for securing adequate resources for formalization, this process will be further accelerated by conferring the role of technical secretariat to FPR, whereby it will have responsibility for incorporation of the Council, supporting the establishment of its institutional governance, structuring internal processes, and providing administrative, financial and compliance services and facilities. This approach provides the stakeholder relationships, shared understanding, and collaborative capabilities necessary for the Council to launch successfully and begin delivering results immediately rather than spending years building basic operational capacity, community trust, and alignment.

Scaling Regional Stewardship Across Puerto Rico

Beyond the Eastern Region, lessons learned can be leveraged to support the accelerated organization of other regions in Puerto Rico, whereby Foundation for Puerto Rico may continue to provide support by conducting research and analysis of regional assets, advising on governance models, and fostering inter-regional collaboration between the Council and other regional development organizations. This phase will cement the Council's position as a model for integrated regional governance in Puerto Rico.

Steps to Formalizing and Activating a Regional Economic
Development Organization



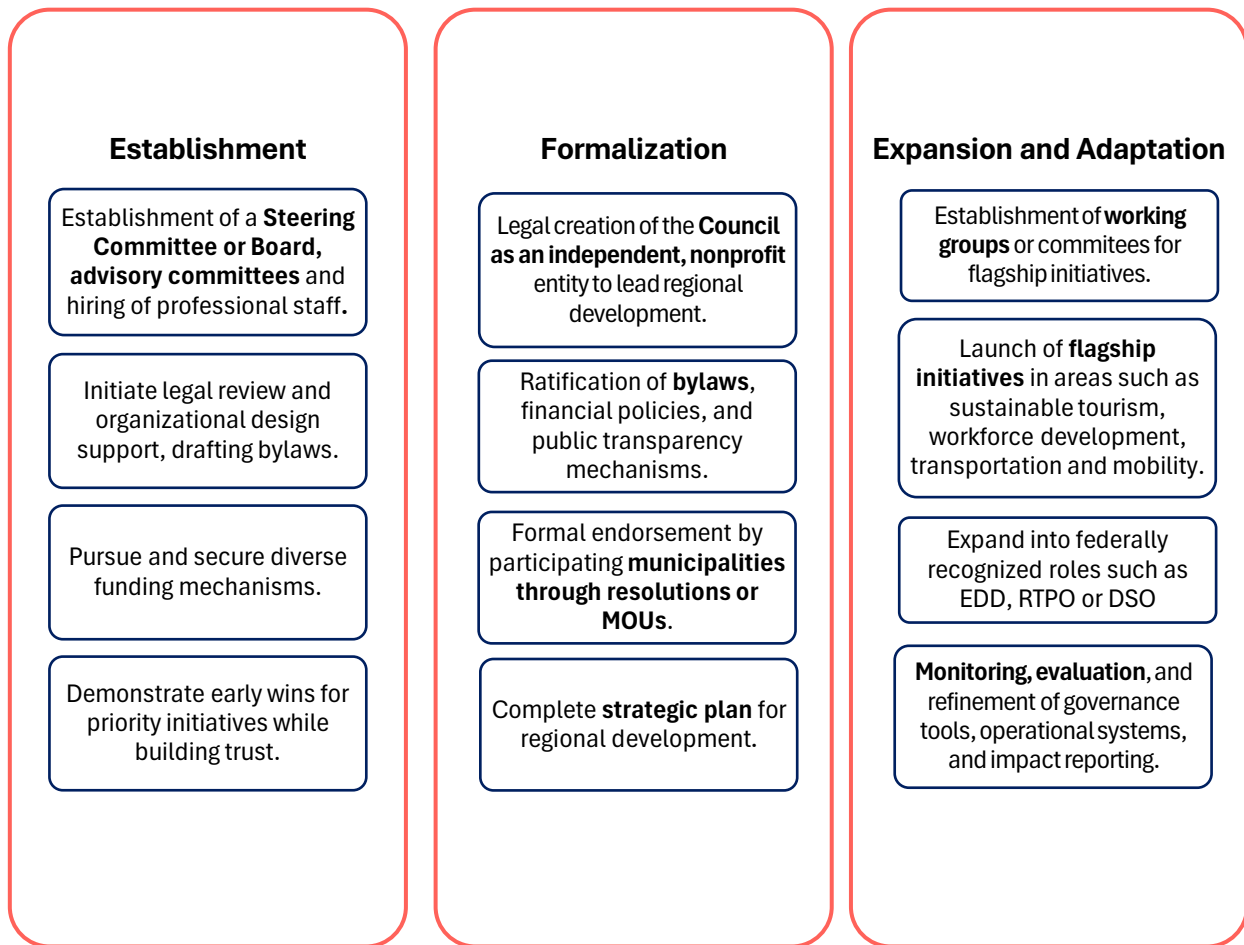


Figure 4.3: Steps to establishing and formalizing a regional economic development council





4.2.5 Anchoring the Council in a Shared Vision

The Council will be the institutional expression of a shared regional vision. This vision so far has been shaped through years of intentional and sustained engagement led by Foundation for Puerto Rico (FPR), bringing together municipal governments, community leaders, small business owners, tourism operators, environmental advocates, state and federal agencies, and regional institutions. Through this process, a collective understanding has emerged: that governance, strategic investment, and stewardship of natural and cultural assets are central to a resilient and thriving Eastern Region. This vision can continue to evolve with the council to guide its strategic decisions and sustain collaboration, giving regional actors a common language and set of aspirations.



4.2.6 The Need for Implementing Multiple Strategic Functions

The Eastern Region Economic Development Council is designed to be a dynamic organization that must assume multiple functions to address the region's complex and interrelated challenges. Its core functions include convening diverse stakeholders, aligning fragmented investments, stewarding shared assets, and building initiatives that endure beyond political timelines. These give the Council legitimacy and purpose, but they require a practical framework to be carried out effectively.

To translate broad functions into practice, the Council will organize its work around a set of strategic functions that integrate governance, investment, stewardship, and participation. These strategic functions are rooted in global best practices yet tailored to Puerto Rico's unique context of fragmented authority, climate vulnerability, and a rapidly expanding visitor economy. By filling the gaps that municipalities and agencies cannot address alone, the Council creates platforms for collaboration that elevate local voices while positioning the Eastern Region to compete globally.

Around the world, councils and regional entities have demonstrated the power of a multifunctional model, integrating transportation, environmental stewardship, tourism management, business support, and shared services under one governance platform. The following table highlights examples from New Zealand, Colombia, Portugal, and the United States that illustrate how multifunctional stewardship councils can operate in practice. These global precedents reinforce both the feasibility and necessity of the approach proposed for Puerto Rico's Eastern Region.





Table 4.1: Global Stewardship Organizations Implementing Multiple Functions

Global Stewardship Organizations Implementing Multiple Functions					
Region / Entity	Destination Management	Transportation	Environmental Stewardship	Small Business Support	Shared Services
Auckland Council (New Zealand) ⁴	Auckland Unlimited: ⁵ tourism & creative economy	Auckland Transport (ferries, buses, rail)	Urban forests, coastal zones, water catchments	SME training, tourism incentives	Planning, procurement, amenities
Valle de Aburrá (Colombia) ⁶	Cultural corridor & eco-tourism zones	Metro de Medellín & regional bus system	River cleanup, forest parks, air quality	Creative economy zones, microbusiness programs	Waste, infrastructure, emergency response
Alentejo Regional Tourism Entity (Portugal) ⁷	Regional rural tourism strategy	Limited; focus on access to rural sites	UNESCO site integration, eco-trails	Family lodging, wineries, local crafts	Collaborative planning with municipalities
Mancomunidad de la Subbética (Spain) ⁸	Regional rural tourism (14 municipalities)	Limited; focused on green trails (via verde)	UNESCO Geoparque; Certified Destino starlight	Olive oil, astro and eco-tourism development support	Local infrastructure maintenance, planning
Metropolitan Council (Minnesota, USA) ⁹	Transit-linked tourism nodes	Metro Transit (bus, light rail)	Wastewater, stormwater, green infrastructure	Small biz near transit hubs	Planning, housing finance, data systems
Tahoe Regional Planning Agency (USA) ¹⁰	Sustainable tourism & trail planning	Free regional transit for visitors	Lake conservation, wildfire mitigation	Outdoor gear, event vendors	Permitting, regional zoning
North Coast Resource Partnership (California, USA) ¹¹	Tourism in rural economies	Trail & rural access planning	Watersheds, wildfire resilience	Tourism-facing microenterprises	Grant writing, planning, data services

Building on these exemplars, the Council’s strategic functions will be implemented through a set of priority areas that will allow for quickly moving to translate vision into action. Each responds to specific gaps and opportunities in the Eastern Region, from integrated mobility to asset revitalization, workforce development, and innovation partnerships. The Council will braid these diverse functions together through an integrative platform that will channel fragmented efforts into tangible outcomes: resilient infrastructure, thriving small businesses, revitalized cultural and natural assets, and empowered communities.

⁴ For more information about the Auckland Council, see: <https://aucklandunlimited.com/>

⁵ For more information about Auckland Unlimited, see: <https://aucklandunlimited.com/>

⁶ For more information about Valle de Aburrá, see: <https://corregimientos.antioquia.gov.co/subregion-valle-de-aburra/>

⁷ For more information about the Alentejo Regional Tourism Entity, see: <https://www.visitalentejo.pt/pt/>

⁸ For more information about the Mancomunidad de la Subbética, see: <http://mancomunidad.subbetica.es/>

⁹ For more information the Metropolitan Council, see: <https://metro council.org/>

¹⁰ For more information about the Tahoe Regional Planning Agency, see: <https://www.trpa.gov/>

¹¹ For more information about the North Coast Resource Partnership, see: <https://northcoastresourcepartnership.org/>



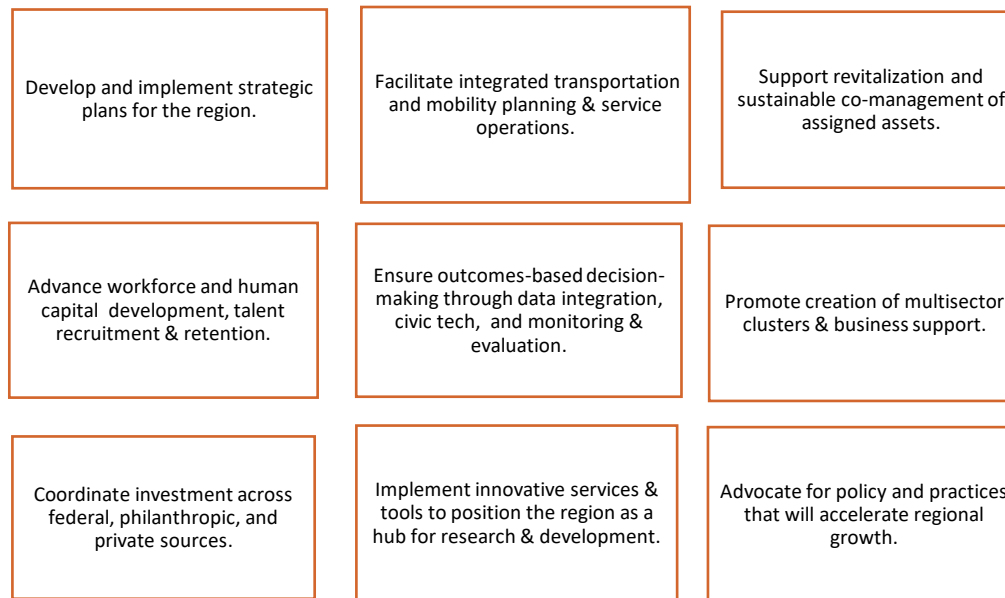


Figure 4.4 Strategic functions of the Council

4.2.7 Strategic Functions: Driving Local Empowerment and Regional Impact

The Council’s purpose extends beyond coordination; it seeks to serve as an integrative platform for multisectoral alignment, data-informed planning, and shared implementation of regional priorities. Unlike traditional governance efforts fragmented by jurisdictional boundaries and political cycles, the Council provides a nonpartisan platform focused on long-term sustainable development and local empowerment. Its following strategic functions will allow for adaptive response to changing needs, emerging opportunities and challenges, and the continued input of regional stakeholders.

Facilitating Integrated Transportation and Mobility Systems Planning & Service Operations

Mobility in the Eastern Region is currently defined by fragmentation and inequity. Existing municipal trolley systems operate as disconnected loops, while ferries, intercity buses, and carros públicos lack digital integration, real-time information, and shared ticketing. For residents, this means dependence on personal vehicles, high transportation costs, and limited access to jobs, education, and services. For visitors, it translates into inefficiency, congestion, and uneven access to attractions and recreational areas across the region. Without coordinated governance, municipalities are unable to build and sustain the regional multimodal systems needed to meet the demands of both residents and a growing visitor economy.

The Economic Development Council will provide an integrative platform to coordinate infrastructure investment and unify mobility planning across the region. It will champion multimodal connectivity—linking ferries, microtransit, municipal trolleys, and intercity bus systems into a seamless network that reduces private vehicle dependence and expands equitable access. By promoting active mobility infrastructure such as pedestrian corridors, bike lanes, and trail systems, the Council will also





strengthen sustainable tourism linkages while improving quality of life for residents. Technology will be central to this approach: as described in the Transportation & Mobility Pillar, Mobility-as-a-Service (MaaS) platforms, smart ticketing, and real-time transit data will allow for dynamic optimization of fleets, reduced fuel consumption, and improved service reliability.

As demonstrated by Auckland’s integrated transport authority^{12 13} and the Metro de Medellín,¹⁴ regional councils that unify fragmented transit systems can dramatically improve accessibility, efficiency, and equity, models that the Eastern Region Council is poised to adapt to Puerto Rico’s context. Moreover, as illustrated by the Jackson Hole Travel & Tourism Board’s Destination Stewardship Council, lodging tax revenues can be directed to a shared mobility system that serves residents, workers and visitors, reducing congestion and environmental impact while increasing accessibility to recreational areas (see “Best Practices: Teton County, Wyoming – Turning Vision into Action” below).

Equally important, the Council will support small municipalities with the technical and operational capacity they cannot build on their own. By pooling expertise and resources, the Council will make it possible for communities with limited budgets to participate in modern, technology-enabled systems that would otherwise be cost-prohibitive. It will also advocate for climate-smart and nature-based infrastructure, such as green stormwater infrastructure and low-carbon transit investments, that reduce environmental impacts while strengthening regional resilience.

By connecting fragmented systems into a coherent, multimodal network, the Council will lower municipal costs, expand opportunities for residents, and make the Eastern Region a model of sustainable mobility. The result will be a transportation system that not only moves people efficiently but also drives regional competitiveness and positions the visitor economy for long-term growth.

Supporting Asset Revitalization, Resilience, and Risk Mitigation

Though rich in cultural sites and natural landscapes, too many of the region’s assets are degraded, overlooked, or vulnerable to climate and disaster risks. Individual municipalities often lack the technical, financial, or administrative capacity to maintain and revitalize these assets in ways that balance economic opportunity with environmental and cultural stewardship. Without coordinated action, valuable resources, from heritage sites and waterfronts to Roosevelt Roads and El Yunque’s surrounding communities, remain fragmented and exposed to neglect, disaster risks, and unsustainable development pressures.

The Economic Development Council will provide the institutional framework to transform these assets into engines of sustainable growth. By identifying and prioritizing key regional assets, the Council will guide investment toward sites with the greatest potential for revitalization and equitable use. Through long-term agreements, it will actively manage assets, including concessions or co-management agreements with NGOs and/or the private sector. It will broker co-management models and concessions agreements that allow municipalities, community organizations, and private

¹²Auckland Transport. (2025, November 4). *How we work*. Auckland Transport. <https://at.govt.nz/about-us/our-role-organisation/how-we-work>

¹³ Auckland Transport. (2023). *Future Connect 2023 Main Report*. https://at.govt.nz/media/3dvdh1va/fc_main_report_2023.pdf

¹⁴ *History of the Medellín Metro*. Metro Medellín. <https://www.metrodemedellin.gov.co/en/who-we-are/history>





partners to share responsibility for beaches, trails, parks, and historic areas, while ensuring community voices shape decision-making for social benefit.

Through adaptive reuse of strategic sites and public lands, the Council will promote development of multisectoral clusters that reflect local priorities, diversify tourism offerings, and generate long-term economic returns for small and medium sized businesses. Coordinating with the government of Puerto Rico, municipalities, NGOs, private companies and communities, the Council will catalyze the implementation of joint initiatives that enhance regional competitiveness and economic sustainability. For more, see the Attractions Pillar for key strategies and initiatives that can be prioritized.

Resilience will be woven into every aspect of this strategy. Climate risk assessments and hazard mitigation will inform land-use, infrastructure, and tourism planning, while nature-based solutions such as reforestation, green stormwater infrastructure, and living shorelines will strengthen ecosystems and protect vulnerable communities. Global evidence shows that integrating nature-based solutions into asset management requires coordinated governance frameworks that elevate the economic, social, and ecological value of green infrastructure,¹⁵ underscoring why a regional body like the Council is essential to institutionalize and prioritize these approaches. For example, Hawai'i's recent shift to island-based destination management show how strategies for managing natural and cultural assets for recreation and tourism need to be tailored to the community context so that communities are active participants in asset management and environmental stewardship (see "Best Practices: Hawai'i Regenerative Destination Management Model"). Other examples demonstrate that localized approaches can successfully balance risk mitigation and conservation with economic use, a balance that will be central to the Eastern Region's development strategy. The Council will work collaboratively so that development enhances the region's identity, valuable natural resources and social fabric by embedding accessibility, cultural integrity, and environmental safeguards into revitalization projects.

Case Study: Teton County, Wyoming – Turning Vision into Action | Destination Stewardship Council

In the heart of the Rocky Mountains, Teton County, a gateway community Yellowstone and Grand Teton National Parks, faced a familiar challenge: how to welcome visitors while protecting the landscapes, culture, and communities that make the destination unique. In 2022, the Jackson Hole Travel & Tourism Board (JHTTB) launched a collaborative planning process to imagine a future where tourism strengthens—rather than strains—the local community. The result was the

¹⁵ Zarei, M., & Shahab, S. (2025). Nature-based solutions in urban green infrastructure: a systematic review of success factors and implementation challenges. *Land*, 14(4), 818. <https://doi.org/10.3390/land14040818>





Sustainable Destination Management Plan (SDMP), adopted in 2023 after months of public engagement, technical analysis, and shared visioning.¹⁶

Rather than letting the plan gather dust, stakeholders transformed its momentum into a Destination Stewardship Council, a permanent forum for cross-sector collaboration. This Council includes municipal and county agencies, conservation leaders, housing advocates, business owners, and residents, united by a commitment to shared goals.¹⁷ It works through targeted working groups and plays an active role in guiding how lodging tax revenues are invested, redirecting funds toward stewardship, sustainable mobility, workforce housing, and visitor education.¹⁸

Focus Areas & Early Wins

- **Housing & Workforce Stability:** Created a worker resource hub, a “Jackson Hole Workforce Connection” platform, and hosted community orientations for frontline staff.
- **Sustainable Mobility:** Initiated public transit feasibility studies to connect recreation areas while reducing congestion.
- **Stewardship Messaging:** Expanded “Travel Kindly” visitor campaigns to encourage respect for nature and local culture.
- **Data-Driven Decisions:** Developed a public housing dashboard to track needs and progress.



Why It Resonates with the Eastern Region

Teton County’s journey shows how a destination can move from vision to sustained action—anchoring collaboration in a formal structure, aligning funding with shared priorities, and tackling complex challenges in housing, workforce, and mobility. Its experience demonstrates that when communities unite around a common vision, create mechanisms for joint decision-making, and connect resources to that vision, they can chart a future for sustainable tourism.

Facilitating Disaster Recovery and Risk Mitigation

In Puerto Rico, the stewardship of public assets has become inseparable from the broader goals of disaster recovery, climate adaptation, and sustainable development. In the aftermath of the 2017

¹⁶ Sustainable Destination Management Plan. *Jackson Hole Travel & Tourism Board*. <https://industry.visitjacksonhole.com/sdmp>

¹⁷ SDMP Progress Tracker. *Jackson Hole Travel & Tourism Board*. <https://industry.visitjacksonhole.com/sdmp/progress>

¹⁸ About Lodging Tax. *Teton County Wyoming*. <https://www.tetoncountywy.gov/469/About-Lodging-Tax>





hurricanes, federal and local recovery frameworks elevated asset revitalization and risk-informed management as priorities, embedding them into some of the largest mitigation and reconstruction initiatives in U.S. history. These experiences not only underscore the critical role of asset management in reducing vulnerabilities but also reveal persistent structural gaps that a regional governance structure, such as the proposed Council, could address.

The CDBG-MIT Action Plan, approved in 2020 and updated through multiple amendments, committed \$8.285 billion in mitigation resources to Puerto Rico, an unprecedented allocation that positioned resilience-building as a top priority. The CDBG-MIT program also allowed for the creation of Municipal Recovery Plans which, in the aftermath of Hurricanes Irma and Maria, play a key role in identifying regional challenges and disaster mitigation strategies. Other programs such as the Infrastructure Mitigation Program (IMP), with over \$4.5 billion in funding, target transformative projects in lifeline sectors including energy, water, health, communications, and transportation. Importantly, these programs embed principles of strategic selection, competitive awards, and the requirement of long-term operations and maintenance plans, signaling a shift toward lifecycle thinking in public investment.¹⁹ ²⁰ Complementary initiatives like the Risk and Asset Data program and Mitigation and Adaptation Policy Support (MAPS) reinforce the centrality of geospatial data, asset inventories, and institutional capacity in guiding investments.²¹

At the municipal level, FEMA requires all jurisdictions to maintain Local Hazard Mitigation Plans (LHMPs) as a condition for federal funding eligibility. In Puerto Rico, the Planning Board coordinates these plans on an island-wide cycle, producing a standardized framework for identifying risks and prioritizing local mitigation actions. While LHMPs provide valuable baselines, analyses have noted their tendency to be compliance-driven, often relying on templates and external facilitation with limited integration into everyday municipal decision-making. This has reduced their potential to guide capital programming and long-term risk reduction.²²

Other major planning frameworks reinforce the same themes. The RAND-led Economic and Disaster Recovery Plan (Disaster Recovery Plan), *Transformation and Innovation in the Wake of Devastation*, explicitly called for asset revitalization as a driver of both resilience and economic renewal, recommending co-management agreements, cross-sector collaboration, and the integration of natural and cultural resources into economic recovery.²³ The ReImagina Puerto Rico reports (ReImagina), informed by nearly 750 stakeholders across 77 meetings, echoed these priorities, emphasizing participatory co-management of parks, forests, and cultural assets, the revitalization of

¹⁹ *Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees (CDBG Mitigation)*, 86 FR 561 (January 6, 2021).

²⁰ U.S. Department of Housing and Urban Development, & Puerto Rico Department of Housing. (2024, August 2). *4th Amendment to the CDBG-MIT Action Plan (Substantial): Effective on August 1, 2024*. <https://recuperacion.pr.gov/en/download/4th-amendment-to-the-cdbg-mit-action-plan-substantial-effective-on-august-1-2024/>

²¹ U.S. Department of Housing and Urban Development, & Puerto Rico Department of Housing. (2024, August 2). *4th Amendment to the CDBG-MIT Action Plan (Substantial): Effective on August 1, 2024*. <https://recuperacion.pr.gov/en/download/4th-amendment-to-the-cdbg-mit-action-plan-substantial-effective-on-august-1-2024/>

²² Government Accountability Office (GAO), GAO-24-105557: *Puerto Rico Disasters: Progress Made, but the Recovery Is Far from Over* (2024).

²³ Central Office for Recovery, Reconstruction and Resiliency. (2019). *Transformation and Innovation in the Wake of Devastation: An Economic and Disaster Recovery Plan for Puerto Rico*. Puerto Rico Science Trust. <https://prsciencetrust.org/wp-content/uploads/2019/01/pr-transformation-innovation-plan.pdf>





urban and rural centers, and the recognition of natural infrastructure as both a resilience measure and an economic opportunity.²⁴ These documents converge on the idea that managing assets as shared, resilient, and economically productive resources is central to a sustainable future.

Despite these advances, the implementation of recovery funds has faced persistent challenges. By mid-2023, less than 10 percent of major recovery projects had begun construction, despite billions in federal obligations.²⁵ Bottlenecks in reimbursement models, overlapping compliance reviews, and limited municipal technical capacity have left assets closed, deteriorating, and at risk of losing funding if repairs are initiated prematurely. Smaller municipalities face barriers related to liquidity, procurement expertise, and federal grant compliance, underscoring the need for shared capacity and technical support.²⁶

Looking forward, an Economic Development Council could help turn these lessons learned into practice by institutionalizing asset management as a risk reduction and climate adaptation strategy. By aligning CDBG-MIT priorities, CDBG-DR revitalization efforts, FEMA hazard mitigation requirements, and municipal LHMPs into a unified regional asset portfolio, the Council would give structure and continuity to what is now a fragmented process. It could convene municipal emergency managers, state agencies such as PR Department of Housing, PR Emergency Management Bureau, Central Office for Recovery, Reconstruction and Resiliency (COR3), and the Planning Board, and nonprofit partners to harmonize project design, environmental review, and funding timelines. Shared services for grant management, procurement, and compliance would reduce the burden on small municipalities or non-profits, while a regional data hub could integrate hazard layers, asset conditions, visitation patterns, and equity indicators into decision-making dashboards. Perhaps most importantly, the Council could broker co-management agreements that tie capital investment to long-term maintenance obligations and community benefits, ensuring that assets remain open, resilient, and productive.

The trajectory of recovery planning in Puerto Rico illustrates that asset management is a core resilience function, explicitly prioritized in the CDBG-MIT Action Plan, the FEMA hazard mitigation framework, and recovery blueprints such as the Disaster Recovery Plan and Relmagina. Backcasting from this vision, the Eastern Region's future resilience depends on building a governance model that treats assets as regional commons—managed collectively, supported by robust data and funding, and leveraged to generate ecological, cultural, and economic value (for more on integrating technology for asset management, see Attractions Pillar). The Council can provide that missing architecture: a platform to translate unprecedented federal resources into durable, equitable, and climate-ready infrastructure systems.

²⁴Resilient Puerto Rico Advisory Commission. (2018, June 20). *Relmagina Puerto Rico report*. https://grupocne.org/wp-content/uploads/2020/12/Relmagina_Puerto_Rico_Report_ENG_03.04.2019.pdf

²⁵ Government Accountability Office (GAO), GAO-24-105557: *Puerto Rico Disasters: Progress Made, but the Recovery Is Far from Over* (2024).

²⁶ Government Accountability Office (GAO), GAO-24-105557: *Puerto Rico Disasters: Progress Made, but the Recovery Is Far from Over* (2024).





Case Study:

Hawai'i's Regenerative Destination Management Model

In 2020, the Hawai'i Tourism Authority (HTA) with county governments and island-based visitor bureaus, initiated the first Destination Management Action Plans (DMAPs) for the four main islands—Kaua'i, Maui Nui, O'ahu, and Hawai'i Island.²⁷ Part of pandemic recovery, these Action Plans marked a pivot toward *regenerative tourism* using more localized approach, to sustain the region and restore communities and ecosystems.^{28 29} At its heart lies a philosophy of *regenerative tourism*: a mindset that seeks to leave destinations *better than before*, nurturing ecological health and enriching community life, and that local communities must be at the forefront of the shift.³⁰

The DMAPs were shaped through inclusive, multi-stakeholder planning—each island established advisory groups involving community leaders, residents, businesses, and agencies to ensure local values guided the priorities. Core focus areas included:

- Cultivating responsible visitor behavior;
- Easing hotspot overcrowding;
- Protecting natural and cultural assets;
- Enhancing community well-being.³¹

Since July 2023, HTA has restructured its governance to include island-level destination management roles, a way to regionalize the system to enable local accountability and stewardship. The “Governance with Aloha” initiative in late 2024 recommended formalizing coordination between state and islands and creating a sustainable funding framework for stewardship.³² In June 2025, Hawai'i enacted a “green fee” on visitor lodging—set to begin in 2026—projected to raise about \$100 million annually for mitigation and environmental protection.³³

Early Action Highlights

- On Hawai'i Island, the Trail Stewards Program deployed local guides at key over-visited trails to elevate cultural interpretation, manage flows, and reduce unregulated usage.³⁴
- On O'ahu, hotspot management at Hanauma Bay expanded through reservation systems, visitor limits, required orientation films, and even sunscreen controls to protect coral reefs. A

²⁷ Destination Management. Hawaii Tourism Authority. <https://www.hawaii-tourism-authority.org/what-we-do/destination-management/>

²⁸ Hawai'i Tourism Authority. (2021, April 1). *Hawai'i Island Destination Management Action Plan 2021-2023*. <https://www.hawaii-tourism-authority.org/media/7040/hta-hawaii-island-action-plan.pdf>

²⁹ Hawai'i Tourism Authority, Department of Business, Economic Development & Tourism, & State of Hawai'i. (2024, December). *2024 Annual Report to the Hawai'i State Legislature Regular Session of 2025*. <https://files.hawaii.gov/dbedt/annuals/2024/2024-hta.pdf>

³⁰ Meet Hawaii Team. (2022, October 6). Hawai'i's Regenerative Tourism Movement. *Meet Hawai'i*. <https://www.meethawaii.com/articles/post/hawaiis-regenerative-tourism-movement/>

³¹ Hawai'i Tourism Authority. (2021, April 1). *Hawai'i Island Destination Management Action Plan 2021-2023*. <https://www.hawaii-tourism-authority.org/media/7040/hta-hawaii-island-action-plan.pdf>

³² Office of the Auditor State of Hawai'i. (2025). *Audit of the Hawai'i Tourism Authority: A Report to the Governor and the Legislature of the State of Hawai'i* (No. 25-07; p. 63). <https://files.hawaii.gov/auditor/Reports/2025/25-07.pdf>

³³ State of Hawai'i & Green, J. (2025, May 27). *Governor Green Signs Historic Senate Bill 1396 Codifying a Green Fee to Mitigate Climate Impacts in Hawai'i*. <https://governor.hawaii.gov/newsroom/office-of-the-governor-news-release-gov-green-signs-historic-senate-bill-1396-codifying-a-green-fee-to-mitigate-climate-impacts-in-hawaii/>

³⁴ Green, J., & Chang, D. (2024, February 29). *Stewards Promote Aloha 'Āina at Sensitive Sites*. <https://governor.hawaii.gov/newsroom/dlnr-news-release-stewards-promote-aloha-%ca%bbaina-at-sensitive-sites/>





statewide reservation and fee system for non-resident visitors across the state parks was also introduced.^{35 36}

Why It Matters for the Eastern Region

Although Hawai'i differs geographically, its transition from centralized tourist promotion to island-based stewardship offers a compelling parallel for shifting focus to a regional level. Adopting regenerative tourism principles, coupled with inclusive governance structures and dedicated funding models, can ensure that shared assets are protected, communities thrive, and the visitor economy becomes a force for renewal.

Advancing Workforce and Human Capital Development and Economic Opportunity

Despite the region's natural and cultural assets, economic leakage remains high: too much of the visitor economy is captured by outside firms, while local businesses and workers often remain peripheral. Outmigration has drained talent, and too many residents lack entryways to stable employment or entrepreneurship. Municipal governments and workforce boards have developed important projects, but without regional integration, training pipelines are not always connected to the larger economic development framework, be that reshoring initiatives or industries driving demand: tourism, digital services, and the green economy.

The Economic Development Council will tackle these gaps by creating a unified workforce and economic opportunity strategy for the Eastern Region. It will work closely with regional labor boards like Conexión Laboral Noreste and Sureste, along with academic institutions and employers, to align training programs with real market demand and emerging industries. Digital and high-demand skills will be prioritized, ensuring that residents can access the jobs of tomorrow. At the same time, the Council will promote entrepreneurship and support small enterprises, offering technical assistance, incubation services, and pathways to formalization for the many micro-businesses that make up the local economy. See the Human Capital Pillar for details on key strategies and initiatives that can be prioritized.

By embedding workforce and business development within Council-led projects, residents and small businesses will benefit directly from the investments made in mobility, asset revitalization, and tourism infrastructure. Civic tech and innovation hubs will play a key role in bridging the digital divide, enabling flexible, personalized training models and lifelong learning. These efforts will not only reduce outmigration but also empower residents to build wealth and remain rooted in their communities.

In short, the Council will link skills, opportunity, and investment into a virtuous cycle—turning the region's visitor economy and emerging industries into engines of shared prosperity.

³⁵ Adler, P. (2023, February 28). How To Better Manage Hawaii's Tourism Hotspots. *Honolulu Civil Beat*. <https://www.civilbeat.org/2023/02/how-to-better-manage-hawaiis-tourism-hotspots/civilbeat.org>

³⁶ Aratani, L. (2021, June 21). Can Hawaii reset its stressed out tourism industry after the pandemic? *The Guardian*. <https://www.theguardian.com/us-news/2021/jun/21/hawaii-tourism-industry-after-covid>



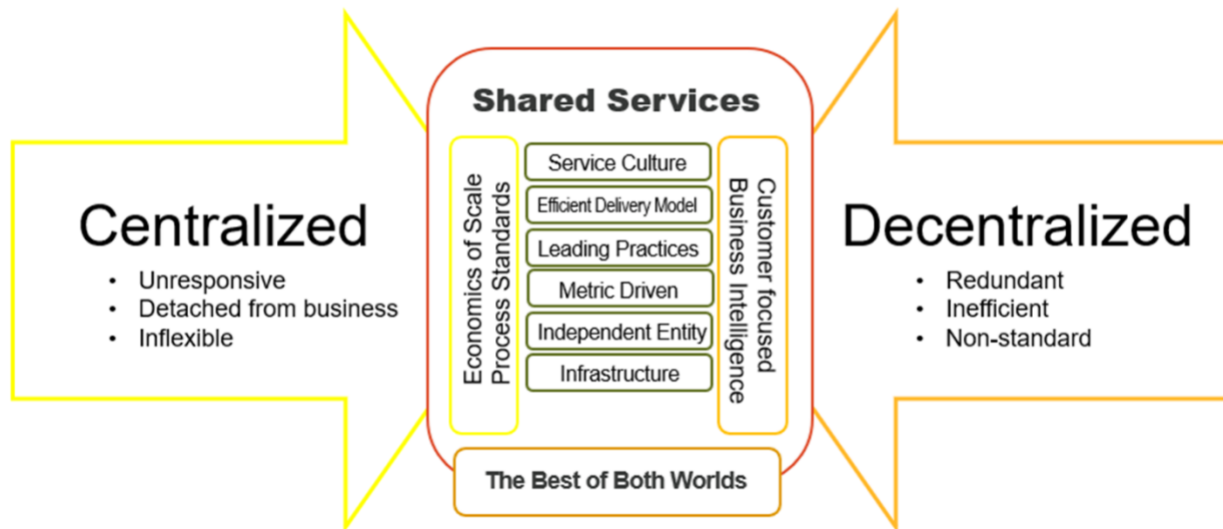


Figure 4.5 Shared Services Model for Visitor-Facing Businesses

Shared Services for the Visitor Economy

Small, family-owned businesses—guesthouses, kiosks, artisans, and independent tour operators—are at the heart of the visitor experience in the Eastern Region. These visitor-facing businesses often struggle with high regulatory burdens and limited marketing visibility, or lack access to affordable insurance, procurement networks, or customer service infrastructure. Municipalities face similar challenges, duplicating services across town lines despite limited capacity. The result is inefficiency, fragmentation, and barriers that prevent small players from competing and thriving.

The Council will respond by building a shared services platform designed specifically for the visitor economy (see Attractions and Human Capital Pillars for more). Centralized administrative support services, permitting, and group insurance programs will reduce regulatory burdens and costs, while collective reservation platforms and regional branding initiatives in coordination with Discover Puerto Rico (DPR) and the PR Tourism Company (PRTC) will amplify the visibility of small businesses and community-based and cultural tourism offerings. A regional visitor information and customer support hub will improve the visitor experience, while shared scheduling and event-planning systems will reduce redundancies and encourage cross-promotion among communities so that visitors are enticed to stay longer in the region.

Shared services can enable small enterprises to leverage tools and markets that would otherwise remain inaccessible. This is inspired by myriads of similar efforts, such as the collaborative platform in Portugal’s Alentejo region called PACT which offers incubation, shared workspace, and services to more than 50 small and tech-based businesses.³⁷ Likewise, California’s North Coast Resource Partnership demonstrates how pooling planning resources, funding, and governance among diverse local, tribal, and state stakeholders yields hundreds of investments—over \$85 million—to support

³⁷ Solutions. Parque do Alentejo de Ciência e Tecnologia. <https://pact.pt/solutions/>





small enterprises and communities through infrastructure, environmental resilience, and capacity development.³⁸

The Council's model will democratize access to the visitor economy by giving small enterprises tools that are otherwise out of reach. By lowering costs and expanding market visibility, shared services will level the playing field for small businesses while strengthening the overall quality and coherence of the region's tourism offering. Municipalities, too, will benefit from efficiencies that free up scarce resources for reinvestment in infrastructure and services. The services and collaborative spaces the Council will provide will make it possible for the Eastern Region's diverse local businesses to thrive together, ensuring that the benefits of tourism are more broadly shared across communities.

Building A Regional Data Observatory: Data Infrastructure and Civic Technology for Outcomes-based Decision Making, Monitoring & Evaluation

Effective governance depends on information, yet the Eastern Region suffers from fragmented data systems, limited transparency, and weak feedback loops between residents, businesses, and government. Municipalities collect information in silos, agencies report in inconsistent formats with long gaps between reporting, and residents rarely see how data analysis informs decisions. Without shared baselines, it is difficult to measure progress, attract investment, and guide outcomes-focused decision making.



The Council will change this by establishing a Regional Data Observatory that integrates tourism, mobility, environment, human capital, economic development, and community well-being into a unified system, envisioned as a smart data system that uses the latest technology, including civic technology.

Civic technology refers to digital tools that connect residents, communities, and governments in more transparent, participatory, and accountable ways.³⁹ It includes familiar applications such as open-data dashboards, participatory surveys, and digital permitting platforms, while also extending to advanced systems like Mobility-as-a-Service, AI-enabled visitor management, and environmental monitoring.

By deploying civic technology, including smart governance tools such as geospatial mapping, environmental monitoring, real-time dashboards, and participatory platforms, the Council will provide actionable intelligence for decision-makers and residents alike. Predictive analytics will help anticipate challenges such as visitor congestion or climate risks, while participatory tools will allow residents to contribute local knowledge through mobile apps, digital surveys, and interactive forums. Precedents such as the Metropolitan Council of Minnesota, established by state legislation in 1967 and expanded over the decades, manages regional data systems across transit, housing, and environmental services (water, wastewater treatment, parks) while providing essential services and

³⁸ *The partnership*. North Coast Resource Partnership. <https://northcoastresourcepartnership.org/>

³⁹ *Civic Tech for Transparent, Inclusive, and Accountable Governance*. UNDP. <https://www.undp.org/asia-pacific/civic-tech>





infrastructure⁴⁰ that support communities and businesses to ensure a high quality of life for Twin City residents. This shows how unified civic technology platforms can turn fragmented reporting into actionable intelligence that enables effective scaling of support and services across multiple sectors, precisely the role proposed for the Eastern Region Economic Development Council.

Case Study: Civic Technology for Smart Governance in the Tampa Bay Region

Tampa Bay Regional Planning Council⁴¹ (TBRPC) is innovating with civic technology:

- inCitu⁴² AR platform – to improve public understanding of proposed infrastructure and climate resilience interventions. AR is deployed at public summits and community events, lowering the barrier for people to virtually see and understand proposals in a more immersive, intuitive way.
 - Geospatial models via QR codes –residents can walk up to or near a site, scan, and visualize what proposed changes look like in place — for example, elevated homes in flood zones, living shorelines, and stormwater management interventions.

Relevance for the Eastern Region:

For the Eastern Region, civic technology is more than greater efficiency; it is about empowering residents, strengthening trust, and ensuring that innovation serves community priorities. Embedding these tools and best practices into the Regional Data Observatory, will transform fragmented data into actionable insights and inclusive decisions—a living governance system that continuously learns and adapts to shape a more resilient and prosperous future.

The initial focus for the Regional Data Observatory will include:

- Measuring the Visitor Economy with Rigor

To measure visitation and tourism economic impacts in the region with great rigor, the Council can build directly on the Visitor Economy Performance (VEP) Model developed by FPR.⁴³ This product—developed, owned, and continually updated by FPR—will offer a rigorously designed system for measuring tourism activity and economic impact that the Council can draw upon, providing a natural entry point for regionally grounded AI applications. The model represents a step-change in measuring tourism and visitation in Puerto Rico: instead of relying solely on recall-

⁴⁰ Who We Are. Metropolitan Council. <https://metro council.org/About-Us/Who-We-Are.aspx>
Planning. Metropolitan Council. <https://metro council.org>

⁴¹ Homepage. Tampa Bay Regional Planning Council. <https://tbrpc.org/>

⁴² Communicating Risk and Resilience in Tampa Bay. (2025, March 10). inCitu. <https://www.incitu.us/post/case-study-tampa-bay>

⁴³ Foundation for Puerto Rico. (2025). *Puerto Rico's Visitor Economy Performance Model: A deep review of the historical data and an analysis of methodologies for the measurement of visitation activity in Puerto Rico; an estimate of the current state of the visitor economy, and an updated model that leverages technology to provide unprecedented accuracy and impact.* <https://foundationforpuertorico.org/es/visitor-economy-performance-model/>





based surveys, it integrates behavioral segmentation, lodging demand, real pricing, and detailed expenditure categories to produce a much more accurate picture of current visitor activity and spending. It will allow for regional-level insights. As described in the Introduction, early results show that about 2.1 million offshore visitors to the region generated ~\$1.2 billion in direct spending in 2024, supporting over 15,000 jobs, and representing 17% of the island's visitor economy. This demonstrates that tourism is a primary sector for the region, and it's projected to continue growing, surpassing \$1.8 billion by 2028 and double to \$2.3 billion by 2030. These dynamics underscore why governance must be anchored in rigorous, transparent, and forward-looking data systems.

FPR's VEP model will give the Council a decision-support engine that translates visitor behavior into actionable insights. It can guide infrastructure and mobility investments where demand is rising and identify small-business niches that align with visitor spending and tourism supply chains. By linking economic impact with local indicators such as social, economic, and environmental metrics, the model will also help balance growth with sustainability and equity. Finally, its forecasting capacity allows the Council to test scenarios, build credible investment proposals, and proactively manage the visitor economy as a shared engine of regional prosperity.

- Alignment with Global Frameworks for Comparability

For measurement and comparability, the Council can align its indicators to three complementary standards. First, the United Nations Tourism's Statistical Framework for Measuring the Sustainability of Tourism (SF-MST) provides an internationally-agreed structure to integrate tourism's environmental, social, and economic dimensions with national and sub-national accounts, giving it high credibility for funders and policymakers.⁴⁴ Second, the Global Sustainable Tourism Council's Destination Criteria (GSTC v2.0) offer a governance-ready checklist across four pillars aligned with the United Nation's Sustainable Development Goals (SDGs): *sustainable management*, *socioeconomic benefits*, *cultural heritage*, and *environmental impacts*. Following and promoting these criteria can be useful for policy alignment, internal audits, and future certifications.⁴⁵ Third, the European Tourism Indicator System (ETIS) provides a practical, destination-level toolkit to organize data collection and monitoring with local ownership⁴⁶—ideal for municipal partners building capacity.

Building on this foundation, the Council will also be positioned to extend its smart governance role into the responsible use of emerging technologies such as artificial intelligence (AI). As Puerto Rico advances a territorial AI roadmap, the Council's Regional Data Observatory will integrate multiple information streams. By convening municipalities, academia, and industry, the Council can pilot additional AI-enabled tools for tourism management, mobility, and climate resilience while ensuring transparency, ethical safeguards, and community participation. In this way, the Eastern Region can serve as a living laboratory where the island's AI strategies are

⁴⁴ World Tourism Organization. (2023). *Statistical framework for measuring the sustainability of tourism (SF-MST)*. UNWTO. https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2023-10/SF-MST_complete_version_OCT2023_cover03.pdf

⁴⁵ Global Sustainable Tourism Council. (2019). *GSTC destination criteria (version 2.0)*. GSTC. <https://www.gstc.org/wp-content/uploads/GSTC-Destination-Criteria-v2.0.pdf>

⁴⁶ European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs. (2016). *European tourism indicators system for sustainable destination management*. Publications Office of the European Union. <https://op.europa.eu/en/publication-detail/-/publication/4b90d965-eff8-11e5-8529-01aa75ed71a1/language-en>





translated into tangible local outcomes, reinforcing both Puerto Rico’s broader AI ambitions and the Council’s mandate for accessible, data-driven governance. The insights generated through these applications will in turn feed into a Regional Data Dashboard, ensuring that complex data is visualized into accessible information for residents, municipalities, and partners.

- **Offering a Regional Data Observatory Dashboard**

The Council will establish a Regional Data Dashboard to serve as the primary public-facing tool for monitoring progress across the visitor economy and related sectors. This dashboard will display key performance indicators (KPIs) such as tourism dispersion, small-business revenues linked to visitor spending, public revenues, transit and ferry ridership, beach condition indexes, recreational asset access, and employment in visitor-serving sectors. Drawing from the Regional Data Observatory, this dashboard will integrate multiple data sources, including outputs from FPR’s VEP Model alongside sustainability and resident well-being indicators, to provide stakeholders and residents with a clear, accessible picture of regional trends. The dashboard will thus translate complex datasets into actionable insights for the public, complementing the broader civic technology infrastructure.

- **Building a Resident-First Evidence Loop**

Sustainable destination management depends on social license, the ongoing community acceptance of operations.⁴⁷ The Council could institutionalize a resident sentiment survey through its community roundtable and engagement initiatives, drawing methods from Hawai‘i’s long-running series which tracks attitudes toward tourism, perceived benefits and burdens, and priorities for action. Publishing the results alongside the Council’s responses closes the feedback loop and strengthens trust.

- **Moving From Data to Decisions**

Beyond public reporting, the Council will also develop a shared data visualization platform that powers the Regional Stewardship Dashboard to support more dynamic governance processes. Deploying civic technology applications that use Application Programming Interface (APIs)⁴⁸ the platform will be able to pull from various data sources such as municipal permits, mobility systems (MaaS), park counters, lodging/Short Term Rentals datasets, beach/water quality sensors, workforce pipelines and others.

Open-data dashboards will allow residents to see how tourism is impacting their communities and how the Council is responding. By closing the feedback loop with public reporting and participatory tools, this platform ensures that decisions are outcomes-based and grounded in lived experience, while providing the data knowledge base for the regional dashboard.

Aligning with these data frameworks de-risks investment by providing credible baselines and KPIs for funders, improves inter-municipal coordination through common definitions and shared

⁴⁷ Breakey, H., Wood, G., & Sampford, C. (2025). Understanding and defining the social license to operate: Social acceptance, local values, overall moral legitimacy, and ‘moral authority.’ *Resources Policy*, 102, 105488. <https://doi.org/10.1016/j.resourpol.2025.105488>

⁴⁸ Application Programming Interface or API are a set of rules and protocols that allows different software applications to communicate with each other. It acts as an intermediary, enabling one piece of software to request information or functionality from another.

What is an API? (Application Programming Interface Explained). Amazon Web Services, Inc. <https://aws.amazon.com/what-is/api/>





systems, and elevates accountability. See an example of how this can be deployed in the Scenario for an “Inter-Municipal Access Initiative” box below. In short: the Region moves from fragmented data and episodic reporting to a living governance system that continuously learns and adapts. Over time, this transparent and data-driven approach will build trust, strengthen regional coordination, and enhance the Council’s ability to secure adequate resources to respond to dynamic conditions.

Case Study: Measuring Regional Progress & Impact: Inter-Municipal Access Initiative Scenario on the Regional Data Dashboard

The Regional Data Observatory will publish data in a transparent and accessible format. For instance, in tracking inter-municipal access by tracking a multi-municipal effort to improve ferry access and last-mile mobility between Ceiba, Fajardo, Naguabo, Vieques, and Culebra. This way, leaders and the public will be able to see live Key Performance Indicators for program progress, investments, and policy outcomes, plus equity and mobility service metrics, such as:

Program & Project Progress

- Microtransit pilot: Number of active routes, average wait time for microtransit users, on-time performance metrics.
- Multimodal hub: Design progress, Permitting progress.
- Wayfinding & signage: Number of signs and wayfinding infrastructure placed.

Investments & Leverage

- Funds committed and funds disbursed per fiscal year.
- Funds leverage ratio: municipal, private, and philanthropic match.
- Local spend share: contracts awarded to Eastern Region vendors.

Policy & Governance Outcomes

- Inter-municipal MOU compliance:
- OGPe permit cycle time.
- Open data updates posted monthly; public satisfaction score as per municipal survey.

Equity, Accessibility & Affordability

- Average resident travel time to ferry terminal (target communities) vs. baseline.
- ADA compliance at mobility hubs
- Fare burden index (cost as % of median daily wage)

Human Capital

- Trainees certified (dispatch, operators, maintenance);
- Number of job placements, percentage of women/youth employment.

Benefit for the Eastern Region: Because residents can see the metrics, the milestones, and the progress, all in one place, confidence in the process increases and collaboration strengthens across municipalities.





Coordinating Investment and Financial Stewardship

The Eastern Region struggles with uneven investment. Each municipality competes separately for scarce funds, resulting in duplication, inefficiencies, and missed opportunities to leverage larger-scale resources. Federal and philanthropic programs increasingly favor regional approaches, but without a coordinating body to pool resources the Eastern Region cannot fully capitalize on these opportunities.

The Economic Development Council will change this dynamic by serving as the region’s central investment coordinator. It will align federal, territorial, municipal, philanthropic, and private resources to ensure that funding flows are deployed strategically and equitably across the 15 municipalities. By pooling proposals and coordinating applications, the Council will unlock access to major federal sources—such as EDA, HUD, DOT, and USDA—that require regional scale.



For municipalities, this approach will reduce inefficiencies, administrative burdens, and competition that erodes collective capacity. For businesses and communities, it will increase the predictability and impact of investments, directing funds to projects that deliver broad, long-term benefits rather than short-term gains. By weaving fiscal sustainability into its operations, the Council will make sure that regional development is not dependent on episodic grants but supported by ongoing, diversified revenue streams.

In doing so, the Council will transform fragmented investments into a coherent strategy that maximizes impact, improves equity, and builds the financial foundation for lasting regional growth. To achieve this, the Council will pursue a dual approach: securing stable seed resources to guarantee early operations and planning capacity, while simultaneously developing long-term value-capture mechanisms that reinvest the economic benefits of growth back into the region. This means establishing dedicated regional funds to support governance, planning, and project implementation; leveraging existing revenue streams such as tourism-related taxes or fees to finance stewardship functions; and ensuring that new development projects contribute directly to the conservation of assets and the strengthening of local value chains.

Innovative Financing Mechanisms

Beyond traditional public appropriations, the Council will also explore innovative financing mechanisms, including Tourism Business Improvement Districts (TBIDs), environmental and visitor fees, co-management concessions, and blended capital strategies that reinvest in infrastructure, conservation, and community priorities. Instruments such as resilience bonds, revolving funds, or impact investments where private and philanthropic capital align with public objectives, will be





explored while shared service platforms will create modest but steady revenue flows that lower costs for municipalities and small businesses alike. Together, these tools will ensure that the financial foundation of the Council is not only diversified, but also directly tied to the region’s long-term sustainability and competitiveness.

Tourism Business Improvement Districts can be designed toward specific contexts. Montana has developed one of the most effective frameworks for TBIDs in rural and small-town contexts. State law enables TBIDs to be formed when lodging owners representing at least 60% of a proposed district petition for creation, after which municipalities adopt a resolution and appoint a board of trustees to oversee spending. Funding is generated through a simple assessment, most often \$2 per occupied room night, collected from lodging properties within the district.⁴⁹ The Montana Department of Commerce oversees lodging tax distributions and restricts administrative expenses to no more than 20%, ensuring the bulk of funds support tourism development activities.⁵⁰ The Montana Lodging & Hospitality Association provides resources and support to members for forming a TBID, indicating that at least 18 cities have TBIDS since the law was enacted in 2007.⁵¹

Several communities highlight the Montana TBID model’s impact. Missoula’s TBID, for example, established in 2010 and expanded citywide in 2019, has funded 86 conferences and events, generating an estimated \$29.4 million in economic impact, and has dedicated \$150K for working with partners on bringing more low-cost carriers to the city.⁵² This shows that shared investment frameworks like TBIDs allow regions to rise together, while empowering each community to showcase its unique identity.

Even without an established TBID, the regional entity of the Shasta Cascade Wonderland Association, comprised of 8 counties in Northern California, generates adequate operating revenues through membership dues, public contracts, private and public grants, and visitor service revenues, among other strategies (see Best Practices: Shasta Cascade Wonderland Association

Quick Guide: Innovative Finance Mechanisms

Regional councils worldwide use diverse financing tools to generate steady, locally anchored revenues. The range of options for the Council to explore, include:

- Tourism Business Improvement Districts (TBIDs): Special assessments on lodging or visitor services, reinvested in destination management, promotion, and infrastructure.
- Environmental & Visitor Fees: Charges for access to beaches, trails, parks, or reserves that fund conservation, maintenance, and community education.
- Concessions & Co-Management Agreements: Revenue from leasing or co-operating regional assets (e.g., marinas, cultural sites, mobility hubs) reinvested in upkeep and activation.
- Resilience & Green Bonds: Market-based instruments that attract private capital for climate-smart infrastructure, carbon capture, and renewable energy projects.

⁴⁹ Dresser, M. (2019, December 17). Kalispell Approves Tourism Business Improvement District. *Flathead Beacon*. <https://flatheadbeacon.com/2019/12/17/kalispell-approves-tourism-business-improvement-district/>

⁵⁰ Montana Office of Tourism. (2022, January). *Regulations and procedures for Region/CVB Tourism Organizations use of lodging facility use tax revenue*. <https://commerce.mt.gov/shared/brand/Regions-CVBs/docs/Resource-Page/Regulations-and-Procedures-January-20221.pdf>

⁵¹ TBID Resources. Montana Lodging and Hospitality Association. <https://www.mtlha.com/tbid-resources.html>

⁵² Welcome. Destination Missoula Tourism Business Improvement District. <https://tbid.destinationmissoula.org/>





below). What is most critical for a growing visitor economy is to ensure that lodging tax revenues and other direct contributions are reinvested in the communities, creating that value to sustain it.

Financial Stewardship and Accountability

Effective regional governance requires not only access to resources but also the confidence of municipalities, communities, and investors that funds are managed with transparency, equity, and discipline. The Economic Development Council will embed these principles into its financial operations from the outset, ensuring that every dollar mobilized for the Eastern Region translates into tangible public benefit.

How Funds Can Flow through the Regional Council

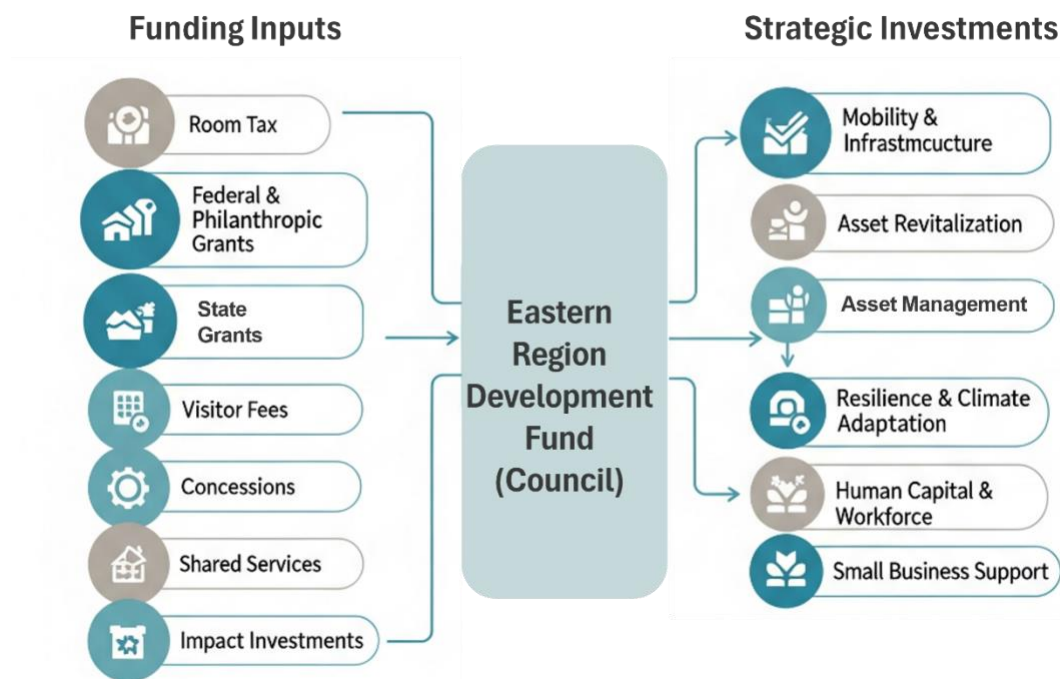


Figure 4.6 How the Council can Invest Diverse Funding Sources

The Council will establish a dedicated regional development fund to serve as the financial backbone for its operations and initiatives. This fund will be managed under strict accounting standards, with internal accounts organized to separate resources according to their purposes—operations, co-investment, resilience, innovation, and community participation. By ring-fencing revenues in this way, the Council will be able to align financial flows with strategic priorities while preventing diversion of funds to short-term or politically driven projects.

Independent annual audits will be conducted by external firms, and financial statements will be made publicly available. To strengthen public trust, the Council will adopt participatory budgeting practices that allow municipal leaders, businesses, and community representatives to have a voice in determining reinvestment priorities. This process will ensure that residents see how resources





collected from tourism, infrastructure, or development activity are reinvested in the stewardship of local assets and the improvement of quality of life.

Accountability will extend beyond compliance to proactive financial stewardship. The Council, through its Regional Data Observatory, will monitor the return on investment (ROI) of major projects, track the equity of distribution across municipalities, and evaluate the contribution of each funding mechanism to regional resilience. This approach transforms financing into a feedback system—where evidence on social, economic, and environmental outcomes informs how future resources are allocated.

By combining robust oversight, participatory mechanisms, and continuous evaluation, the Economic Development Council will position itself as a trusted steward of regional resources. In doing so, it will not only unlock larger funding streams but also guarantee that those resources are managed in ways that sustain confidence, strengthen legitimacy, and build the long-term financial foundation for regional transformation.

Case Study: Shasta Cascade Wonderland Association (SCWA): Sustainable Blended Financing without a formal TBID

The Shasta Cascade region occupies California’s sparsely populated northeast corner, spanning eight counties and covering approximately 30,000 square miles.⁵³ It is characterized by majestic natural landmarks such as Mount Shasta, Lassen Volcanic National Park, Whiskeytown Lake, Mossbrae Falls, and expansive forests, rivers, and terrains suited for hiking, rafting, and camping. The region reached \$1.6B in visitor spending (2023),⁵⁴ supporting jobs and tax revenues across all 8 counties.

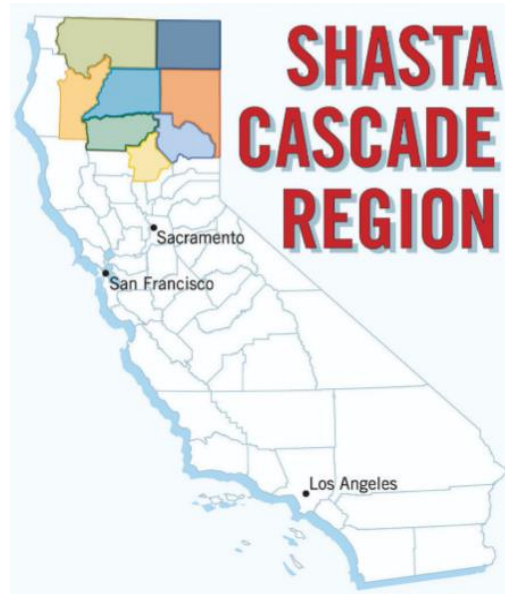
⁵³ *History of the Organization*. UpState CA. <https://www.upstateca.com/history>

⁵⁴ Visit California, & JLL. (2025, March). *Regional strategic tourism plan Shasta Cascade*. https://travelmattersca.com/-/media/travel-matters-site/issue-and-insights/regional-strategic-tourism-plans/plans/travelmatters_shastacascade_regionalplan.pdf





The Shasta Cascade Wonderland Association (SCWA) serves as the region's nonprofit destination marketing organization, established in 1927.^{55 56} As a member organization it provides benefits to members including local chambers of commerce and visitor bureaus that join as collective members to pool resources on behalf of local small businesses. As a destination marketing organization, it is financed through a blend of public funding, private contributions, and reinvestment mechanisms that sustain its regional tourism role.⁵⁷ While it does not operate exactly like a TBID (with mandated assessments), it has built a multi-source funding structure suited to a rural, multi-county region:



- Public Investment⁵⁸ & Destination Marketing Contracts - partnering with Visit CA (state DMO) for regional promotion funding; co-op advertising campaigns for broader state tourism strategy; counties contribute to SCWA by benefitting from Transient Occupancy Taxes (TOT) collected in lodging stays (SCWA drives visitation); and secure federal partnerships around public lands.
- Membership & Industry Contributions- tourism-facing businesses pay membership dues or marketing fees.^{59 60}
- Visitor Services Revenues - SCWAs Welcome Center generates revenues on merchandise sales, distribution fees, and state support for operating certified welcome facilities.
- Indirect Value Capture through TOT Growth- SCWA does not levy taxes, but its success increases county lodging tax revenues, which enable counties and business sectors to contribute.

Why It Matters for the Eastern Region:

A regional stewardship organization in a rural, multi-municipal area can sustain itself without a formal TBID and those revenues, instead relying on:

- Membership dues + public contracts + visitor services revenues
- Proof of impact (more visitors = more lodging tax revenues for indirect value capture)

A regional nonprofit organizational structure allows flexibility & adaptation.

⁵⁵ Whitaker, K. (2011, February 23). *Marketing is a cooperative adventure* [PowerPoint]. Growing Agritourism Workshop. <https://ucanr.edu/sites/default/files/2012-05/144757.pdf>

⁵⁶ About Us. UpState CA. <https://www.upstateca.com/about-us>

⁵⁷ History of the Organization. UpState CA. <https://www.upstateca.com/history>

⁵⁸ Shasta Cascade Wonderland Association. (2025). *Shasta Cascade Wonderland Assn, Full Filing*. ProPublica. <https://projects.propublica.org/nonprofits/organizations/940858370/202521359349317767/full>

⁵⁹ Market with us at the Shasta Cascade! UpState CA. <https://www.upstateca.com/business-membership>

⁶⁰ Advertise in our Visitor Guide. UpState CA. <https://www.upstateca.com/advertise-in-our-visitors-guide>





Community Engagement, Participatory Planning and Strengthening Social Capital

One of the greatest challenges in the Eastern Region has been the disconnect between development initiatives and the lived realities of residents. Too often, projects are designed from the top down, without meaningful input from rural communities, youth, or those working in the informal economy. This has limited community ownership, weakened legitimacy, and left local leaders under-resourced to participate in regional decision-making.

The Economic Development Council can reverse this pattern by embedding community engagement and participatory planning into its core operations. Through its advisory committees, regional roundtables, and participatory planning processes, it will institutionalize channels for civil society voices to shape priorities and strategies. Targeted outreach can ensure that groups historically excluded from formal planning processes—youth, women entrepreneurs, rural communities, and informal workers—are fully included.

Specific methods for community engagement will include regularly holding roundtables, assemblies and listening sessions in the region, organizing culturally responsive forums in collaboration with faith-based and community organizations, and deploying mobile engagement teams to reach communities that cannot easily attend centralized meetings. The use of bilingual communication strategies, local meeting practices, and peer-to-peer dialogues that reflect expectations for participation and dialogue, will ensure cultural resonance and accessibility.⁶¹ Digital engagement and innovative approaches may also be employed to reach community members that typically do not participate in traditional public forums or activities. These can include using podcasts or radio programs with live online/ call in sessions, use of immersive technology (Virtual Reality/Augmented Reality) to envision future conditions or create virtual tours, hosting hashtag campaigns, online challenges, or hackathons, or using QR codes and online forms for surveys.⁶² Together, these approaches will root planning processes in lived experience with broad representation, strengthening the legitimacy and impact of regional decision-making.



⁶¹ Foundation for Puerto Rico. (2021). *Manual de Intervención Comunitaria y Recopilación de Datos*. Programa de planificación integral de la resiliencia comunitaria. https://recuperacion.pr.gov/wcrp/api/blob/WCRP_DOWNLOADS/PLANNING/COMMUNITY_INTERVENTION/community_intervention_es.pdf

⁶² *How to engage and involve diverse groups in tourism planning*. (2024, February 5). Travel Foundation. <https://www.thetravelfoundation.org.uk/how-to-engage-and-involve-diverse-groups-in-tourism-planning/>





To strengthen local leadership, the Council must develop programs to offer technical assistance, training programs, and small grants that enable community organizations to participate in regional initiatives with confidence and capacity. Investing in grassroots leadership, the Council will build a culture of shared responsibility across municipalities. This will strengthen social capital of the region, while anchoring efforts in the aspirations and talents of its own people.

Education and Communications

In addition to community activation and participation in planning and solutions design, the Council must improve overall public understanding of the challenges faced by the region and the opportunities that exist for addressing them. Many residents do not see how tourism, infrastructure, or conservation policies connect to their daily lives. Without transparency and sustained communication, mistrust persists, and opportunities for collective action are missed.

While the region is rich in history and culture, it lacks a unified identity or shared narrative to bind its diverse communities together. The Council will respond by leading a comprehensive education and communications strategy designed to foster regional identity, civic literacy, and public trust. Using such approaches as multimedia campaigns, school-based programs, community workshops, and storytelling initiatives, the Council can highlight both the challenges the region faces and the innovative solutions already emerging from local communities.

By sustaining open channels of communication, the Council will create feedback loops that integrate public sentiment and local knowledge into its strategies. Over time, this will galvanize participation, align stakeholders around a shared vision, and help residents recognize the tangible benefits of collaboration—whether in new jobs, improved mobility, or revitalized public spaces.

Regional Identity and Storytelling as Foundations of Resilience

The Eastern Region’s resilience is deeply tied to the identities and traditions of its communities. From Loíza’s Afro-Caribbean heritage to the ecological stewardship of El Yunque and the maritime culture of Fajardo, Ceiba, and Naguabo, these narratives embody both continuity and adaptability. The Council will harness storytelling as a unifying force, elevating local voices into a coherent regional identity that strengthens pride of place while differentiating the region within the visitor economy.

By embedding cultural storytelling into education, communications, and destination development, the Council will highlight how communities have endured and adapted to challenges—from hurricanes to migration—transforming these experiences into a shared narrative of strength. In doing so, it will build cohesion across municipalities, reinforce transparency and trust, and create a distinctive identity that underpins both resilience and competitiveness. (See the Attractions Pillar for more on using storytelling strategies to express and share cultural identities.)





Advocating for Policy and Practices to Accelerate Regional Growth

The structural barriers that constrain the Eastern Region—from fragmented funding flows to inequitable investment patterns—cannot be solved through projects alone. They require policy reforms at the commonwealth and federal levels. Yet no single municipality has the scale or influence to drive these changes, and without a unified voice, the region remains underrepresented in critical decision-making forums.

The Economic Development Council will serve as that unified voice. Representing the collective interests of the Eastern Region, it will advocate for legal, fiscal, and administrative reforms that enable place-based governance and more equitable development. It will push for regulatory changes that reflect the real costs of infrastructure and tourism borne by host communities, and build consensus across sectors to shape enabling policies that prioritize sustainability, resilience, and job creation. By engaging with commonwealth agencies, the Fiscal Oversight and Management Board, federal partners, and even international forums, the Council will secure the institutional and financial frameworks the region needs to thrive.

Through effective advocacy, the Council will shift the policy environment from one that fragments and constrains municipalities to one that empowers them to collaborate. The entity offers stability and continuity, which in turn attracts investment and results in tangible benefits for residents.

Fostering Innovation Partnerships to Position the Region as a Research & Development Hub

The Eastern Region cannot meet its challenges through traditional approaches alone. Issues such as climate adaptation, sustainable tourism, and digital inclusion demand experimentation, technology adoption, and cross-sector innovation. Municipalities often lack the bandwidth or resources to pursue pilot projects, let alone scale them. Without an anchor institution, the region risks falling behind in areas where innovation could be transformative.

The Council will fill this role by cultivating a network of partnerships across academia, including the Eastern Region’s Universidad Interamericana (Fajardo), Universidad de Puerto Rico (Humacao), and nearby Universidad Ana G. Méndez (Carolina), but also the private sector, civic technology organizations, and international networks. By linking local assets, such as natural resources and heritage sites, with research expertise and cutting-edge technology, the Council will position the Eastern Region as a living laboratory for solutions in mobility, conservation, and participatory governance. Pilot projects may include participatory mapping of trails and assets, AI-powered data analysis for visitor management, renewable energy microgrids, or smart infrastructure for climate resilience.

These partnerships will generate not only new tools but also new opportunities for investment, research funding, knowledge creation, product development, and exchange. Over time, they will establish the Eastern Region as a global reference point for sustainable development—anchoring Puerto Rico at the forefront of adaptive, place-based innovation.





Bringing the Strategic Functions Together

Taken together, these strategic functions define the Economic Development Council as the region's integrative platform for transformation rather than a single-purpose entity. It is designed to be the vehicle to make the envisioned future real. The Council is not simply meant to respond to present challenges, it is a commitment to a different trajectory, one rooted in long-term thinking, shared values, and the belief that regional coordination can unlock transformational change. By advancing infrastructure and mobility, revitalizing cultural and natural assets, expanding workforce opportunity, and supporting small businesses through shared services, the Council tackles the practical foundations of regional development. By embedding data-driven governance, investment coordination, and inclusive engagement, it ensures that these efforts are transparent, equitable, and fiscally sustainable. And by serving as a policy advocate and innovation convener, it positions the Eastern Region not just as a beneficiary of external programs, but as a model of adaptive governance with lessons for Puerto Rico and beyond.

The impact of the Council will be measured by its ability to weave these multiple functions into a coherent system—one that channels fragmented efforts into collective progress, builds trust across municipalities and sectors, and turns the Eastern Region's shared vision into sustained reality. This integration creates the foundation for the Council's work using enabling policies and governance tools that will provide it with the authority, resources, and continuity to deliver on its mandate.

4.2.8 Enabling Policies and Governance Tools

The establishment of the Eastern Region Economic Development Council is firmly grounded in law and policy. Far from operating in a vacuum, the Council emerges within a multilayered legal environment—municipal, territorial, and federal—that increasingly mandates regional coordination and supports the creation of multijurisdictional entities. Together, these frameworks not only authorize intermunicipal collaboration but also create avenues for stable funding, technical assistance, and policy alignment. The Economic Development Council represents the natural evolution of these precedents into a more comprehensive, institutionalized form.





From Autonomy to Regional Stewardship: Consortiums under the Municipal Code

The Código Municipal de Puerto Rico (“Municipal Code of Puerto Rico” in English), or Act 107-2020, as amended, is the legal foundation for municipal governance, including mechanisms for intermunicipal collaboration.⁶³ The Municipal Code authorizes municipalities to enter into agreements with other municipalities, agencies, or entities to jointly provide services, manage resources, or execute programs. Likewise, it explicitly empowers municipalities to create intermunicipal consortia for the purpose of sharing responsibilities, pooling resources, and enhancing administrative or service delivery capacity. These provisions build on the framework first set by the Autonomous Municipalities Act (Act 81-1991), which introduced municipal autonomy, and has since been reaffirmed and streamlined under the Municipal Code.⁶⁴ Together, they form the enabling legal basis for collaborative governance mechanisms that can support regional strategies such as the proposed Eastern Region Economic Development Council.

The Municipal Code allows the creation of nonprofit organizations, public-purpose corporations, or other legal instruments to serve as vehicles for planning, implementation, and fund management. These entities can receive and administer public, federal, and philanthropic funds, enter contracts, and execute regional projects without being considered state agencies or subject to government politicization, as seen in models described in the “Precedents: Intermunicipal Consortia” section below.

These cooperative entities are part of an evolving governance landscape where budgetary and technical constraints frequently inhibit effective municipal governance at the individual level. By pooling resources and authority, such intermunicipal bodies are designed to confront shared challenges that no single municipality can address alone.

Typical powers granted include:

- Regional planning and policy harmonization
- Joint investment: pooling of federal, state, municipal, and philanthropic funding
- Asset management and co-management agreements (e.g., parks, energy systems)
- Shared services (e.g., permitting, procurement, workforce development, emergency management)
- Research, data collection, and strategic advocacy

How Intermunicipal Consortia

- Governance: Board composed of mayors or designees; bylaws set voting, cost-sharing, staffing, and transparency rules
- Delegation: When functions include territorial planning/permitting, Executive Orders delegate the ‘Jerarquía’.
- Eligible functions: Permitting & land-use review (ABC/CCVS); shared technical services & digital innovation (INTECO); infrastructure & utilities (Consortio Energético)

⁶³ *Código Municipal de Puerto Rico Ley Núm. 107* (August 13, 2020).

<https://bvirtualogp.pr.gov/ogp/Bvirtual/leyesreferencia/PDF/107-2020.pdf>

⁶⁴ *Ley de Municipios Autónomos de Puerto Rico Ley Núm. 81*. (August 20, 1991).

<https://bvirtualogp.pr.gov/ogp/Bvirtual/leyesreferencia/PDF/Municipios/81-1991/81-1991.pdf>





In practice, the Governor has validated or completed these arrangements via Executive Orders that recognize the consortium and, when relevant, delegate territorial planning/permitting competencies to the consortium entity.⁶⁵

This same legal route could allow the Eastern Region's municipalities to start with a functional consortium while a broader Economic Development Council is organized. It also enables phasing—beginning with a smaller cluster of ready municipalities and expanding region-wide as trust and capacity grow. In the event that a council is formed through legislation, municipalities in the region can enter into agreements individually or in groups with the council to address shared challenges. Furthermore, the Municipal Code does not limit collaboration to consortia alone; it also offers municipalities the legal footing to participate in broader structures or entities established by legislation. This ensures that, if the Eastern Region Economic Development Council is created through a special law, municipalities can seamlessly join and exercise their role within it under the same enabling provisions.

Precedents: Intermunicipal Consortia

- **Oficina de Permisos de la Montaña: Aibonito, Barranquitas, Comerío**
Established in 2015 and formally launched in February 2016 as Puerto Rico's first intermunicipal permitting office. Executive Orders OE-2015-039⁶⁶ and OE-2016-008⁶⁷ delegate permitting powers and faculties assigned to Jerarquía I-Jerarquía IV to the Consortium, a significant precedent for municipal autonomy in land-use and construction approvals. In 2023, ABC was incorporated into the Single Business Portal (SBP) modernization effort to facilitate digital validation of permits demonstrating its institutional consolidation.⁶⁸
- **Consortio CCVS – Oficina de Permisos: Cayey, Coamo, Villalba, Salinas**
Created in 2016 under Executive Order OE-2016-043,⁶⁹ the CCVS consortium consolidated permitting services across four municipalities, establishing a shared technical staff and multiple satellite offices. Its structure reflects a regional approach to improving capacity and consistency in permitting reviews.
- **Consortio Energético de la Montaña: Villalba, Orocovis, Barranquitas, Morovis, Ciales**

⁶⁵ In Puerto Rico, "**jerarquías**" refer to distinct levels (I through V) of delegated territorial planning or permitting authority granted by the **Puerto Rico Planning Board** (Junta de Planificación) to **municipalities** under the Municipal Code and related legislation. A higher number corresponds to greater autonomy—for example, Jerarquía I may cover simple building permits, while Jerarquía V allows full municipal control over land-use, zoning changes, variances, and infrastructure alignment. These hierarchies are authorized via **transfer agreements (convenios de transferencia)** between a municipality and the Planning Board—and sometimes ARPE (the Permits and Regulations Administration), but do not require Executive Orders. The municipality must demonstrate technical capacity and may need municipal legislation to formalize this transfer. By contrast, **municipal consortia** often require an **Executive Order** to delegate additional authority or to formalize their legal standing. Hence, municipalities and consortia may operate at different levels of autonomy depending on their **individual capacities and institutional arrangements**.

⁶⁶ *Orden Ejecutiva del Gobernador del Estado Libre Asociado de Puerto Rico, Hon. Alejandro J. García Padilla, para firmar el convenio con el consorcio de la Oficina de Permisos de la Montaña Integrado por los Municipios Autónomos de Aibonito, Barranquitas y Comerío correspondiente a las delegación de competencias de las jerarquías I a IV a tenor con la Ley 81-1991. Según enmendada*, Boletín Administrativo Núm. OE-2015-039 (October 30, 2015).

⁶⁷ *Orden Ejecutiva del Gobernador del Estado Libre Asociado de Puerto Rico, Hon. Alejandro J. García Padilla, para aprobar el convenio de transferencia de facultades sobre la ordenación territorial al consorcio de la Oficina de Permisos de la Montaña Integrado por los Municipios Autónomos de Aibonito, Barranquitas y Comerío correspondiente a la delegación de Competencias de las jerarquías I a IV a tenor con la Ley 81-1991, según enmendada*, Boletín Administrativo Núm. OE-2016-008 (February 15, 2016).

⁶⁸ *Departamento de Desarrollo Económico y Comercio. Gobernador Pierluisi anuncia nueva plataforma para facilitar solicitud de permisos*. https://www.desarrollo.pr.gov/noticias/gobernador-pierluisi-anuncia-nueva-plataforma-para-facilitar-solicitud-de-permisos?utm_source=utm_source.com

⁶⁹ *Puerto Rico, Hon. Alejandro J. García padilla, para firmar el Convenio con el consorcio integrado por los Municipios Autónomos de Cayey, Coamo, Villalba y Salinas correspondiente a la delegación de competencias de las jerarquías I a IV a tenor con la Ley Núm. 81-1991, según enmendada*, Boletín Administrativo Núm. OE-2016-043. (November 10, 2016) <https://docs.pr.gov/files/Estado/OrdenesEjecutivas/2016/OE-2016-043.pdf>





A municipal energy consortium designed to create a regional microgrid to increase resilience and reduce reliance on the central grid; supported by commonwealth funding commitments and ongoing federal engagement. Established under the Autonomous Municipalities Act (Act 81-1991) and with local ordinances and an intermunicipal agreement (2019) as its foundation. The municipalities created a public trust to manage assets, citing Act 17-2019 (Energy Policy) and Act 219-2012 (Public Trusts). Supporting actions include an MOU with the Puerto Rico Electric Power Authority (2019) to advance the Toro Negro microgrid project, a legislative initiative (PS 477-2018)⁷⁰ ⁷¹ ⁷²to transfer the Toro Negro hydroelectric plants' usufruct that ultimately expired under a *veto de bolsillo*, and political endorsement from the governor in 2021, though without a formal executive order.

- Alianza Municipal de Servicios Integrados, Inc. (AMSI): Aguas Buenas, Aibonito, Arroyo, Caguas, Cayey, Guayama, Gurabo, and Trujillo Alto
AMSI exemplifies the practical realization of intermunicipal collaboration under Puerto Rico's enabling legal structure tied to federal policies and funding. Founded in July 1991 as the Consorcio Caguas-Guayama to deliver employment and training services to youth, adults, and displaced workers under the federal Job Training Partnership Act (JTPA), it expanded over time to encompass the municipalities of Trujillo Alto in 2001 and Aguas Buenas in 2008. Its evolution continued under federal workforce legislation, where it now serves as a designated Local Area Workforce Development Board for Workforce Innovation and Opportunity Act (WIOA) programs across its eight municipalities, operating the American Jobs Center/One-Stop Career Center (Centro de Gestión Única) located in Caguas.⁷³

Incorporated in 2004 as a nonprofit when it took on its current name, AMSI provides workforce development services—recruitment, training, job placement—for underserved populations including veterans, people with disabilities, youth, and displaced workers, while also connecting employers with qualified talent. Its governance structure, which includes a Board of Mayors in line with WIOA requirements and a local board composed of private-sector, workforce, and community stakeholders, reinforces both local accountability and multi-sector engagement.

AMSI continues to adapt and respond to evolving opportunities. In May 2025, it launched a \$2.28 million workforce training initiative in partnership with Terumo Puerto Rico and the Department of Economic Development and Commerce. This registered apprenticeship program, based in Caguas, aims to equip 41 workers with specialized skills in advanced medical device manufacturing, including automation, quality assurance, and electromechanical systems—thereby directly supporting Puerto Rico's growing medical device sector while reinforcing AMSI's role in regional economic resilience.⁷⁴

⁷⁰ Ley de Política Pública Energética de Puerto Rico Ley Núm. 17 (April 11, 2019).

<https://bvirtualogp.pr.gov/ogp/Bvirtual/leyesreferencia/PDF/17-2019.pdf>

⁷¹ Ley de Fideicomisos Ley Núm. 219 (August 31, 2012).

<https://bvirtualogp.pr.gov/ogp/Bvirtual/leyesreferencia/PDF/Fideicomisos/219-2012.pdf>

⁷² P. del S. 477 (Conference), Puerto Rico Senate Bill (2018). <https://open.pluralpolicy.com/pr/bills/2017-2020/PS477/>

⁷³ Sobre AMSI. Alianza Municipal de Servicios Integrados. <https://amsipr.com/sobre-amsi/>

⁷⁴ NIMB Staff. (2025, May 5). AMSI, Terumo launch \$2.28M workforce training program in Caguas. *News Is my Business*.

<https://newsismybusiness.com/amsi-terumo-launch-2-28m-workforce-training-program-in-caguas/>





AMSI stands as model of functional consortium development rooted in the Municipal Code and workforce legislation. Though still focused on workforce development, through phased expansion, programmatic innovation, and a multisector governance tied to its local area needs, it demonstrates how a consortium can evolve incrementally into a robust regional institution.

Precedents: Multisectoral Consortia

- **Iniciativa Tecnológica Centro-Oriental (INTECO):** Aguas Buenas, Cidra, Gurabo, Juncos, San Lorenzo
A regional technology initiative anchored in Caguas but involving other central-eastern municipalities and established by Executive Order OE-2005-75.⁷⁵ INTECO operates as a non-profit corporation with a governance structure that incorporates municipal government, academia (Universidad Ana G. Méndez), and private industry. Its initiatives have focused on expanding broadband access,⁷⁶ digital literacy, and promoting innovation. Evaluations note successes in technology training and connectivity programs, although sustaining funding has remained a challenge.⁷⁷
- **Corredor Tecnoeconómico de Puerto Rico y el Caribe (PRTEC)**
Based in the western region, PRTEC brings together municipalities, universities, and private industry to promote science parks, entrepreneurship, and regional economic development. Established under the Autonomous Municipalities Act as a public-private consortium, it is recognized as a pioneer of the multisectoral model, with concrete achievements including the creation of the Guanajibo Research and Innovation Park in Mayagüez.⁷⁸
- **DISUR (Desarrollo Integral del Sur)**
A southern-region consortium that integrates municipalities, academia, and business sectors to promote broad-based economic development. Created under the Autonomous Municipalities Act, DISUR initially grouped over a dozen municipalities, but some later withdrew citing financial or political differences, weakening the consortium's reach.⁷⁹ Its efforts have focused on strategic planning, tourism development, and workforce training, but governance continuity has been a persistent challenge.
- **INTENOR (Iniciativa Tecnológica del Norte) and INTENE (Iniciativa Tecnológica del Noreste)**
These northern and northeastern initiatives were similarly structured as public-private-academic partnerships under the Autonomous Municipalities Act. While their initial goals included technology clusters, business incubation, and workforce development, evaluations suggest they

⁷⁵Orden ejecutiva del gobernador del Estado libre Asociado de Puerto Rico para respaldar el nuevo modelo organizacional socio-económico conocido como iniciativa tecnológica centro-oriental ("INTECO"); ordenar la colaboración de distintas agencias con INTECO; y para validar INTECO como modelo para fomentar que otros municipios se organicen como consorcios o corporaciones sin fines de lucro, Boletín Administrativo Núm. OE-2005-075. (December 1, 2005). http://app.estado.gobierno.pr/Ordenes_Ejecutivas/2005/OE-2005-75.pdf

⁷⁶Kantrow-Vázquez, M. (2012, December 5). Inteco launches regional broadband network—News is My Business. *News Is My Business*. <https://newsismybusiness.com/inteco-launches-regional-broadband-network/>

⁷⁷Berrios Rivera, R., & Rivera Rodríguez, I. (2021). Consorcios intermunicipales en Puerto Rico: ¿Instrumentos para fortalecer la autonomía municipal? *Revista del CLAD Reforma y Democracia*, 79, 137–168. <https://doi.org/10.69733/clad.ryd.n79.a227>

⁷⁸Berrios Rivera, R., & Rivera Rodríguez, I. (2021). Consorcios intermunicipales en Puerto Rico: ¿Instrumentos para fortalecer la autonomía municipal? *Revista del CLAD Reforma y Democracia*, 79, 137–168. <https://doi.org/10.69733/clad.ryd.n79.a227>

⁷⁹Berrios Rivera, R., & Rivera Rodríguez, I. (2021). Consorcios intermunicipales en Puerto Rico: ¿Instrumentos para fortalecer la autonomía municipal? *Revista del CLAD Reforma y Democracia*, 79, 137–168. <https://doi.org/10.69733/clad.ryd.n79.a227>





struggled to consolidate lasting impacts compared to PRTEC or INTECO and are currently inactive.⁸⁰

Precedents: Legislatively Enacted Multisectoral Governance

In addition to the consortia enabled by the Autonomous Municipalities Act, Puerto Rico has advanced numerous multisectoral entities created through specific legislation to address economic development, tourism, and science policy. These entities provide models for how regional and cross-sector coordination can be institutionalized.

Puerto Rico Science, Technology & Research Trust (PRSTRT)

The Puerto Rico Science, Technology & Research Trust (PRSTRT) was created under Act 214-2004 to strengthen Puerto Rico's research and innovation ecosystem.⁸¹ The law established the Trust as a public trust with fiscal and administrative autonomy, recognized it as a Public Health Institute and Educational Organization, and authorized it to serve as a fiscal agent of the Government of Puerto Rico, allowing it to manage federal funds that agencies could not process in time.

A central feature of the law was the creation of a dedicated Trust Fund to ensure financial stability. This Fund drew from multiple earmarks, including:

- An initial allocation of \$5 million from the Public Improvement Fund.
- A fixed share of revenues flowing into the Special Economic Development Fund (FEDE), capped at 35%, with minimum amounts specified by fiscal year and designed to increase over time.
- \$5 million annually from federal excise taxes on alcohol and tobacco ("rum cover-over" funds) under Section 7652(a)(3) of the U.S. Internal Revenue Code, or from the General Fund if excise taxes were insufficient.

This formulaic arrangement was intended to give the Trust predictable and growing baseline revenues.

The landscape shifted with the adoption of the Puerto Rico Incentives Code (Act 60-2019), which consolidated prior incentives laws and replaced FEDE with a new Economic Incentives Fund. Under Section 5010.01 of Act 60-2019, deposits into this Fund are capped at \$125 million annually, financed by 10% of the income tax paid by exempt businesses and taxes withheld on royalties. Unlike the automatic earmarks in Act 214-2004, these monies are administered at the discretion of the Department of Economic Development and Commerce (PRDEDC), which determines allocations among competing economic development priorities. While the Trust remains a statutory beneficiary, its financing is now mediated by PRDEDC decisions rather than directly secured by law, introducing a measure of uncertainty compared to the earlier framework.

Another significant reform came with Act 107-2017, which amended the governance structure by replacing the *Consejo de Fiduciarios* with a *Junta de Síndicos*. The amendment expanded private-sector representation (nine private members, two public) and emphasized continuity,

⁸⁰ Berríos Rivera, R., & Rivera Rodríguez, I. (2021). Consorcios intermunicipales en Puerto Rico: ¿Instrumentos para fortalecer la autonomía municipal? *Revista del CLAD Reforma y Democracia*, 79, 137-168. <https://doi.org/10.69733/clad.ryd.n79.a227>

⁸¹ *Ley del Fideicomiso para Ciencia, Tecnología e Investigación de Puerto Rico Ley Núm. 214* (August 18, 2004). <https://bvirtualogp.pr.gov/ogp/Bvirtual/LeyesOrganicas/pdf/214-2004.pdf>





transparency, and stronger connections with international research networks.⁸² The statement of motives described the Trust as a “key instrument” for Puerto Rico’s transition toward a knowledge-based economy, stressing the need for more effective governance to bolster efficiency and competitiveness.

Today, the Trust coordinates across government, academia, and industry, functioning as both funder and convener. It has awarded over 148 competitive grants totaling more than \$16 million to Puerto Rican researchers, evaluated more than 30 invention disclosures in FY2023–24, and runs entrepreneurship platforms such as *parallel18*, which has graduated nearly 500 startups and engaged over 5,000 entrepreneurs.⁸³ In FY2022, the Trust reported \$34 million in assets, confirming its fiscal strength and capacity to leverage diverse revenue streams.⁸⁴

The Science Trust illustrates how legislation can both create new institutions and adapt them to evolving needs. While the 2004 law laid the foundation, the 2017 amendment was pivotal in strengthening independence and multisectoral participation. Its multisectoral governance, diversified financing, and demonstrated outputs in research, entrepreneurship, and public health make it a model for how legislative frameworks can sustain long-term transformation, though the transition under Act 60 underscores the importance of maintaining stable and predictable funding streams for continuity.

Puerto Rico Destination Marketing Organization (“Discover Puerto Rico,” DPR)

The creation of Puerto Rico’s Destination Marketing Organization (DMO), enabled by Act 17-2017 (“Act to Promote Puerto Rico as a Destination”) established the *Corporation for the Promotion of Puerto Rico as a Destination, Inc.*⁸⁵ ⁸⁶ The Act instructed PRTC to incorporate the DMO under the General Corporations Act (Act 164-2009) and emphasized that it “is not to be considered, for any purpose, a department, agency, public corporation, instrumentality, dependency, or subdivision of the Government of Puerto Rico.” By design, the DMO was incorporated as a private, perpetual, nonprofit corporation with a multisectoral board, ensuring representation from government, industry, and civic stakeholders.⁸⁷ This law responded to long-standing calls for a professionalized, non-governmental entity that could unify the island’s global promotional efforts, stabilize tourism branding against political change, and mobilize private sector resources alongside public funding. This design ensured both legal independence and professionalized continuity in destination marketing.

⁸² Ley Núm. 107-2017. Para enmendar la Ley Núm. 214-2004, P. de la C. 1122 (August 30, 2017).

<https://www.lexiuris.com/lexlex/leyes2017/lexl2017107.htm>

⁸³ Ocasio, X. Impact Metrics 2023-2024. *Puerto Rico Science, Technology & Research Trust*.

<https://prsciencetrust.org/ar2024/>

Puerto Rico Science, Technology & Research Trust. (2024). *Annual Report 2023-2024*. <https://prsciencetrust.org/wp-content/uploads/2024/12/AR2024-Compendio-2025-12-26.pdf>

⁸⁴ Suozzo, A., Roberts, B., Glassford, A., & Ngu, A. (2013). *Puerto Rico Science Technology And Research Trust* [Dataset].

ProPublica Nonprofit Explorer. <https://projects.propublica.org/nonprofits/organizations/660675963>

⁸⁵ Ley para promover a Puerto Rico como destino Ley Núm. 17 (March 30, 2017).

<https://bvirtualogpp.pr.gov/ogpp/Bvirtual/levesreferencia/PDF/Desarrollo%20Econ%C3%B3mico/17-2017.pdf>

⁸⁶ Destination Marketing Organizations (DMOs) are not-for-profit entities established to promote destinations and enhance long-term economic development through travel and tourism. Globally, DMOs often serve as the “marketing arm” of a destination, responsible for branding, promotion, and sometimes destination management. Successful examples include Visit Scotland, Tourism Australia, and Brand USA, which combine government funding with private sector participation to ensure continuity and competitiveness in global markets.

⁸⁷ Ley para promover a Puerto Rico como destino Ley Núm. 17 (March 30, 2017).

<https://bvirtualogpp.pr.gov/ogpp/Bvirtual/levesreferencia/PDF/Desarrollo%20Econ%C3%B3mico/17-2017.pdf>





The law also created a carefully structured funding framework. Initial allocations of \$400,000 per month for six months were provided in FY2017–2018, followed by recurring transfers from the Room Occupancy Tax (Act 272-2003) up to a \$25 million annual cap. To promote private-sector co-investment, the founding law also authorized up to \$5 million in annual matching funds. The DMO’s service contract with the PRTC can last up to 20 years, with the possibility of 10-year extensions, embedding continuity and long-term stability into the governance model.^{88 89} These fiscal provisions provide the DMO the autonomy and financial predictability needed to undertake multi-year strategies, while requiring it to produce annual marketing plans, research-driven branding initiatives, and transparent financial reports. In this way, the law aligned tourism promotion with principles of accountability, resilience, and inclusivity.

Since its launch as Discover Puerto Rico, the DMO has repositioned the island’s brand globally, particularly in the wake of Hurricanes Irma and María. Campaigns such as #CoverTheProgress invited audiences to witness Puerto Rico’s recovery through community-driven visuals, while complimentary promotional toolkits supported local stakeholders with updated visuals and messaging.^{90 91} These coordinated efforts strengthened Puerto Rico’s ability to maintain consistent messaging and differentiate itself in competitive global markets, thereby accelerating recovery in tourism arrivals and revenues.

The results have proven to be substantial: in 2024 Puerto Rico welcomed 5.3 million non-resident visitors, generating \$7.1 billion in direct spending and contributing to an estimated \$13.5 billion in total economic impact.⁹² The upward trend has continued into 2025, with tourist arrivals surpassing pre-pandemic levels for a fourth consecutive year and lodging demand rising nearly 50 percent compared to 2018.^{93 94}

For the Eastern Region, Act 17-2017 provides a clear precedent for how legislation can create a multisectoral, professionally governed entity with stable funding streams that shield operations from short-term political shifts. More on how this can serve as a model for establishing the Council is presented in “The Opportunity and Outlook: Readiness for Regional Development and Shared Governance” section below.

⁸⁸ *Ley para promover a Puerto Rico como destino* Ley Núm. 17 (March 30, 2017).

<https://bvirtualogpp.pr.gov/ogpp/Bvirtual/leyesreferencia/PDF/Desarrollo%20Econ%C3%B3mico/17-2017.pdf>

⁸⁹ RSM Puerto Rico & Departamento de Hacienda. (2022). *Corporación para la Promoción de Puerto Rico como Destino, Inc. (DMO) – Estados financieros auditados*. Gobierno de Puerto Rico. https://hacienda.pr.gov/sites/default/files/dmo_fs_2022.pdf

⁹⁰ Discover Puerto Rico. (2018, September 5). *Discover Puerto Rico provides complimentary tourism promotion tools* [Press release]. Discover Puerto Rico Industry Portal. <https://www.discoverpuertorico.com/industry/press-release/discover-puerto-rico-provides-complimentary-tourism-promotion-tools/2018-09-05>

⁹¹ Discover Puerto Rico. (2018, August 20). *Tourism leaders call to highlight recovery of the island* [Press release]. Discover Puerto Rico Industry Portal. <https://www.discoverpuertorico.com/industry/press-release/tourism-leaders-call-to-highlight-recovery-island/2018-08-20>

⁹² Foundation for Puerto Rico. (2025). *Puerto Rico’s Visitor Economy Performance Model: A deep review of the historical data and an analysis of methodologies for the measurement of visitation activity in Puerto Rico; an estimate of the current state of the visitor economy, and an updated model that leverages technology to provide unprecedented accuracy and impact*. <https://foundationforpuertorico.org/es/visitor-economy-performance-model/>

⁹³ Parker, J. L. (2025, February 12). Puerto Rico tourism hits record-breaking high. *Forbes*. <https://www.forbes.com/sites/jenniferleighbarker/2025/02/12/puerto-rico-tourism-hits-record-breaking-high/>

⁹⁴ Wilson, J. (2025, March 11). Discover Puerto Rico has millions in events business at risk, says ex-tourism chief. *Skift*. <https://skift.com/2025/03/11/discover-puerto-rico-has-millions-in-events-business-at-risk-says-ex-tourism-chief/>





Invest Puerto Rico (InvestPR)

Invest Puerto Rico (InvestPR), established as a not-for-profit entity under Act No. 13 of 2017, (“*To Authorize the Creation of a Non-Profit Corporation which will Adopt the Concept 'Enterprise Puerto Rico'*”) is tasked with promoting the Island as an investment destination and strengthening its competitiveness in the global economy. Modeled on international best practices, InvestPR was designed as an agile and independent institution to replace fragmented government promotion efforts and position Puerto Rico as a strategic hub for innovation, talent, and investment.

The governance design combined public oversight with private agility: the Board of Directors is appointed by the Governor and confirmed by the Senate, but the entity operates independently as a 501(c)(3) nonprofit with broad private-sector representation. This hybrid governance structure provides accountability while allowing the organization greater flexibility than traditional government agencies, enabling it to bridge government, industry, and academia in pursuit of long-term investment strategies.⁹⁵ Importantly, Act 13-2017 provided the initial financing in which PRIDCO granted \$500,000 to support InvestPR’s launch and early operations. After this, it tied InvestPR’s financing to performance metrics, explicitly linking support to jobs created, capital investment attracted, and new revenues generated by “new businesses.” To sustain operations, the Act created a dedicated Operating Fund to Attract New Businesses, financed by 5% of income tax revenues from companies classified as new entrants under the law, defined as firms never before operating in Puerto Rico, unaffiliated with local firms, and not engaged in retail activity.⁹⁶

Since its launch in 2018, InvestPR has spearheaded promotional campaigns, market studies, and business development initiatives that highlight Puerto Rico’s comparative advantages, including its bilingual and highly skilled workforce, U.S. jurisdiction with global connectivity, and competitive tax incentives. The organization has played a central role in attracting firms in biosciences, aerospace, renewable energy, information technology, and business services. By 2024, InvestPR reported that it had secured nearly 25,000 committed jobs and over \$2 billion in capital investment since inception.⁹⁷ In fiscal year 2024 alone, InvestPR facilitated \$733 million in capital investment and commitments for 4,900 new jobs, reflecting its role as a driver of diversification and growth.⁹⁸

This case demonstrates how legislation can not only establish an institution but also embed performance-based governance and financing, ensuring alignment between public investment and measurable economic outcomes. For the Eastern Region, such a precedent highlights the value

⁹⁵Invest Puerto Rico. (2022). *Annual Report Fiscal Year 2022*. https://www.investpr.org/wp-content/uploads/2023/08/IPR_AnnualReport_FiscalYear2022.pdf

⁹⁶*Ley para Autorizar la Creación de una Corporación sin Fines de Lucro la cual Adoptará el Concepto “Enterprise Puerto Rico” Ley Núm. 13* (February 20, 2017).

<https://bvirtualogp.pr.gov/ogp/Bvirtual/leyesreferencia/PDF/Desarrollo%20Econ%C3%B3mico/13-2017.pdf>

⁹⁷ Invest Puerto Rico. *About Us*. InvestPR. <https://www.investpr.org/about-investpr/investpr-overview/>

⁹⁸ Invest Puerto Rico. (2024, December 19). Invest Puerto Rico secures \$733 million in capital investment and 4,900 new jobs in fiscal year 2024. InvestPR. <https://www.investpr.org/news/invest-puerto-rico-secures-733-million-in-capital-investment-and-4900-new-jobs-in-fiscal-year-2024/>





of legally enabled, multisectoral entities that bridge government and private actors while maintaining transparency and accountability.

Nonprofit Corporation	Public Trust
<ul style="list-style-type: none">• <i>Discover Puerto Rico (DMO)</i> and <i>Invest Puerto Rico</i> were established as nonprofit corporations under Puerto Rico's <i>General Corporations Act (Act 164-2009)</i>.• They are legally independent from government, governed by boards with public and private members, and operate through long-term contracts with government agencies.• Their funding depends on statutory earmarks (e.g., room tax allocations, tax revenue shares) and performance-based incentives, but their structure resembles traditional NGOs with specific statutory mandates.	<ul style="list-style-type: none">• The Puerto Rico Science, Technology & Research Trust was created as a public trust, a distinctive instrument in Puerto Rican law.• Unlike a nonprofit corporation, a public trust holds its own assets in perpetuity, enjoys fiscal autonomy, and is designed to manage earmarked public revenues (e.g., excise taxes, economic development funds).• Governance reforms in 2017 (Act 107-2017) shifted control to a multisectoral board of trustees, enhancing continuity and independence.

Federally Enabled Regional Consortia

WIOA Local Workforce Development Boards

The Workforce Innovation and Opportunity Act (WIOA), enacted by the federal government as Act 113-128 in 2014,⁹⁹ provides a framework for workforce development across the United States. In Puerto Rico, it has led to the establishment of Local Workforce Development Areas (LWDAs) governed by Local Workforce Development Boards (LWDBs). These boards are mandated under Section 107 of WIOA and certified by the Governor every two years to ensure compliance with performance and accountability measures. Their central role is to coordinate youth, adult, and dislocated worker programs, align training with labor market needs, and serve as the primary public decision-making bodies for federally funded workforce programs at the local level.

Each LWDB operates in close partnership with municipal governments. In fact, many WIOA local areas in Puerto Rico are structured as intermunicipal consortia, established under the Autonomous Municipalities Act.¹⁰⁰ These consortia are formalized through agreements among municipalities and represented by a Board of Mayors, which appoints members to the LWDB in compliance with federal and state criteria. Through this structure, municipalities act collectively as the official subrecipients of federal workforce funds, with the Chief Elected Official (or the Governor) designated as the fiscal agent. The arrangement grants legal personality to the consortium, separate from its member municipalities, and provides a framework for shared management of workforce development initiatives.

⁹⁹ *Workforce Innovation and Opportunity Act, Pub. L. 113-128 (July 22, 2014)*. <https://www.govinfo.gov/content/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>

¹⁰⁰ *Ley de Municipios Autónomos de Puerto Rico Ley Núm. 81. (August 20, 1991)*. <https://bvirtualogp.pr.gov/ogp/Bvirtual/levesreferencia/PDF/Municipios/81-1991/81-1991.pdf>





Puerto Rico currently has multiple WIOA local areas, such as the Noreste and Sureste consortia Boards in the Eastern Region. Their governing ordinances emphasize regionalism by consolidating limited local resources, aligning workforce training to economic development priorities, and improving access to federal funding streams. For example, the Sureste Board has adopted regulations defining its consortium model, Board of Mayors, and board appointment procedures, ensuring compliance with both WIOA and Puerto Rico statutes. Meanwhile, the Noreste Board through recent municipal ordinances in Canóvanas, Naguabo, and Ceiba (2024–2025) illustrates how local governments are actively refining these structures to expand service delivery and even explore incorporation as nonprofit entities to facilitate additional funding opportunities. Following the model of the AMSI, described above, these municipal consortia initially formed through federal workforce development program, can later be expanded and incorporated as a 501c3 nonprofit entity that can access other funding in addition to the WIOA funds allocated for its service area.

As federally mandated regional bodies, WIOA consortia represent one of Puerto Rico’s most institutionalized forms of regional collaboration. Their governance combines federal requirements, state certification, and local intermunicipal agreements, making them hybrid structures that bridge U.S. Department of Labor oversight with Puerto Rico’s municipal autonomy framework. While their primary mandate is workforce training and employment services, their experience in managing federal funds, convening municipal leaders, and aligning economic and human capital development makes them important precedents for any future regional governance model in the Eastern Region, as well as a natural ally for the Council.

EDA-Enabled Regional Economic Development: SPREDD as a Model

Puerto Rico’s first federally designated Economic Development District (EDD), the Southern Puerto Rico Economic Development District (SPREDD), offers a template for how a regional, multi-jurisdictional organization can coordinate investment, align strategies, and unlock federal resources. In May 2023, the U.S. Economic Development Administration (EDA) formally recognized SPREDD, which comprehends six southern municipalities: Guánica, Yauco, Guayanilla, Peñuelas, Ponce, and Juana Díaz. As an independent, non-government, nonprofit entity, SPREDD serves as the convening and planning “backbone” for the region’s long-term economic strategy.^{101 102}

The EDA framework rests on three building blocks:

1. A region must meet economic distress criteria (higher-than-average unemployment, low per-capita income, or a documented “special need”).
2. It must organize an eligible “District Organization” with a governing body that is broadly representative of the region’s main economic interests and able to carry out the work.

¹⁰¹ Southern Puerto Rico’s Economic Development District. *Overarching strategic goals*. SPREDD. <https://spredd.net/>

¹⁰² U.S. Economic Development Administration. *U.S. Department of Commerce designates first economic development district in Puerto Rico [press release]*. (2023, May 12). <https://www.eda.gov/news/press-release/2023/05/12/us-department-commerce-designates-first-economic-development-district>





3. It must prepare and keep current a Comprehensive Economic Development Strategy (CEDS), a data-driven regional plan that integrates infrastructure, workforce, innovation, resilience, and equity.

Regions must submit a CEDS update at least every five years—with annual performance reports, to remain in good standing; planning guidance encourages integrating other regional plans (transportation, resilience, workforce, tourism) so that the CEDS becomes the shared platform for investment decisions.^{103 104}

As a designated EDD, a region is eligible for planning support and for implementation programs such as Public Works and Economic Adjustment Assistance.¹⁰⁵ SPREDD illustrates a localized model whose aims include strengthening regional development capacity, advancing sector strategies, leveraging the Port of Ponce, and piloting blue-green infrastructure initiatives. Organizationally, SPREDD is structured as an independent 501(c)(6)¹⁰⁶ nonprofit with federal EDD designation with an emphasis on coordinating plans, providing technical support, and promoting blue and green infrastructure.¹⁰⁷

For the Eastern Region, this federal pathway is actionable and aligns with the Council’s vision. Looking backward from a 10-year horizon, the end-state is a region with a living CEDS that guides capital programming across municipalities; a representative regional board that convenes government, business, higher education, workforce boards, and community organizations; and a pipeline of EDA-eligible projects that braid federal, commonwealth, municipal, and private/philanthropic funds. This regional body could apply for federal grants, administer awards on behalf of member municipalities, and coordinate multi-beneficiary projects without supplanting local autonomy.

SPREDD demonstrates that EDD designation is both feasible and useful in Puerto Rico. If the Eastern Region pursues the same pathway, tailoring its CEDS to the visitor economy, nature- and culture-based industries, climate adaptation, and workforce mobility, it can convert fragmented projects into a coherent investment portfolio and position its municipalities to compete effectively for federal resources over the next decade.

Metropolitan and Regional Transportation Planning Organizations

Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Organizations (RTPOs) are federally authorized, multijurisdictional entities responsible for coordinating and guiding transportation investment, planning, and policy at the regional level. Their core function is to ensure a collaborative, data-driven process for allocating federal and state transportation funds among localities, while integrating land use, economic,

¹⁰³ 13 CFR 303 *Planning Investments and Comprehensive Economic Development Strategies*. (2006).

<https://www.ecfr.gov/current/title-13/part-303>

¹⁰⁴ U.S. Economic Development Administration. *Comprehensive Economic Development Strategy (CEDS)*. EDA.

<https://www.eda.gov/resources/comprehensive-economic-development-strategy>

¹⁰⁵ FY 2025 EDA Public Works and Economic Adjustment Assistance Programs. Grants.gov

<https://simpler.grants.gov/opportunity/b5365cea-b07c-4e8d-8313-e23ab0fd3766>

13 CFR 304.2 (2006). <https://www.ecfr.gov/current/title-13/part-304/section-304.2>

¹⁰⁶ A 501(c)(6) organization is recognized by the IRS as a business league or trade association. Contributions to 501(c)(6) entities are not tax-deductible as charitable gifts, which can limit access to certain funding sources, though membership dues may be deductible as business expenses.

¹⁰⁷ Southern Puerto Rico’s Economic Development District. *Overarching strategic goals*. SPREDD. <https://spredd.net/>





and social priorities across complex geographies.^{108 109} Both MPOs and RTPOs must engage the public, use performance-based, outcome-driven planning methods, and produce fiscally constrained Long-Range Transportation Plans (LRTPs) and Transportation Improvement Plans (TIPs).

Metropolitan Planning Organizations (MPOs)	Regional Transportation Planning Organizations (RTPOs)
<ul style="list-style-type: none"> • Required for all urbanized areas in the U.S. with a population over 50,000 (per 23 USC §134 and 49 USC §5303). • They serve as the policy boards that represent local governments, transit providers, and state agencies in planning long-range transportation systems, adopting Transportation Improvement Programs (TIPs), and facilitating public engagement. • Statutes detail the process by which MPOs are designated, their core planning responsibilities, and the necessity for periodic updates to their deliverables, typically every four years. 	<ul style="list-style-type: none"> • Voluntary, state-designated planning bodies focused on non-metropolitan and rural areas (per 23 USC §135(m)). • Composed of nonmetropolitan local officials (or the designees) and representatives of local transportation systems. • Provide states the discretion to establish these bodies to strengthen rural transportation planning capacity. • Aggregate the transportation needs of small towns, rural counties, and non-urbanized districts to ensure rural voices are included in statewide planning.

Designation as a Metropolitan Planning Organization (MPO) or Regional Transportation Planning Organization (RTPO) not only confers statutory responsibilities but also directly enables access to federal and state transportation funding streams and programming authority.¹¹⁰ MPOs are empowered to receive and program dedicated federal planning funds and capital formula funds like the Transportation Block Grant (STBG), and the Congestion Mitigation and Air Quality Improvement (CMAQ).¹¹¹ Moreover, most discretionary and formula-based federal transportation grants require that projects be included in an MPO- or RTPO-approved plan, making these entities critical gatekeepers for regional mobility investment.¹¹² In addition, MPOs and RTPOs are competitive for innovation grants that support multimodal strategies, technology-enabled pilots, and projects that advance active or equitable transportation.¹¹³ Many federal funds require matching funds, often 20%, from the state.¹¹⁴ Through these mechanisms, MPOs and RTPOs play a foundational role in ensuring that

¹⁰⁸ Metropolitan Planning Organization (MPO). Federal Transit Administration. <https://www.transit.dot.gov/regulations-and-guidance/transportation-planning/metropolitan-planning-organization-mpo>

¹⁰⁹ U.S. Department of Transportation Federal Highway Administration. *What is a Regional Transportation planning Organization?* https://www.planning.dot.gov/documents/RTPO_factsheet_What_is_an_RTPO.pdf

¹¹⁰ Federal Transit Administration. (2022, November 21). *Metropolitan Planning Organization (MPO)*. <https://www.transit.dot.gov/regulations-and-guidance/transportation-planning/metropolitan-planning-organization-mpo>

¹¹¹ Association of Metropolitan Planning Organizations. (2025) *Federal Funding 101, the MPO Process*. https://ampo.org/wp-content/uploads/2025/02/AMPO_MPO101.TRANSPO101_MARCH2025.pdf

¹¹² Federal Highway Administration. (2023). *Funding Federal-aid Highway Programs*. <https://www.fhwa.dot.gov/funding/>

¹¹³ Association of Metropolitan Planning Organizations. (2024). *Reauthorization: Introduction to Reauthorization for MPOs*. <https://ampo.org/wp-content/uploads/2024/11/Reauthorization-101-2.pdf>

¹¹⁴ Association of Metropolitan Planning Organizations. (2025) *Federal Funding 101, the MPO Process*. https://ampo.org/wp-content/uploads/2025/02/AMPO_MPO101.TRANSPO101_MARCH2025.pdf





transportation, land use, and economic development projects are strategically coordinated, funded, and aligned with community priorities.¹¹⁵

Puerto Rico Metropolitan Planning Organization (PRMPO)

In Puerto Rico, the organizational structure deviates from most U.S. regions. There is only one MPO: the Puerto Rico Metropolitan Planning Organization (PRMPO), housed under the Puerto Rico Department of Transportation and Public Works (PRDTPW) and covering all federally recognized urbanized areas (San Juan, Aguadilla, Ponce, and others). Policy boards are composed primarily of mayors representing each urbanized-area municipality, as well as state agencies and transit providers.¹¹⁶ Although some “rural” or small towns are encompassed due to Census-defined urbanized area boundaries, there are currently no designated RTPOs serving the remaining rural regions. This presents an opportunity, described in detail in “Scenario 3: Regional Transportation or Metropolitan Planning Organization (RTPO/MPO),” including the specific requirements for establishing the Council as an RTPO or MPO.

A singular MPO is an all-encompassing model which makes it challenging to address the specific needs of municipalities that are geographically remote, demographically older, or economically marginalized. As a result, transit resources are often concentrated in core urban corridors, where the highest concentrations of people live, while rural and outer-metro towns face limited coverage and integration. Puerto Rico’s demographic contraction, dispersed settlement patterns, and rugged geography pose unique barriers to providing traditional fixed-route transit. Older adults and those with disabilities or limited private vehicle access are disproportionately affected. There is an urgent need for adaptive, cost-efficient, and technology-enabled solutions, such as Demand-Responsive Transit, Mobility-as-a-Service (MaaS), and shared micro-transit systems, to improve access and equity, especially in low-density or shrinking communities.

¹¹⁵ Lorenzo, J. (2011, August 24). *Lessons learned: Regional transportation planning organizations in Washington State*. 2011 National Rural Transportation Peer Learning Conference, Washington DC. <https://www.nado.org/wp-content/uploads/2011/08/Lessons-Learned-Start-RPO-LORENZO.pdf>

¹¹⁶ Puerto Rico Highways and Transportation Authority. (2024, August 22). *Unified planning work plan (UPWP) 2024-2025 (amendment #1)*. Puerto Rico Highway and Transportation Authority, Puerto Rico Department of Transportation and Public Works. https://act.dtop.pr.gov/wp-content/uploads/2024/09/Unified-Planning-Work-Plan-2024-2025_Amendment-1-Approved-August-22-2024.pdf





Case Study: Mid-America Regional Council (MARC): A Regional Council Bridging Urban and Rural Mobility Structure

The Mid-America Regional Council (MARC) is a 501(c)(3) nonprofit organization and serves as both the Metropolitan Planning Organization (MPO) and the Council of Governments for the bistate Kansas City region. MARC's governance structure encompasses nine counties—spanning both Missouri and Kansas—and represents 119 cities, with a board of directors composed of local elected officials from all member jurisdictions. This cross-jurisdictional approach enables consensus-based governance that is responsive to the needs of both highly urbanized and rural/suburban communities.^{117 118}

Approach

Recognizing that transportation, land use, and economic challenges cut across local boundaries, MARC works holistically, integrating urban and rural priorities within its board and committee structure. The organization employs robust public engagement methods, drawing on data and public input to inform decision-making on infrastructure investments. MARC is known for actively supporting multimodal solutions, including commuter rail, bicycle/pedestrian infrastructure, and the introduction of technology-driven transit services. The council serves as a neutral planning forum, fostering regional collaboration on mobility innovation, coordinated land use, workforce development, and equitable access to services.^{119 120}

Outcome

MARC's unified structure looks to bridge urban-rural divides in both funding allocation and transportation service delivery. Through regional planning, the council has advanced successful projects, making public transit more accessible in traditionally underserved areas. For example, its Way To Go program promotes optimized and efficient multimodal transport.¹²¹ MARC's emphasis on inclusivity and consensus has also helped address social equity issues and ensure that both urban and rural voices are reflected in policy and investment decisions.¹²² MARC's model is a leading example of regional governance and metropolitan-rural integration among federally designated MPOs.

Beyond Mobility

The Mid-America Regional Council (MARC) has evolved well beyond its function as the Kansas City region's federally designated MPO. MARC now coordinates a broad portfolio of programs aimed at advancing social, economic, and environmental progress across

¹¹⁷ Mid-America Regional Council. (2025). *Metropolitan planning*. <https://www.marc.org/transportation/metropolitan-planning>

¹¹⁸ MARC: Regional governance in mid-America. (2023, June 29). *National Civic League*. <https://www.nationalcivicleague.org/marc-regional-governance-in-mid-america/>

¹¹⁹ Federal Highway Administration. (2019, November 20). *Mid-America Regional Council pilot of the data business plan for transportation operations*. <https://ops.fhwa.dot.gov/publications/fhwahop18012/ch1.htm>

¹²⁰ For more information see their Plans and Studies at: <https://www.marc.org/transportation/plans-and-studies/regional-pedestrian-policy-plan>

¹²¹ Way To Go. *About*. <https://waytogokc.org/about/>

¹²² MARC (Mid-America Regional Council) (2014, March) *Creating Sustainable Places. A Regional Plan for Sustainable Development in Greater Kansas City*. <https://www.marc.org/sites/default/files/2022-05/Regional-Plan-for-Sustainable-Development.pdf>





nine counties and 119 cities in Kansas and Missouri. They lead regional initiatives in areas such as workforce development, early childhood education, public health, public safety, homeland security, and environmental stewardship.^{123 124}

For example, MARC operates the “Operation Green Light” regional traffic signal coordination program, spearheads the Kansas City Regional Climate Action Plan, in partnership with Climate Action KC, and convenes data-sharing and scenario planning projects to support long-range regional resilience and equity.^{125 126}

Through its collaboration on KC Rising—a regional economic prosperity and equity initiative, MARC works with local business councils and civic groups to tackle systemic economic disparities, supporting innovative tools like the Economic Equity Values Atlas for data-driven planning. The organization also invests in public safety, emergency preparedness, affordable housing, children and families, and local government innovation, aiming to promote inclusivity and prosperity for the region’s diverse communities.^{127 128 129}

MARC’s programs demonstrate the power of cross-sector coordination, consensus-based regional governance, and a broad mission that encompasses sustainable development, regional innovation, and greater equity in opportunity and quality of life.

National Best Practices of Federally Enabled Regional Consortia

Across the U.S., Regional Development Organizations, including Economic Development Districts (EDDs), Metropolitan Planning Organizations (MPOs), Regional Transportation Planning Organizations (RTPOs), and Councils of Governments (COGs), are widely recognized as vehicles for integrated regional planning and development. These entities routinely bridge disciplines of economic strategy, land use, transportation, infrastructure, disaster recovery, and health, serving communities that span rural, suburban, and metropolitan geographies.^{130 131 132} Their evolving portfolios reflect a generalized national trend favoring collaboration, resource sharing, and cross-sector innovation.

What distinguishes the most advanced regional consortia is their ability to unify holistic planning with direct service provision, functioning as both the region’s strategic planners and transit, mobility, or infrastructure operators. For instance, the Minnesota Metropolitan Council is the preeminent example, serving as the MPO for Minneapolis-St. Paul, long-range planner, and operator of Metro Transit and Metro Mobility,

¹²³ MARC (Mid-America Regional Council). (2025, September 1). *Homepage*. <https://www.marc.org>

¹²⁴ National Civic League. (2023, June 29). MARC: Regional governance in mid-America. <https://www.nationalcivicleague.org/marc-regional-governance-in-mid-america/>

¹²⁵ Climate Action KC. (2023, June 27). *Climate Action Plan*. <https://climateactionkc.com/climate-action-plan/>

¹²⁶ MARC (Mid-America Regional Council). (2021). *Strategic Plan*. https://www.marc.org/sites/default/files/2022-05/OGL_Strategic-Plan.pdf

¹²⁷ MARC (Mid-America Regional Council). (2025, September 1). *Homepage*. <https://www.marc.org>

¹²⁸ National Civic League. (2023, June 29). MARC: Regional governance in mid-America. <https://www.nationalcivicleague.org/marc-regional-governance-in-mid-america/>

¹²⁹ Mid-America Regional Council. *KC Chamber*. <https://www.kcchamber.com/marc/>

¹³⁰ National Association of Development Organizations. *Regional Development*. NADO. <https://www.nado.org/regional-development/>

¹³¹ Lawhorn, J.M. (2020, April 16). The role of regional development organizations (RDOs) in transportation planning (IF11511). <https://www.congress.gov/crs-product/IF11511>

¹³² Digital, B., & Schwartz, B. (2023, January 27). EDDs in Action Case Studies Series. NADO. <https://www.nado.org/edds-in-action/>





while also overseeing wastewater, parks, and housing.^{133 134} In Texas, the Lower Rio Grande Valley Development Council both plans and delivers rural and urban transit via Valley Metro, integrating microtransit and fixed-route services across multiple counties and municipalities through interlocal cooperation and shared funding streams.^{135 136}

These real-world models demonstrate the core pillars of federated governance: multi-jurisdictional representation, pooled funding, flexible legal frameworks, a data-driven approach, robust stakeholder engagement, and delivery of direct services tailored to community needs. Whether operating within urban, rural, or mixed environments, regional consortia provide a scalable and responsive platform for innovation and equity in mobility, not only planning but actively shaping the future.

For Puerto Rico, a federally enabled regional consortia model that leverages nonprofit, governmental, and multi-jurisdictional leadership, offers a pathway to overcome fragmentation, bring multimodal and tech-enabled mobility to underserved populations, and align transit, economic resilience, and public health outcomes under a unified regional vision.

Alignment with Territorial Economic Development Policies and Incentives

Territorial policy further reinforces the Council’s legitimacy by embedding regionalism, shared services, and competitiveness into economic development priorities.

- Act 60-2019,¹³⁷ the Puerto Rico Incentives Code, consolidates development incentives, providing the Council with tools to help align with regional investment priorities.
- Puerto Rico Fiscal Oversight and Management Board (FOMB) explicitly promotes consolidation, shared services, and regional solutions to address municipal capacity limits.¹³⁸

While these policies support the Council’s model, they remain fragmented in practice. The Economic Development Council can serve as the integrative mechanism to translate these policy goals into coordinated regional action.

Complementarity with Public Land and Resource Management Plans and Policies

In Puerto Rico, public lands are managed under a multi-layered system that includes federal, commonwealth, and municipal authorities, offering important points of complementarity with the Council’s mission. At the federal level, the U.S. Forest Service oversees El Yunque National Forest, the island’s only national forest, while the U.S. Fish and Wildlife Service manages several national wildlife refuges in Cabo Rojo, Vieques, Culebra, and Lajas. The Council aligns resource-specific

¹³³ *Transportation Planning Process*. Metropolitan Council. <https://metro council.org>

¹³⁴ Metropolitan Council & State of Minnesota. (2024, October). *2026-27 Biennial Budget. Summary of Agencies*. <https://mn.gov/mmb-stat/documents/budget/research-and-data/summary-of-agencies-programs-activities/met-council-transportation.pdf>

¹³⁵ *Lower Rio Grande Valley Development Council*. (2025, August). Texas Transit Performance Dashboard. <https://www.texastransitdashboard.com/transit-district/lower-rio-grande-valley-development-council/>

¹³⁶ Taylor, S. (2025, July 25). Valley Metro wants to bring a Microtransit bus system to the RGV’s rural areas. *Rio Grande Guardian*. <https://riograndeguardian.com/stories/valley-metro-wants-to-bring-a-microtransit-bus-system-to-the-rgvs-rural-areas.28429>

¹³⁷ *Código de Incentivos de Puerto Rico Ley Núm. 60* (July 1, 2019) <https://bvirtualogp.pr.gov/ogp/Bvirtual/levesreferencia/PDF/60-2019.pdf>

¹³⁸ Financial Oversight and Management Board for Puerto Rico (2022, January 27) 2022 Fiscal Plan for Puerto Rico, Restoring Growth and Prosperity. https://bvirtualogp.pr.gov/ogp/Bvirtual/reogGubernamental/PDF/PROMESA/PFPR22-english.pdf?utm_source=chatgpt.com





governance models including the El Yunque National Forest Land Management Plan,¹³⁹ which emphasizes shared stewardship, community engagement, and sustainable recreation. The U.S. Forest Service engages in co-management, concession and licensing agreements with eligible entities to manage the El Yunque’ resources and provide services, as explained in “Economic and Management Models to Achieve Asset Sustainability” in the Attractions Pillar. The Council can extend these approaches beyond the forest’s boundaries, embedding it within a regional framework that integrates mobility, tourism, and ecosystem resilience.

At the commonwealth level, the Department of Natural and Environmental Resources (PRDNER) holds primary responsibility for forests, nature reserves, coastal zones, and marine resources. PRDNER also administers the Puerto Rico National Parks program (separate and distinct from federal National Parks) which includes recreational areas, reserves, and heritage sites, though in recent years some parks have been transferred to municipal management through co-management agreements. PRDNER often relies on co-management agreements with municipalities and nonprofit organizations to ensure continuity of operations. Many of these within the Eastern Region are showcased in the Attractions Pillar.

The Department of Sports and Recreation (PRDSR) manages public athletic and recreational facilities, frequently partnering with municipalities through interagency agreements; they have the authority to enter into concession and public–private partnership agreements with private entities. PRDSR also prepares and administers Puerto Rico’s Statewide Comprehensive Outdoor Recreation Plan (SCORP), which provides the framework for investment of federal Land and Water Conservation Fund resources.

Lastly, the Puerto Rico Land Authority (Autoridad de Tierras) oversees agricultural lands, while the Land Administration (Administración de Terrenos), as part of the Department of Economic Development and Commerce, manages public land inventories for development and can transfer parcels through a title conveyance or grant long-term use rights (lease/usufruct) to municipalities or public corporations to advance local projects. Together, these mechanisms—co-management, interagency agreements, concessions, Public-Private Partnerships and formal planning instruments—illustrate an established practice of shared responsibility and collaboration in public land and resource management, providing a strong foundation that the Council can complement and extend at the regional scale.

The complex mosaic of responsibilities creates some challenges for coordination, and yet, it also provides opportunities for aligning land use, conservation, recreation, and economic development strategies. Taken together, these municipal, territorial, and federal frameworks constitute a strong enabling environment for the Eastern Region Economic Development Council. What is missing is not legal authority, but rather a dedicated institution capable of consolidating these fragmented powers into a coherent, long-term governance model. Legislative action to establish and fund the Council will be the most agile approach to bridge this gap, transforming scattered mandates into a durable institution that can advance shared regional priorities.

¹³⁹ U.S. Forest Service. (2018, August). *El Yunque National Forest: Revised Land Management Plan*. United States Department of Agriculture. <https://www.fs.usda.gov/r08/elyunque/planning/forest-plan/el-yunque-national-forest-plan>





Puerto Rico Consortium-Style Models

1. Parques Nacionales / PRDNER Co-Management Agreements

- Destination Management: Some PRDNER park co-managers operate eco-tourism (e.g., Cabezas de San Juan)
- Transportation: Limited to access management within parks
- Environmental Stewardship: Parkland and natural area conservation, often co-managed
- Small Biz Support: Some co-managers offer concessions or vendor programs
- Shared Services: Stewardship agreements for park operations

2. Grupo de las Ocho Comunidades Aledañas al Caño Martín Peña (G-8)

- Destination Management: Community-driven destination planning around Caño Martín Peña
- Transportation: Local transportation strategies tied to community infrastructure plans
- Environmental Stewardship: Environmental justice, flood mitigation, and restoration of the Caño Martín Peña
- Small Business Support: Capacity building for community enterprises and cooperatives
- Shared Services: Collective governance, planning, and advocacy

3. Consorcio Energético de la Montaña (Villalba, Orocovis, Barranquitas, Ciales y Morovis)

- Environmental Stewardship: Energy resilience via renewable microgrids
- Shared Services: Shared energy generation and maintenance

4. Fideicomiso de Conservación de Puerto Rico (Para la Naturaleza)

- Destination Management: Eco-tourism and agro-tourism integrated in protected lands
- Transportation: Supports trails and access paths on conservation lands
- Environmental Stewardship: Island-wide land conservation and ecological restoration
- Small Business Support: Grants and technical support for nature-based businesses
- Shared Services: Centralized resource management and land trust operations

4.3 The Case for a New Regional Governance Framework

The Eastern Region of Puerto Rico possesses extraordinary natural and cultural assets, from El Yunque National Forest and bioluminescent bays to historic towns and protected coastlines. These resources underpin a growing visitor economy and represent immense potential for equitable development. Foundation for Puerto Rico's Visitor Economy Performance Model projects that visitation to the Eastern Region, currently estimated at 2 million offshore visitors annually, could increase to over 3 million by 2030—doubling the impact in the region to more than 2 billion dollars in direct visitor spending and creating 12,000 additional jobs. This trajectory underscores both the scale of opportunity and the urgency of building a governance framework capable of managing growth





sustainably. This potential may yet remain constrained by persistent fragmentation, uneven investment, and limited municipal capacity. As the region faces accelerating climate risks, rapid shifts in tourism demand, and continued population decline, the costs of inaction are becoming unsustainable.

To chart a different path, the region must move beyond its current patchwork of isolated municipal efforts, agency silos, and short-term programs. A compelling case emerges for the new model of governance that has been proposed here—one that coordinates across jurisdictions, mobilizes resources at scale, and institutionalizes continuity beyond political cycles.

This next section presents the case for change in four parts. First, it documents the structural fragmentation and fiscal stress that undermine municipal efficacy. Second, it examines the costs of continuing along the current trajectory, from missed funding opportunities to unmanaged environmental pressures. Third, it highlights the opportunities and signals of readiness that position the Eastern Region to embrace shared stewardship. Finally, it outlines the path forward, demonstrating how the proposed Eastern Region Economic Development Council can translate this readiness into long-term resilience, competitiveness, and prosperity for all.





4.3.1 The Challenge: Structural Fragmentation and Fiscal Stress

Despite the Eastern Region’s assets and potential, the fundamentals of municipal governance remain fragile. Fragmentation across 15 municipalities, persistent fiscal stress, and limited institutional capacity constrain the ability to manage development, compete for funding, and respond effectively to community needs. Indeed, Puerto Rico’s broader governance landscape has long been marked by fragmentation, fiscal precarity, and limited institutional capacity to support intermunicipal coordination. While municipalities are tasked with providing services, promoting development and managing tourism, they are often expected to do so without the administrative, financial, or technical resources required.



Municipal budgets depend on local revenues (property & business taxes) and transfers from the Commonwealth. Declines in these sources, plus stringent controls imposed by the Financial Oversight and Management Board (FOMB) via PROMESA, challenge municipalities’ fiscal resilience.¹⁴⁰ The FOMB has recently certified new support funds for municipalities, including a \$61 million municipal Waste Fund and a \$30 million Essential Services Fund for vulnerable municipalities, demonstrating the need for external fiscal stabilization.¹⁴¹

According to the 2022 Municipal Fiscal Health Index (ABRE Puerto Rico), for the first time in over a decade, fewer than half of Puerto Rico’s municipalities reported a general fund deficit. Still, in 2022, 44% of all municipalities faced a revenue shortfall—down from previous years when this figure was as high as 55–60%.¹⁴² According to this Index, of the Eastern Region’s 15 municipalities, three were in crisis (Ceiba, Yabucoa, Maunabo) and two were “vulnerable” (Vieques and Juncos). The data also shows that Fajardo, Humacao and Naguabo have consistently had solid, healthy or stable fiscal health. While the latest reports show notable improvements, these are due to a combination of improved fiscal discipline and enhanced federal disaster aid (FEMA and HUD funding) that has increased since 2017.¹⁴³

¹⁴⁰ Financial Oversight and Management Board for Puerto Rico. (2025, January 22). *Annual Report 2024*. <https://espaciosabierto.org/wp-content/uploads/FOMB-FY2024-Annual-Report.pdf>

¹⁴¹ Opportunities Abound to Improve Municipal Finances. (2024, August 7). *Financial Oversight and Management Board for Puerto Rico*. <https://oversightboard.pr.gov/opportunities-abound-to-improve-municipal-finances/>

¹⁴² NIMB Staff. (2024, October 24). Study: Puerto Rico towns ‘have made notable progress’ in financial health. *News Is My Business*. <https://newsismybusiness.com/study-puerto-rico-towns-have-made-notable-progress-in-financial-health/>

¹⁴³ NIMB Staff. (2024, October 24). Study: Puerto Rico towns ‘have made notable progress’ in financial health. *News Is My Business*. <https://newsismybusiness.com/study-puerto-rico-towns-have-made-notable-progress-in-financial-health/>





These fiscal limitations, combined with outdated administrative structures, restrict municipalities' ability to compete for federal funding, invest in infrastructure, or manage the pressures of a growing visitor economy. The potential doubling of visitors over the next five years will also bring with it additional cost burdens for municipalities particularly for maintenance, security and other municipal services. Due to numerous business incentives, including tax exemptions from tourism businesses (lodging, theme parks, golf parks operated by or associated with a hotel, tourism marinas, docking facilities for tourists, etc.),¹⁴⁴ tourism can become a financial burden on the municipality, which is still responsible for maintaining roads and other infrastructure that is essential for the operation of those businesses and, thus, may discourage municipalities' interest and participation. While stopgap measures continue to be implemented, such as the recent \$350 million in earmark funding in the FY2025 state budget for municipal services and recovery,¹⁴⁵ long-term solutions addressing structural issues have yet to be realized, leaving municipalities vulnerable to future shocks such as disasters, and reductions in federal funding.

The RAND Corporation has highlighted the role of municipalities in disaster recovery, noting that they have been on the front lines of implementation but lack structural support for long-term resilience and development.¹⁴⁶ Similarly, the FY2021–2025 Fiscal Plan for the Municipality of Isabela explicitly calls for a “regional consortium effort” to build capacity for grant writing and project development, signaling growing recognition from local governments themselves of the need for shared institutional infrastructure.¹⁴⁷ Civic institutions such as the Liga de Ciudades¹⁴⁸ and Center for a New Economy (CNE) have also advocated for legal reforms, technical assistance, and shared services as pathways to modernize governance and improve outcomes. The CNE's 2018 *Reimagina Puerto Rico Governance and Civic Participation*¹⁴⁹ reports emphasized many of these same themes: the need for municipal modernization, enhanced transparency, and regional collaboration as critical enablers of economic recovery and resilience. Yet seven years later, progress on all these fronts remains limited.

These governance challenges are not confined to the municipal level. Central government agencies, while carrying heavy regulatory and fiscal oversight responsibilities, rarely operate in ways that enable cross-sector coordination. Their structures prioritize compliance and programmatic control, often at the expense of long-term, integrated planning across sectors or regions. Federal agencies face their own barriers: although many funding programs explicitly privilege regional approaches, Puerto Rico lacks the institutional vehicles required to meet those expectations. The result is fragmented grant applications, missed investment opportunities, and an overreliance on short-term projects. Together, these dynamics reveal that no layer of government—municipal, state, or federal—is currently equipped to sustain the kind of coordinated development required.

In the absence of a dedicated regional body, the Eastern Region continues to face stalled progress, lost opportunities, and a widening gap between potential and reality. The proposed Eastern Region Economic Development Council directly responds to these gaps by offering a long-term governance

¹⁴⁴ *Incentives*. Puerto Rico Tourism Company. <https://tourism.pr.gov/incentives/>

¹⁴⁵ March 2025. (2025, March 31). *Financial Oversight and Management Board for Puerto Rico*. <https://oversightboard.pr.gov/march-2025/>

¹⁴⁶ Nunez-Neto, B., Lauland, A., Aguirre, J., Castro, G., Gutierrez, I. A., Lara, M., Rosas, E., & Weidmer, B. A. (2020). *Municipalities on the Front Lines of Puerto Rico's Recovery: Assessing Damage, Needs, and Opportunities for Recovery After Hurricane Maria*. https://www.rand.org/pubs/research_reports/RR2604.html

¹⁴⁷ Financial Oversight and Management Board for Puerto Rico. (2020, June 29). *FY 2021-2025 Fiscal Plan for the Municipality of Isabela*. <https://ip.pr.gov/wp-content/uploads/2021/10/Isab-Approved-HMP-210119.pdf>

¹⁴⁸ Liga de Ciudades de Puerto Rico. (2020). *Radiografía municipal: Compilación de los resultados sobre los estados financieros auditados de los 78 municipios de Puerto Rico para análisis sobre ingresos y gastos registrados en los fondos municipales y otros análisis (2015-2018)*. https://www.ligadeciudadespr.com/files/ugd/1a61f1_20bc834759294ff98decd93359eb69f52.pdf

¹⁴⁹ *Reimagina Puerto Rico*. (2018). *Reimagina Puerto Rico 2018: Governance and Civic Participation*. Center for the New Economy. <https://grupocne.org/reimagina-puerto-rico/>





platform designed to strengthen municipal capacity, coordinate across jurisdictions, and enable shared implementation of development priorities. By addressing the structural and institutional deficits that have long hindered the region’s advancement, the Council represents a critical and long-overdue reform—one rooted in documented need, stakeholder readiness, and growing national and international support for place-based, collaborative governance models.

Case Study: Global Challenges, Local Solutions

Balearic Islands, Spain

Destinations across the world face similar challenges to Puerto Rico. Spain’s Balearic Islands receive over 17 million visitors annually. This leads to stress on infrastructure, environmental degradation (coastlines, natural reserves), and local services (health, policing, environmental protection). The tourist sector is a major part of the economy, but the costs (wear & tear, environmental externalities, congestion) fall heavily on local municipalities and regional authorities. Because of how revenues are allocated, infrastructure deficits emerged, leading to underfunded municipal accounts who had to bear the costs of energy, water and waste management, among others. Consequently, local authorities have struggled to maintain and upgrade essential infrastructure to support the growing demands of both tourists and residents.

Sustainable Tourism (Eco) Tax -- Earmarked for Local Infrastructure Projects

Since 2016 a sustainable tourism tax is levied per visitor per day to the islands, depending on their accommodations (five-star luxury to hostels/campsites), and varied by the season – High (May-October) versus Low (November to April). Children under 16 years of age are exempt from the tax.

All tax revenues are earmarked for sustainable tourism projects; only public entities are eligible for funding. An independent, multisectoral Sustainable Tourism Commission oversees the fund, making calls for projects each year, and approving them based on priorities in the Annual Sustainable Tourism Plan. For example, in 2023 the Commission prioritized protection, preservation, modernization and recovery of the natural and marine environment; development of off-season products and promotion; recovery of cultural and historical heritage; scientific and technological innovation; and improvement of jobs and quality of employment.

Transparency and Visitor Education

The Commission is transparent with the use of funds for residents and visitors by publishing real-time information about funded projects and impacts on their website.¹⁵⁰ The site also provides travelers with a calculator to estimate the taxes to be paid, and importantly, educates on how these funds are used to improve both the destination for visitors and the quality of life and services for residents.

¹⁵⁰ For more information see: <https://illessostenibles.travel/es>





4.3.2 The Costs of Inaction: Risks of Continuing Fragmentation

The Eastern Region has no shortage of plans, pilots, and isolated successes. Yet without a permanent governance framework, too many initiatives stall before reaching scale or continuity, leaving a cycle of unfinished projects and fragmented outcomes. These structural weaknesses carry real and escalating costs: projects stall, resources are wasted, and communities shoulder growing burdens when no regional mechanism exists to sustain collaboration. Without coordinated governance, the region risks missing transformative funding opportunities, degrading natural assets, and eroding public trust. Most critically, without a regional framework to capture and reinvest expected growth, much of the projected \$1 billion in additional visitor spending and thousands of new jobs by 2030 will leak out of the region, bypassing local businesses and communities.

The Cycle of Unfinished or Unfunded Initiatives

Past collaborations—whether short-term municipal consortia, federally-funded demonstration projects, or post-disaster recovery efforts—have too often faded once funding streams end or political leadership changes. Without an institution to carry forward priorities across cycles, the region is left with a landscape of partially implemented strategies and disconnected services. This pattern not only wastes scarce resources but also diminishes public trust, reinforcing doubts about the value of regional cooperation. Even worse, the absence of continuity leaves natural resources and community assets vulnerable—parks, cultural sites, and ecological corridors often deteriorate once projects stall, eroding both their social value and their economic potential.

The costs of fragmentation are evident across multiple domains. Municipalities compete individually for federal grants, often failing to meet eligibility requirements that favor regional scales. Promising transportation initiatives that involve different agencies or various municipalities can stall due to shifting administrations and priorities. Residents, discouraged by slow progress and limited backing for community-based efforts, express low levels of trust. Even projects with secured disaster recovery funds languish without local champions and institutional continuity. Without coordination and alignment across the region, infrastructure investments remain piecemeal, with trolley loops, ferry routes, and workforce training programs operating in isolation, failing to meet the integrated needs of residents and visitors.

As the visitor economy grows, environmental and cultural assets face greater risks. Increased visitation to El Yunque forest, bioluminescent bays, and the region’s protected areas including the Northeast Ecological Corridor, unmanaged flows create congestion, waste, and ecological stress. The absence of a coordinated reinvestment strategy means municipalities bear the costs of infrastructure maintenance and visitor services without receiving proportional revenues. Left unchecked, this imbalance threatens not only the integrity of treasured resources but also the competitiveness of the region’s visitor economy.





Local Insights: Unfinished or Unfunded Initiatives in the Region

El Yunque Gateway Community of Palmer (Río Grande): limited progress made to Master Tourism Development Plan of 2008; Environmental assessment is now underway for transit hub site in brownfield site.

Balneario La Monserrate, Mar Sin Barrera (Luquillo): partial reopening in 2021; major repairs to make ADA-compliant still pending.

Balneario Punta Santiago & Vacation Center (Humacao): attempts to transfer balneario to municipality have stalled; disaster repairs by PRDNER not yet started; inadequate funds to rebuild vacation center.

Punta Tuna Lighthouse (Maunabo): closed, with FEMA-funded repairs just underway.

Central Roig (Yabucoa): Municipality acquired in 2015; yet to be developed.

The fiscal consequences are equally stark. Higher leakage in certain sectors of the visitor economy¹⁵¹ means millions of dollars bypass local businesses, while municipal governments remain dependent on strained transfers from the Commonwealth. Adventure tourism, where visitors are looking for authentic and immersive experiences including live events, is on the rise and have less leakage so more stays in the local communities. But lack of coordinated investments slows the expansion of local products, services and supply chains, limiting participation by micro and small businesses.¹⁵² With no regional platform to focus development efforts or to capture value and reinvest in shared priorities, the Eastern Region risks falling further behind, even as visitation grows.

Inaction carries another, less visible cost: credibility. Federal agencies, philanthropic foundations, and private investors increasingly demand evidence of collaboration and capacity to execute at scale. Without a formal coordinating body, the Eastern Region struggles to demonstrate readiness, and opportunities are lost to other regions or remain unclaimed altogether. Each missed grant, stalled project, or degraded asset represents not only a lost opportunity today but a compounding disadvantage for the future.

Unless structural fragmentation is resolved, the Eastern Region will continue to pay these costs: wasted resources, weakened competitiveness, eroded public trust, and diminishing resilience. The choice is not between maintaining the status quo or establishing a new governance model—the status quo itself is untenable.

¹⁵¹ Foundation for Puerto Rico. (2025). *Puerto Rico's Visitor Economy Performance Model: A deep review of the historical data and an analysis of methodologies for the measurement of visitation activity in Puerto Rico; an estimate of the current state of the visitor economy, and an updated model that leverages technology to provide unprecedented accuracy and impact.* <https://foundationforpuertorico.org/es/visitor-economy-performance-model/>

¹⁵² World Bank. (2025). *Rethinking Caribbean tourism: Strategies for a more sustainable future* (No. 197431). World Bank Group. <https://documents1.worldbank.org/curated/en/099032425104521240/pdf/P179920-d1ae148a-338f-44f1-9588-44777b0bc4b1.pdf>





4.3.3 The Opportunity and Outlook: Readiness for Regional Development and Shared Governance

The Eastern Region is not starting from scratch. Years of engagement, planning, and experimentation by various stakeholders including the Foundation for Puerto Rico, have built a foundation of trust and alignment that can now be consolidated into a permanent governance model. Recent federal, territorial, and philanthropic trends further reinforce that regions demonstrating coordination and institutional readiness will be prioritized for transformative investment. The proposed Economic Development Council builds on existing legal authority, successful local experiments, and global best practices and models. As described in the “Enabling Policies and Governance Tools” section of the preceding pages, municipalities can create joint entities or designate shared instrumentalities as demonstrated in the examples of economic development, workforce, energy and broadband consortia elsewhere on the island. Similar enabling frameworks have been shown to support the creation of independent entities like Invest Puerto Rico (Act 13-2017) and Discover Puerto Rico (Act 17-2017) through legislation.

Foundation for Puerto Rico played a central role in shaping the legislative design and governance structure that established Discover Puerto Rico. The legislative process was crafted to allow the new entity to be incorporated rapidly, operate with professional independence, and avoid politicization—qualities that proved decisive when Hurricane María struck only months later. Because of this agility, Discover Puerto Rico was able to stabilize the island’s tourism brand, mobilize resources, and guide recovery efforts through both the post-disaster period and the unprecedented challenges of the COVID-19 pandemic. Puerto Rico has since been recognized globally for the remarkable speed of its tourism sector’s recovery, demonstrating the value of institutional design that prioritizes agility, professionalism, independence, and multisectoral engagement.

The Eastern Region now has the chance to replicate this success at a regional scale. Just as Discover Puerto Rico became a professional, independent, and multisectoral vehicle to unify the island’s global marketing efforts at a critical time, the proposed Economic Development Council can become the agile institutional home for coordinating development in the Eastern Region.

An Opportunity to Scale What Works

Rather than starting from scratch, the Eastern Region can draw on proven models already operating on the island. As described above, Discover Puerto Rico offers a clear precedent: a governance framework that allowed the island to stand up an agile, professional entity capable of fulfilling a demonstrated need for coordination at the right moment. Formation of the Economic Development Council now offers the same opportunity, this time focused on regional development, resilience, and shared stewardship, so that the benefits of growth of the visitor economy are captured locally and sustained over time.

The Council, as described here, will serve as an adaptive but durable structure: enabling coordination, not control; catalyzing alignment, not centralization. It offers a space where communities, mayors, businesses, and agencies can work toward a shared future—one that leverages the region’s assets for long-term prosperity, equity, and resilience.





Navigating Opportunities and Challenges

The experience of Discover Puerto Rico shows that when the right institutional design meets the right moment, transformative impact is possible. For the Eastern Region, that moment is now, but seizing it will require careful navigation of political dynamics, administrative overlap, and uneven municipal readiness. The legal framework is largely supportive, and its successful formation and effectiveness will depend on addressing overlaps with existing entities such as the Puerto Rico Tourism Company, the Department of Transportation and Public Works, the Planning Board, and WIOA workforce boards, among others. Rather than duplicating functions, the Council must position itself as the integrative platform that aligns these efforts for the region, filling coordination gaps while respecting established statutory roles.

Municipalities may also vary in their readiness to participate, where differences in fiscal health, administrative capacity, and political priorities make it essential to build an inclusive process that brings all partners along at a sustainable pace. Groupings of municipalities around shared challenges, including both newly formed and existing consortia, could engage with and inform the Council's work.

At the same time, the Council's prospects will also be shaped by island-wide fiscal and policy conditions, particularly the mandates for efficiency and consolidation that drive decision-making at the central government level. In this context, the current fiscal and policy environment, including pressure from the Financial Oversight and Management Board (FOMB) to streamline government operations, offers a compelling window of opportunity to institutionalize an agile and adaptive governance model that can lead recovery and sustainable development regionally.





Key Takeaways:

Regional Governance for Sustainable Development

1. Institutionalizing Multisectoral Collaboration by Establishing a Regional Economic Development Council

Key Insights

- Fragmented municipal systems and agencies, and lack of continuity across political cycles hinder regional development.
- Provides a platform for unified, multisectoral coordination, emphasizing co-management.
- Unifies stakeholders and reduces duplication across municipalities, NGOs, and state agencies.
- Pooling resources and scaling solutions across region increases efficiency and reduces costs.
- Local voices are essential for sustainable development and long-term impact.

Initiatives

- Convening municipal leaders, private sector, nonprofits, and communities to build trust and maintain focus on long-term goals.
- Create advisory committees around priority areas to align infrastructure, workforce and environmental strategies.
- Establish community roundtables for ongoing community participation and accountability.
- Develop shared planning tools and data platforms to unify regional decision-making.
- Launch pilot programs to demonstrate the benefits of coordinated action (early wins).

Examples

- Jackson Hole (Wyoming): collaborative destination stewardship governance model.
- Emerald Coast Regional Council (Florida): integrated transportation planning & management.
- SPREDD (Puerto Rico): first EDD in PR, providing precedent for regional collaboration.
- Mid-America Regional Council (Missouri, Kansas): plans and operates multimodal solutions. and technology-driven transit services, along with economic development initiatives.

2. Financial Sustainability

Key Insights





- Diversified funding is critical to legitimacy; councils cannot depend solely on government transfers; attract private investment; revenue generating activities.
- Visitor economy growth provides an expanding base of resources if value is retained locally.
- Federal designations (e.g., EDD, RTPO) unlock long-term grant access.

Initiatives

- Establish an Eastern Region Development Fund to pool municipal & external contributions.
- Leverage tourism-related revenues (e.g., room taxes, concession fees) for reinvestment.
- Pursue federal designations (EDD, RTPO) to secure recurring federal planning funds.
- Develop public-private partnerships to generate revenue through asset management.

3. Legal & Policy Alignment

Key Insights

- Municipal Code provides authority for intermunicipal consortia & shared service delivery.
- Federal policy frameworks (EDA, DOT, USDA) encourage regional collaboration as a prerequisite for funding.
- Alignment with PRDNER, DRD, & municipal land use plans ensure complementarity.
- Current fiscal and policy environment, including the Financial Oversight and Management Board (FOMB), are pressuring to streamline government operations.

4. Phased Implementation & Pathways

Phasing

- Phase I (Formation): Establish legal entity, convene founding members, secure seed funding.
- Phase II (Consolidation): Build staff capacity, launch pilot initiatives, establish financial, data, monitoring, and reporting systems.
- Phase III (Expansion): Pursue formal designations, scale programs, attract sustained investment.

Pathways

- Economic Development District (EDD): Unlock federal EDA funds and investment coordination.
- Regional Transportation Planning Organization (RTPO): Secure planning authority and infrastructure funding.
- Destination Stewardship Organization (DSO): Manage visitor economy growth sustainably and equitably.

5. Strategic Functions & Priorities





Key Insights

- Council must deliver tangible outcomes to maintain legitimacy.
- Integration across transportation infrastructure, human capital, and natural assets is essential.
- Data and measurement systems anchor accountability.

Initiatives

- Pilot microtransit and mobility services using advanced technology platform (MaaS).
- Coordinate a regional workforce pipeline aligned with the visitor economy and emerging industries.
- Coordinate infrastructure investments across municipalities.
- Co-manage natural and cultural assets as shared economic drivers.
- Build a Regional Data Observatory to monitor performance and guide decisions, using the FPR's Visitor Economy Performance Model and other data sources.





4.3.4 The Path Forward: Building Opportunity Through the Council

The Economic Development Council represents both a strategic necessity and a practical opportunity. With its design providing the conceptual and institutional foundations, the question now turns to implementation. Its long-term success will depend on how it is phased in, how it adapts to evolving regional needs, and how it secures sustainable funding. The path forward therefore requires a combination of flexible governance models, phased implementation scenarios, and durable financial mechanisms that can allow the Council to mature into a permanent regional institution. Several long-term implementation scenarios are possible, each offering a different pathway for the Council to establish its role and expand its impact. Exploring these options illustrates not only the Council’s versatility but also the strategic choices that will shape its evolution.

Implementation Scenarios for the Long-Term

Envisioned as an adaptive institution that will mature in phases, the Eastern Region Economic Development Council will expand its functions and legitimacy as capacity and partnerships grow. While its initial focus will be on trust-building, multisectoral collaboration, and establishing foundational capacity, its long-term development can follow one or more of the strategic implementation scenarios described below. These scenarios are not mutually exclusive; rather, they represent complementary roles the Council may assume as capacity, legitimacy, and partnerships deepen. Other pathways may appear in the future. A phased strategy—starting with one anchor designation and expanding over time—offers the most viable route to achieving comprehensive impact.

At the same time, agility must be prioritized in the Council’s establishment. The pace of economic, demographic, and climate change in Puerto Rico and across the globe demands that the Eastern Region move quickly from vision to implementation. As new scenarios arise, pathways must immediately be identified and pursued. Delayed action risks locking municipalities into outdated systems and missing opportunities for federal and philanthropic investment and financial resources that are available today but may not be tomorrow. By embedding adaptability at its core and advancing early wins, the Council can demonstrate value, secure stakeholder confidence, and position the region to respond effectively to accelerated shifts in risk, technology, and development trends.

Scenario 1: Economic Development Organization (EDO)

As presented in “EDA-Enabled Regional Economic Development: SPREDD’s Pathway as a Model” the precedent of the Southern Puerto Rico Economic Development District (SPREDD) demonstrates that designation as a federally recognized Economic Development District (EDO) is feasible and effective in Puerto Rico. The Eastern Region has a unique opportunity to follow a similar path that can be pursued at the start. Positioning the Council as an Economic Development Organization would provide a powerful platform to coordinate investment, attract funding, and align regional economic strategies. Recognition by the U.S. Economic Development Administration would allow the Council





to access planning and infrastructure grants while also serving as a convener for multisectoral collaboration (13 CFR § 304.2(b)(3)). To qualify, the Council would lead the creation of a Comprehensive Economic Development Strategy (CEDS), a federally defined process that integrates economic, environmental, and equity goals.¹⁵³ The CEDS would serve as the analytical foundation and stakeholder roadmap to guide regional development. This approach directly supports the Council’s role in pooling investment, coordinating across municipalities, and promoting inclusive growth tied to the visitor economy, small business ecosystems, and workforce development. By becoming an EDO, the Council would not only unlock federal resources but also help professionalize long-term regional development planning in ways that few institutions on the island currently provide.

The Council is uniquely positioned to lead this process, being built upon extensive prior stakeholder engagement, regional asset mapping, and cross-sector convenings through the Strategic Visioning effort for this work, as well as associated work on sustainable tourism and visitor access. These efforts provide a baseline from which to launch a formal CEDS process that reflects the Eastern Region’s goals of inclusive growth, environmental resilience, and tourism-linked development.



Benefits of Becoming an EDO

Becoming a federally recognized Economic Development Organization would also carry concrete benefits that extend beyond eligibility itself. This designation would formally recognize the Council as the Eastern Region’s official economic development body, empowering it to coordinate investments across municipalities and sectors with a legitimacy that no other institution in the region currently holds. With this mandate, the Council could align state and federal infrastructure investments—including water systems, broadband, workforce training, and innovation hubs—ensuring that projects are not pursued in isolation but rather as part of a coherent regional strategy. Equally important, the Comprehensive Economic Development Strategy would provide a unifying platform to attract public, private, and philanthropic partners, significantly expanding the region’s fundraising capacity and ability to implement projects jointly.

Altogether, these advantages reinforce the Council’s governance model, positioning it not just as a planning body but as the institutional vehicle capable of mobilizing resources, brokering partnerships, and sustaining long-term regional development beyond individual projects or funding cycles.

¹⁵³ U.S. Economic Development Administration. *Comprehensive Economic Development Strategy (CEDS)*. <https://www.eda.gov/resources/comprehensive-economic-development-strategy>





Case Study: Mid-Columbia Economic Development District (MCEDD)¹⁵⁴

Overview

The Mid-Columbia Economic Development District (MCEDD) serves as a cross-jurisdictional regional entity spanning five counties in Oregon and Washington—Hood River, Wasco, Sherman, Klickitat, and Skamania. Established as a bi-state governmental nonprofit under Oregon and Washington statutes, MCEDD embodies a collaborative framework designed to strengthen local economies through shared planning, pooled resources, and strategic investment.

Governance

- Broad-based board representing counties, cities, ports, tribes, and private sector.
- Provides a formal platform for cross-sector and cross-jurisdiction collaboration.

Core Functions

Function	Activities
Regional Planning	Prepares and manages the Comprehensive Economic Development Strategy (CEDS).
Cluster Development	Focus on renewable energy, Tech, Healthcare, Art/ Culture/ Tourism/ Recreation (wine and outdoor recreation tourism).
Manufacturing/ Beverage Manufacturing	Beer, wine and other beverages by local small businesses and entrepreneurs.
Technology & innovation	Unmanned systems – wider region is a national Unmanned Systems Hub; deep linkages with supply chains.
Utilities and renewable Energy	Hydropower facilities on Columbia River, along with wind development.
Business financing	Revolving loan funds for small businesses and startups; dedicated housing fund.
Transportation	Operates “The Link” public transit system in Wasco County; coordinates Gorge TransLink Alliance for regional connectivity.

Relevance to Puerto Rico’s Eastern Region

- Demonstrates how an EDD can serve as both convener and implementer.

Illustrates durable institutional framework for aligning municipalities, administering federal funds, and operating shared services.

¹⁵⁴ For more information about the Mid-Columbia Economic Development District see: <https://mcedd.org/>





Additional Examples of U.S. Economic Development Districts (EDDs)

EDD	Geographic Scope	Core Functions	Distinctive Features	Relevance for Eastern Puerto Rico
<u>Appalachian Council of Governments (SC)</u>	Multi-county (South Carolina Upstate)	CEDS process, infrastructure grant coordination, workforce development	Serves as both regional planner and grant administrator	Model for integrating workforce and infrastructure planning at regional scale
<u>Redwood Coast R-EDC (CA)</u>	Humboldt County, CA	Climate adaptation, green economy initiatives, EDO services	Explicit focus on sustainability and climate resilience	Illustrates role of EDDs in green economy transitions
<u>Southeast Conference (AK)</u>	Southeast Alaska (remote/isolated communities)	Tourism planning, transportation advocacy, economic diversification	Hybrid EDO/EDD; adapts to geographic isolation	Relevant for integrating tourism and mobility in island/coastal contexts
<u>Monterey Bay Economic Partnership (CA)</u>	Monterey Bay tri-county area	Housing policy, workforce development, sustainability initiatives	Strong private-public collaboration; cross-sector convening	Useful precedent for addressing housing and sustainability in regional development
<u>Western Nevada Development District (NV)</u>	Multiple counties in Nevada	Economic resilience planning, infrastructure investment, federal grant mobilization	Strong track record in securing EDA funding for resilience	Highlights resilience and infrastructure as central to regional competitiveness

These models illustrate how an EDO can operate beyond traditional economic development silos, aligning tourism, environmental stewardship, and regional infrastructure under a single coordinated framework; exactly the type of integrative leadership envisioned for the Council.





Scenario 2: Regional Destination Stewardship Organization (DSO)

Another pathway would position the Council as a regional Destination Stewardship Organization focused on sustainable tourism and community-centered stewardship of the region's natural, cultural, and economic resources. Unlike DMOs that focus on marketing, this scenario emphasizes *destination stewardship* —a more holistic management approach for the visitor economy that includes infrastructure coordination, community involvement, and visitor experience design. While Puerto Rico has strong destination marketing capacity at the island level (e.g., Discover Puerto Rico, Puerto Rico Tourism Company), there is a clear need for regional DSOs that ensure visitor flows translate into local benefit, infrastructure reinvestment, and ecosystem protection. In this role, the Council could immediately begin coordinating destination stewardship plans, facilitate tourism dispersion, and support small businesses with shared services like permitting, regional branding, and visitor experience design. It can also play a key role in ensuring that tourism growth aligns with environmental and social priorities through mechanisms such as tourism impact monitoring, co-management of key sites, and reinvestment of tourism-related revenue into local infrastructure and workforce development.

Anchored in the principles of destination stewardship,¹⁵⁵ the proposed Eastern Region Economic Development Council will provide the institutional backbone needed to implement a unified vision for sustainable economic development. It seeks to shift the region from fragmented responses to integrated, forward-looking solutions grounded in the lived realities and aspirations of its people.

Meeting the Needs of a Changing Visitor Economy

The Eastern Region is experiencing growing tourism flows, yet most visitation is concentrated in a few high-traffic locations (e.g., El Yunque and coastal areas). This creates environmental pressures, uneven economic benefits, and conflict between resident needs and visitor infrastructure. A regional DSO could lead the shift toward sustainable tourism by:

- Promoting visitor dispersion and supporting underutilized attractions and communities
- Supporting tourism-related small businesses, clusters, and innovation zones
- Improving infrastructure and services to meet both resident and visitor needs
- Leading crisis response planning, especially for natural disasters that affect tourism

Core DSO Functions of the Council

Acting as a regional DSO, the Council would take on core functions that ensure tourism growth is both sustainable and inclusive. The Council would need to work closely with the Puerto Rico

¹⁵⁵ Destination management refers to the coordinated management of all elements that make up a destination, including tourism attractions, amenities, access, marketing, and governance. According to the UN World Tourism Organization (UNWTO), effective destination management involves multi-stakeholder collaboration to ensure that tourism development aligns with the needs of host communities, protects environmental and cultural resources, and generates long-term economic and social value. The Global Sustainable Tourism Council (GSTC) distinguishes destination stewardship from traditional management approaches by defining it as a holistic process of planning, monitoring, and managing visitor flows and infrastructure in ways that maximize community benefits while minimizing negative impacts on local assets.





Tourism Company, Discover Puerto Rico, and local municipalities to develop a coherent regional identity that complements island-wide efforts while elevating the distinct assets of the Eastern Region. Beyond expressing a distinctive identity, the Council would strengthen tourism assets such as agritourism, ecotourism, and heritage trails—initiatives that not only reflect community values but also create year-round economic opportunity and more local benefits.

The Council would also align workforce and human capital development for the region around the emerging opportunities from a rapidly growing visitor economy. The two local area workforce development boards, Conexión Laboral Noreste and Conexión Laboral Sureste in addition to the central WIOA board, would require close collaboration and coordination to support the development of career pathways, educational pipelines, apprenticeships and entrepreneurial training for the broad spectrum of employment in the visitor economy—from visitor-facing services to asset management, local supply chains, smart governance, advanced mobility, and beyond.

A central role of the Council would be to facilitate public–private–community partnerships that improve the management of natural and cultural assets while expanding high-quality visitor services. These partnerships would be grounded in robust data collection and monitoring systems, enabling the Council to evaluate tourism impacts and adapt strategies in real time. Finally, the Council would leverage regional storytelling, public education, and cultural preservation as pillars of its tourism strategy, ensuring that development is tied to the identity and pride of local communities.

Case Examples of DSOs for Reference

Since the vast changes within the travel and tourism sector precipitated by the COVID pandemic, “Destination Stewardship” has emerged as a global best practice for balancing the needs of visitors and residents. It requires active participation of both the public and private sectors to move beyond traditional destination marketing, which has historically emphasized increasing demand.¹⁵⁶ The World Travel and Tourism Council underscores that stewardship depends on a shared understanding of the common good, and effective platforms for collaboration with agreed-upon objectives and measurements of success. Similarly, the OECD highlights the global shift towards destination stewardship that prioritizes sustainable growth and outcomes, reducing negative externalities and delivering greater benefits to destinations and local communities.¹⁵⁷

Several leading destinations illustrate how this is unfolding. For example, the Jackson Hole Travel & Tourism Board established a Destination Stewardship Council for Teton County, Wyoming to balance visitor growth with community wellbeing and environmental conservation. Likewise, the Hawai‘i Tourism Authority (HTA) has moved away from a pure marketing function to embrace regenerative tourism, equitable community benefits, and environmental stewardship tailored for its diverse island communities. Other U.S. destinations have followed suit: *Travel Oregon* now integrates destination development, regenerative tourism, and regional equity programs into its

¹⁵⁶ Bray, S. (2023). Building a community-centered destination stewardship initiative. *Destination Stewardship Report*, 3(3). <https://www.gstc.org/building-a-community-centered-destination-stewardship-initiative/>

¹⁵⁷ OECD. (2024, July 8). *OECD tourism trends and policies 2024*. OECD Publishing. <https://doi.org/10.1787/80885d8b-en>.





mandate, while *Los Angeles Tourism* transitioned from a traditional DMO into a certified

Jackson Hole’s Journey to Becoming a Destination Stewardship Council

When Jackson Hole embarked on development of a Sustainable Destination Management Plan (SDMP), it was imperative that local community’s needs and care for our natural environment were included alongside the desires from the business and tourism industry. Our first step in creating the SDMP, was developing an Advisory Council comprised of community members, business owners, environmental/community organizations, government representatives, and the tourism industry to ensure multiple perspectives were considered, balancing economic growth with environmental protection and cultural preservation. The group fostered collaboration and inclusivity in decision-making, integrated in multiple perspectives—building a foundation of trust that transcended the process. Once the SDMP was adopted, the Advisory Council transitioned into a Destination Stewardship Council made up of 14 members who meet monthly.

Natural assets such as landscapes, ecosystems, and biodiversity are the foundation of Jackson Hole’s appeal to visitors and our identity for residents. Our Destination Stewardship Council acts as a guardian, creating strategies prioritizing conservation while supporting thoughtful tourism and local economic benefits. The Council oversees implementation of the SDMP – which could have become another 70+ page document sitting on the shelf. But the DSC ensures that the priority actions outlined in the SDMP are pushed forward collectively and collaboratively, promoting solutions that are equitable, sustainable, and forward-looking.

Through collective action, the DSC advised developing new, county-wide governance structures to manage tourism; visitor marketing, education, and communication messaging that is consistent between agencies; workforce development and recruitment initiatives; transportation and multi-modal projects; and data gathering and reporting efforts.

—Crista Valentino, Executive Director
Jackson Hole Travel & Tourism Board

Destination Stewardship Organization.^{158 159}

As illustrated in Table 4.1: Global Economic Development Councils Implementing Multiple Functions, the trend is equally strong internationally, where examples abound for destination stewardship organizations. The Sustainability and Resilience Institute (SRI) of New Zealand is working on the development of a comprehensive “Regenerative Tourism Model” and “Regenerative Tourism Framework” to drastically reduce negative socio-ecological impacts of tourism,¹⁶⁰ while the country boasts a national tourism strategy that aims to balance industry growth with achieving economic, community, and environmental objectives.¹⁶¹ Spain’s Instituto para la Calidad Turística Española and Costa Rica’s pioneering Certification for Sustainable

¹⁵⁸ Oregon Tourism Commission. (2025). *Travel Oregon 2025-2027 Strategic Biennial Plan*. https://industry.traveloregon.com/wp-content/uploads/2025/04/TO-Strategic-Biennial-Plan-2025-27_FINAL_4-17-25.pdf

¹⁵⁹ Chan, T. (2024). The Los Angeles DMO adopts Destination Stewardship. *Destination Stewardship Report*, 5(1). <https://www.gstc.org/the-los-angeles-dmo-adopts-destination-stewardship/>

¹⁶⁰ For more information about the Sustainability and Resilience Institute of New Zealand see: <https://sustainabilityandresilience.co.nz/>

¹⁶¹ Tourism Industry Aotearoa. (2023, November). *Tourism 2050 A Blueprint for Impact*. https://www.tia.org.nz/assets/Infograph/TIA-Tourism-2050-Blueprint-for-Impact-Report_v10_low-res.pdf





Tourism provide nationally led, performance-based certification systems that embed sustainability into practice.¹⁶² ¹⁶³ These are complemented by international frameworks such as the Global Sustainable Tourism Council’s Certified Sustainable Destinations program and the Travel Foundation’s capacity-building initiatives, which provide destinations with training, monitoring tools, and governance frameworks.¹⁶⁴ Together, these examples demonstrate that stewardship is not aspirational rhetoric but an actionable, tested pathway to align long-term sustainability and resilience with regional development needs.

For the Eastern Region, these cases illustrate the value of building the Economic Development Council as an integrative platform capable of linking tourism growth with community benefit, cultural vitality, and ecological integrity. Adopting a Destination Stewardship Organization (DSO) pathway would allow the Council to join a global community of practice, drawing on proven models that demonstrate how shared governance can transform tourism into a driver of resilience. Whether or not a formal certification is pursued, employing such methods and tools in the regional context can accelerate sustainable development efforts.

Pursuing a Destination Stewardship Organization pathway would also position the Council to access funding and revenue streams tied to tourism development and management. Stewardship functions can be supported through mechanisms such as destination fees, visitor taxes, concession agreements, and co-investment from public–private partnerships. By aligning with global best practices and demonstrating accountability to both residents and visitors, the Council can strengthen its claim to these revenue sources, building a more stable financial base to sustain its long-term operations. In this way, the DSO pathway not only enhances the Council’s role in balancing tourism growth with community wellbeing but also provides a critical foundation for the broader financing strategies explored in the section on Funding Mechanisms and Financial Sustainability below.

Scenario 3: Regional Transportation or Metropolitan Planning Organization (RTPO/MPO)

Alternatively—or in parallel—the Council could evolve into a regional planning entity recognized under the U.S. Department of Transportation framework, such as a Regional Transportation or Metropolitan Planning Organization. This pathway would formalize the Council’s role in coordinating transportation, land use, and infrastructure investments across jurisdictions —functions that are essential but currently underdeveloped in Puerto Rico, where MPO coverage is limited and regional planning capacity remains fragmented.

As detailed in *Enabling Policies and Governance Tools*, federal law explicitly authorizes states and territories to designate Regional Transportation Planning Organizations (RTPOs) to strengthen non-metropolitan transportation planning. Policy boards must be composed primarily of non-metropolitan officials, and RTPOs prepare regional multimodal plans, recommend project priorities, and coordinate land use and economic development with transportation investments. Importantly, RTPOs are designed to complement, not displace, existing MPOs—providing binding recommendations for rural areas while offering advisory inputs for metropolitan areas. In Puerto

¹⁶² ICT Tourism Sustainability. *Instituto Costarricense de Turismo*. <https://www.ict.go.cr/en/sustainability/cst.html>

¹⁶³ Calidad turística hoy. *Instituto para la calidad turística española*. <https://www.calidadturisticaohoy.es/ESP/m/7/Actualidad/Certificacion>

¹⁶⁴ For more information see: <https://www.gstc.org/certified-sustainable-destinations/> and <https://www.thetravelfoundation.org.uk/resources/>





Rico’s case, where a single MPO housed in the Department of Transportation and Public Works covers the entire island, an Eastern Region RTPO would give municipalities a formal mechanism to shape statewide programming while respecting MPO primacy in the San Juan metro area.





Steps to RTPO Designation in Puerto Rico

Under 23 U.S.C. §135(m) and 23 CFR Part 450, the Governor may designate Regional Transportation Planning Organizations (RTPOs) to strengthen non-metropolitan planning. For the Eastern Region, the process could follow these steps:

1. State decision — Governor and PRHTA/PRDTPW concur to establish an Eastern Region RTPO, with the Council as convener and fiscal/administrative agent.
2. Define boundaries — Map the 15 municipalities, showing metro/non-metro areas and their relationship to the existing Puerto Rico MPO (PRMPO).
3. Agreement with PRMPO — Sign an MOU codifying MPO primacy in metro areas, while giving the RTPO binding authority in non-metro areas and advisory input in metro zones.
4. Bylaws and committees — Establish a policy board (majority non-metro officials), technical advisory committee, voting rules, and conflict-resolution procedures.
5. Work program — Approve a two-year regional planning work plan and budget, aligned with the statewide and MPO planning cycles.
6. Public involvement plan — Adopt outreach processes tailored to rural communities and small municipalities.
7. Governor's designation — Submit the designation package (maps, bylaws, MOU, work program) to FHWA and FTA for recognition.

Precedents: Washington State integrates MPO and RTPO roles in urbanized regions; Ohio designated RTPOs by gubernatorial action in 2016, offering a practical template for Puerto Rico.

This model has strong precedents. Washington State statute, for example, ties MPOs and RTPOs together such that in urbanized areas the RTPO is the same as the MPO, demonstrating workable MPO–RTPO integration inside a single region. Ohio has also established RTPOs through gubernatorial designation, providing a contemporary template for Puerto Rico. Following this approach, the Governor could designate the Council as the convener and fiscal/administrative agent for an Eastern Region RTPO, with boundaries covering the 15 municipalities, bylaws establishing a policy board and technical advisory committee, and an MOU with the Puerto Rico MPO to align calendars, data sharing, and performance management.

Crucially, the Council does not need to wait for designation to act. As demonstrated by Foundation for Puerto Rico's recent projects—the El Yunque transportation and access planning with the U.S. Forest Service, Volpe, and PRDTPW; the design of a microtransit pilot for the forest gateway communities; and support for Naguabo's multimodal hub—the Council can already convene municipalities, agencies, and partners to deliver tangible mobility solutions. These early wins can both build capacity and establish credibility, paving the way for a successful RTPO designation in the future.

MPOs and RTPOs are federally authorized multijurisdictional bodies responsible for guiding transportation planning and investment at the regional level. Designation confers not only statutory responsibilities—such as producing Long-Range Transportation Plans (L RTPs) and Transportation Improvement Programs (TIPs)—but also direct access to dedicated federal planning funds and the authority to program major funding streams like the Surface Transportation Block Grant, Congestion Mitigation and Air Quality, and Transportation Alternatives program. Critically, most federal transportation grants require inclusion in an MPO/RTPO-approved plan, making such entities the gatekeepers for regional mobility investment.





In Puerto Rico, the existing MPO structure is unusually centralized. The Puerto Rico Metropolitan Planning Organization (PRMPO), housed within the Department of Transportation and Public Works, covers all federally recognized urbanized areas across the island. While mayors and agencies participate, there are no designated RTPOs to serve rural or non-urban regions such as much of the Eastern Region. This centralized model has tended to concentrate resources in the core urban corridors, leaving geographically remote or demographically older communities—such as those in the Eastern municipalities—with limited coverage and poor integration. The result is a mobility gap that exacerbates outmigration pressures, isolates low-income residents, and undermines equitable access to jobs and services.

Without a regional planning body to represent the East, municipalities risk continued exclusion from transportation investment and innovation opportunities. Establishing the Council as an eventual RTPO or MPO would correct this structural imbalance and anchor its authority to guide multimodal, resilient, and equitable mobility strategies.

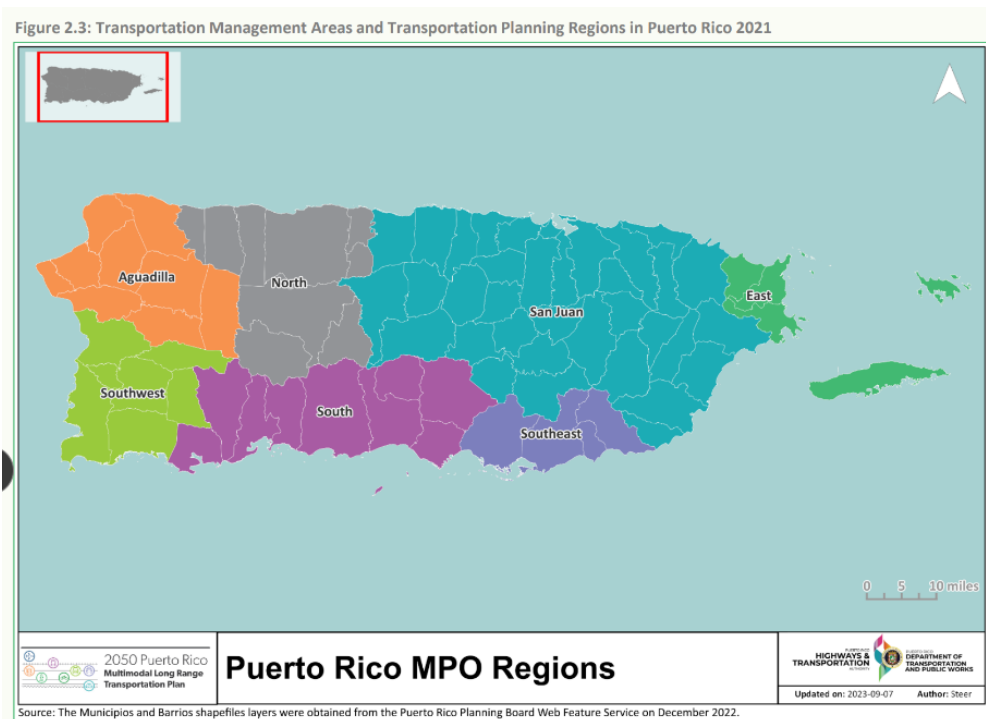


Figure 4.7: Transportation Management Areas & Planning Regions 2021

Comparative Example of Regional Councils Serving as an MPO and Transit Operator

Regional councils can evolve from economic development district organizations to also become federally recognized MPOs, while simultaneously delivering practical transportation solutions for diverse communities. As described earlier, Texas' Lower Rio Grande Valley Development Council doubles as a regional development council and MPO, planning and operating the Valley Metro system that integrates microtransit and fixed-route services across multiple counties. The Emerald Coast Regional Council (see "Case Study: Emerald Coast Regional Council," further





below) blends infrastructure planning with direct transit operations, including specialized services for seniors and people with disabilities.

For the Eastern Region, pursuing this pathway is not only an opportunity but a necessity: without a move towards MPO/RTPO authority, the region will continue to miss out on critical transportation funding and innovations. By starting with pilot projects and collaborative planning today, the Council can establish its credibility and lay the foundation for a future role as the region's mobility integrator.





Emerald Coast Regional Council (ECRC), Florida¹⁶⁵

Overview

Established as a bi-county regional planning council in 1964, the ECRC now encompasses 7 counties in the Florida panhandle. Starting with transportation planning, it later expanded to include environmental and economic planning. Since the 1980s the council has been involved in a variety of planning activities including resource management, hurricane studies, ride-sharing programs, bicycle programs, preparation of county base maps, review of census materials, hazardous materials programs, hazardous waste programs, and preparation of comprehensive development plans. It also provides technical assistance to cities and counties.

Governance

- Independent board with representation from member counties and municipalities.
- Acts as both convener and technical implementer across sectors.

Core Functions

Function	Activities
Regional Planning	Supports local governments with land use, housing, disaster recovery, and environmental planning.
Economic Development	Prepares and manages the region’s Comprehensive Economic Development Strategy (CEDS).
Military & Resilience	Conducts Military Installation Resilience Reviews to protect military assets and jobs.
Transportation Planning & Operations	
Transportation Planning Organizations (TPOs)	Provides staff and technical support for Bay County TPO, Okaloosa-Walton TPO, and the Florida-Alabama TPO.
Transit Services:	Coordinates the Okaloosa Transit Cooperative and operates “RideOn” commuter services (car and van pooling).
Regional Coordination	Leads the ECRC Regional TPO and develops rural transportation plans, freight network plans, pedestrian/bike planning, and corridor master plans.
Equity & Access:	Manages Transportation Disadvantaged services to ensure mobility for vulnerable populations.

Key Features for Replication

- Integration of economic development and transportation planning under one regional body.
- Operates directly in both strategic planning and service delivery (transit operations, commuter programs).
- Provides technical support across multiple TPOs, showing how one entity can bridge local, state, and federal mandates.

Relevance to Puerto Rico’s Eastern Region

- Demonstrates how a regional council can combine EDD functions with transportation planning authority.

Offers a model for managing both mobility services and long-range infrastructure planning within a single regional institution.

¹⁶⁵ For more information about the Emerald Coast Regional Council, FL see: https://www.ecrc.org/who_we_are/council.php





Added Benefits of Becoming an RTPO/MPO-Aligned Body

Aligning the Council with the MPO/RTPO framework would yield benefits that go well beyond transportation funding. Formal recognition would allow the Eastern Region to directly access federal planning and implementation resources, bringing new streams of investment into communities that have long been underserved. It would give the Council a formal role in shaping how mobility projects are prioritized, ensuring that funds reach not only core corridors but also tourist gateways, transit deserts, and climate-vulnerable areas. An MPO/RTPO-aligned Council could also build advanced, data-driven planning tools—such as travel demand models and multimodal performance dashboards—that provide municipalities with capacities they cannot develop on their own. Finally, this pathway would empower the Council to coordinate transportation with other forms of infrastructure—such as broadband, green infrastructure, and water systems—ensuring that investment decisions reinforce one another rather than occur in isolation.

Additional Case Examples for Reference

Regional planning bodies across the U.S. demonstrate how MPOs and RTPOs can become powerful integrators of mobility, land use, and economic development. The Wasatch Front Regional Council (Utah) aligns land use, housing, and transit planning across a rapidly growing multi-county region, showing how coordinated governance can balance growth and sustainability.¹⁶⁶ The Miami-Dade Transportation Planning Organization (Florida) manages MPO functions in one of the country’s most diverse and highly visited metropolitan regions, integrating resident and visitor mobility in ways directly relevant to Puerto Rico’s tourism-driven economy.¹⁶⁷ Miami-Dade is also innovating with on-demand microtransit to fill first/last mile transit gaps, integrating with wider transit ecosystem, making multi-modal travel smoother and more seamless.¹⁶⁸ In rural contexts, the Southern Maine Planning and Development Commission provides an example of how an RTPO can support smaller municipalities with transportation, economic development, and broadband planning.¹⁶⁹ The Tahoe Regional Planning Agency (California/Nevada) demonstrates how multimodal transportation can be integrated with environmental stewardship across sensitive natural landscapes, a challenge that mirrors Puerto Rico’s coastal and forest ecosystems.¹⁷⁰ Finally, the Metropolitan Council (Minnesota) highlights how a metropolitan-scale body can coordinate comprehensive transportation and infrastructure investment while maintaining accountability to diverse communities.¹⁷¹

Together, these examples illustrate the potential of the Council to evolve into an RPO/MPO-aligned body that anchors mobility planning in the Eastern Region. By doing so, it would not only close a long-standing structural gap in Puerto Rico’s governance system but also unlock the tools, authority, and resources needed to deliver equitable and sustainable transportation solutions.

¹⁶⁶ For more information about the Wasatch Front Regional Council, see: <https://wfrc.utah.gov/>

¹⁶⁷ For more information about the Miami-Dade Transportation Planning Organization, see:

<https://www.miamidadetpo.org/tpo/home.page>

¹⁶⁸ Jiang, M. (2024, April 30). For a better bus network, Miami-Dade County adds a layer of on-demand transit. *VIA*.

<https://ridewithvia.com/resources/for-a-better-bus-network-miami-dade-county-adds-a-layer-of-on-demand-transit>

¹⁶⁹ For more information about the Southern Maine Planning and Development Commission see: <https://smpdc.org/>

¹⁷⁰ For more information about the Tahoe Regional Planning Agency see: <https://www.trpa.gov/>

¹⁷¹ For more information about the Metropolitan Council see: <https://metro council.org/>





Path Forward

Each of these scenarios reinforces the Council’s core mission to unify regional stakeholders around a shared vision for sustainable, inclusive development. While the Council may begin by prioritizing one of these functions—such as economic development coordination through an EDO designation—it can grow to encompass others as institutional capacity and trust become stronger. Indeed, the strongest long-term model may be a hybrid that integrates economic development, planning, and stewardship into a single regional governance structure. A phased, strategic implementation process—supported by enabling legislation, technical assistance, and diverse partnerships—can make this vision both achievable and enduring.



Figure 4.8: Potential Council Funding Sources and Uses

Funding Mechanisms and Financial Sustainability

The financial model for the Eastern Region Economic Development Council is grounded in the principles of equity, resilience, and shared stewardship. It equally embraces visionary potential and practical feasibility. It must be visionary enough to mobilize transformative investment, yet practical enough to sustain day-to-day operations. Building on the role outlined in the “Coordinating Investment and Financial Stewardship” section, the Council will move beyond fragmented appropriations by pursuing diversified, flexible, and locally responsive funding strategies. These mechanisms will align resources strategically, reduce duplication, and ensure continuous reinvestment in the communities and ecosystems that sustain the region’s future.





Strategic Purposes for Financial Support

The Council's funding base must cover the full scope of its functions:

- Capacity building and staffing a dedicated professional team.
- Program implementation across economic development, tourism stewardship, and transportation.
- Sustainable infrastructure investments aligned with resilience, workforce, and mobility priorities.
- Research and data systems to monitor indicators, track KPIs, and inform decision-making.
- Design and delivery of pilot projects that demonstrate value.
- Networking and relationship management with municipalities, agencies, businesses, and communities.
- Policy and advocacy activities to strengthen the enabling environment.
- Administrative and operational functions necessary for continuity.

Linking Funding Pathways to Council Implementation Scenarios

Each potential designation pathway for the Council opens new funding doors:

Economic Development Organization (EDO): the Council would qualify for EDA planning grants, Public Works and Infrastructure programs, economic and community development (EDA, HUD, Rural Development), and disaster recovery funds (CDBG-DR, CDBG-MIT) tied to a Comprehensive Economic Development Strategy (CEDS).

Designation as an EDA-recognized Economic Development District would also strengthen the Council's capacity to mobilize private investment. The CEDS required of every EDD functions as a federally vetted investment prospectus, giving private lenders, developers, and philanthropic partners greater confidence to co-invest in regional priorities. EDA match requirements further incentivize public-private collaboration, while tools such as revolving loan funds, self-replenishing funds whereby the money that borrowers pay back is used to fund new loans, will allow the Council to channel flexible capital into small businesses and emerging industries. By absorbing early-stage risk and convening credible partnerships, the Council could leverage each federal dollar several times over with private capital, transforming the Eastern Region into a competitive and investable territory.

Destination Stewardship Organization (DSO): the Council could capture revenue from Tourism Business Improvement Districts (TBIDs), Tourism Improvement Districts (TIDs), visitor fees, co-management agreements, concessions, and environmental fees, while positioning itself for grants from public and philanthropic sources supporting sustainable tourism, environmental sustainability, disaster risk mitigation, and resilience. It can also explore resilience and green bonds, revolving loan funds and impact investments.

Regional Transportation or Metropolitan Planning Organization (RTPO/MPO): the Council would gain access to federal transportation planning funds (PL/5303), programming authority for surface transportation programs (Surface Transportation Block Grant), and competitiveness for innovation grants in mobility and resilience, including Congestion Mitigation and Air Quality





(CMAQ), Integrated Mobility Innovation (IMI) Program, and Transportation Alternatives program funds. Other grant programs specifically for transportation infrastructure and service provisioning include: Transit-Oriented Development (TOD) Planning, Section 5311 (Rural transit block grant), Section 5307 (Urban transit block grant), Emergency Relief Grants, Grants for Buses and Bus Facilities Competitive Program, Areas of Persistent Poverty Program, Better Utilizing Investments to Leverage Development (BUILD), Flexible Funding Programs - Surface Transportation (Block grant), Rural Transportation Assistance Program, Technical Assistance & Standards Development.

Together, these pathways will ensure that the Council is not reliant on any single source of funding but can cultivate a portfolio that reinforces its long-term viability.

Case Study: Leveraging EDD Destination to Attract Private Investment

Redwood Regional Economic Development Commission (California)

The Redwood Regional EDD demonstrates how designation can convert federal seed funding into private capital.¹⁷² Its EDA-seeded Revolving Loan Fund allows it to provide loans to small businesses in the county.¹⁷³ The region's Comprehensive Economic Development Strategy (CEDS) also functions as an investment roadmap, drawing philanthropic support for climate adaptation projects and private sector partners into broadband and clean-energy initiatives.^{174 175}

Upper Savannah Council of Governments (South Carolina)

The Upper Savannah EDD covers six counties and uses its CEDS to align public and private capital.¹⁷⁶ Its Revolving Loan Fund fills credit gaps for small businesses, creating jobs while attracting commercial lenders to finance growth once projects are de-risked. CEDS-backed initiatives have also secured philanthropic investment in housing and infrastructure and mobilized private industry support for industrial sites and workforce training programs.¹⁷⁷

Relevance to Eastern Region Economic Development Council

- An EDD designation would provide the Council with the same federal credibility that attracts private lenders and philanthropic partners.

¹⁷² Who Are We? Redwood Region Economic Development Commission. <https://rredc.com/who-we-are/>

¹⁷³ Harshwal & Company LLP. (2024, June 20). Redwood Region Economic Development Commission audited financial statements. https://rredc.com/wp-content/uploads/2025/04/RREDC-Final-Report-and-Financial-Statement-06-30-2024.pdf?utm_source=chatgpt.com

¹⁷⁴ County of Humboldt. (2025, June 17). Humboldt County Comprehensive Economic Development Strategy 2025-2030. <https://www.gohumco.com/DocumentCenter/View/985/2025-30-Humboldt-County-Comprehensive-Economic-Development-Strategy>

¹⁷⁵ County of Humboldt. (2025, June 17). Humboldt County Comprehensive Economic Development Strategy 2025-2030. <https://www.gohumco.com/DocumentCenter/View/985/2025-30-Humboldt-County-Comprehensive-Economic-Development-Strategy>

¹⁷⁶ Home. (2019, June 22). Upper Savannah Council of Governments. <https://www.uppersavannah.com/>

¹⁷⁷ Economic Development. (2019, June 22). Upper Savannah Council of Governments. <https://www.uppersavannah.com/divisions/economic-development/>





- The CEDS requirement would serve as a vetted investment roadmap for the Eastern Region, helping crowd in co-investment for tourism, mobility, and resilience projects.
- Revolving Loan Funds could help local small businesses and entrepreneurs access credit, building pipelines to traditional finance.

Federal match requirements would incentivize structured public-private partnerships across the 15 municipalities.

Resource Alignment and Fund Pooling

To amplify impact and reduce administrative overhead, the Council will coordinate joint funding proposals to federal programs administered by agencies such as EDA, HUD (CDBG-DR and CDBG-MIT), USDA, FEMA, and DOT. Strategic alignment with agency planning cycles will boost competitiveness, while formal pooled funding agreements among municipalities will enable larger, regional-scale infrastructure investments. Mapping regional inflows will allow the Council to identify inefficiencies, reduce duplication, and set collaborative budget priorities. This approach will position the Eastern Region as a model for financial stewardship on the island.

Locally Generated Revenue Streams



Financial independence will also require creative, place-based mechanisms. The Council can play a pivotal role in activating existing legal tools such as Tourism Business Improvement Districts (TBIDs) and Tourism Improvement Districts (TIDs). Although these are legally authorized mechanisms (through Act 207-1998)¹⁷⁸ no districts have been implemented yet under them, reflecting the complexity of coordinating stakeholders for implementation. By serving as a neutral facilitator, the Council could accelerate their establishment, ensuring that any funds collected from properties are reinvested in public spaces, ecotourism facilities, transportation infrastructure, and other improvements defined by law.

Through Tourism Business Improvement Districts, it's possible to negotiate with tourism businesses so that they voluntarily contribute a portion of their revenue to support local development and improvement projects. This could involve establishing voluntary contribution agreements or incentive programs to encourage tourism businesses to reinvest in the community they're in. Established by local businesses, these conduct self-assessments to collect and designate funds for destination marketing/management purposes and capital investments.¹⁷⁹ When a business invests in

¹⁷⁸ *Ley de Distritos de Mejoramiento Turístico de 1998 Ley Núm. 207* (August 8, 1998). <https://bvirtualogp.pr.gov/ogp/Bvirtual/leyesreferencia/PDF/Turismo/207-1998/207-1998.pdf>

¹⁷⁹ Winfield O Hare, A. (2021, August 5). Tourism Improvement District—a funding model case study. *Solimar International*. <https://www.solimarininternational.com/tourism-improvement-district-funding/>





the community, the success of the business is shared with the community and brings about positive effects. By directly contributing to the community, not only is the business situated within a more attractive community, but community members then receive better services for being there.¹⁸⁰

Voluntary Visitor Giving and Destination Conservation Fees

Complementing TBIDs are voluntary visitor giving schemes, which invite donations at high-traffic areas like beaches and parks. Additionally, the Council could pilot Community Benefit Districts (designed to finance public amenities), as well as destination conservation fees, ensuring visitors contribute to conservation. Destination (or environmental) conservation fees are locally generated revenue streams designed to support the protection and sustainable use of natural resources. By charging modest fees to visitors, municipalities can reinvest in environmental priorities such as waste management, ecosystem restoration, and education—especially in areas facing high tourism pressure and limited public funding. Feasibility studies and surveys could be used to validate community support and economic viability for these tools.

In the Eastern Region, the Permanent Fund for the Environmental Preservation of Culebra and Vieques, established under Act 293-2004,¹⁸¹ supports the protection and sustainable development of these island municipalities' natural assets amid rising tourism and constrained local budgets. The fund was originally created to help relieve financial pressure on Culebra's municipal government, which had been forced to direct its limited resources toward pollution and waste management to fulfill the mission of the Authority for the Conservation and Development of Culebra (ACDEC)—originally under PRDNER and now operating under municipal control. Now, financed by a \$2 entrance fee for non-residents arriving by sea—and, to the extent permitted by law, by air—with exemptions for residents and qualifying merchants, the fund enables each of the two island municipalities to reinvest locally in environmental priorities such as waste management, natural reserve maintenance, education, and technical planning.

By replicating this model, the Council could mobilize the financial and technical capacity needed to preserve natural assets across all 15 municipalities, in partnership with public and private entities managing transportation systems within the proposed regional network described in the Transportation and Mobility Pillar. Just as the Municipalities of Culebra and Vieques collaborate with the ferry operators and the Puerto Rico Integrated Transport Authority—which is in charge of the ferries—to receive the funds via ticket sales and transfer them to the municipalities, the Council could establish similar partnerships. By collaborating with ATI and private mobility companies such as Skootel, Uber, and Lyft, the Council could implement a ridership-based environmental fee that generates dedicated revenue for green infrastructure investments. These funds could be reinvested in projects like greening sidewalks and streets, developing climate-resilient public spaces, and promoting eco-tourism and green job creation—advancing both environmental sustainability and regional economic development.

¹⁸⁰ Repaj, E. (2021). Placemaking and Revitalization through Business and Tourism Improvement Districts in Albania. *International Journal of Business & Economic Development*, 09(01). <https://doi.org/10.24052/IJBED/VO9N01/ART-05>

¹⁸¹ *Ley del Fondo Permanente para la Preservación Ambiental de Culebra y Vieques Ley Núm. 293* (September 15, 2004). <https://bvirtualogp.pr.gov/ogp/Bvirtual/levesreferencia/PDF/293-2004.pdf>





Case Studies:

Local Tax Revenues Reinvented for Visitor Management – Barcelona (Spain), Orlando (FL), Palm Springs (FL)

Barcelona's city government is aware that tourism is as much of a benefit as it is a burden for destinations and utilizes its tax revenues to cover tourism-related expenditures. These taxes cover projects to develop and protect the environment, stimulate sustainable tourism, restore its historical heritage, finance scientific research, and sustain the coexistence and development of neighborhoods, cultural and creative activities, and tourism innovation.¹⁸² The city has recently added a city surcharge per night per tourist, and for daytime cruise passengers to curb over tourism. The City Council has also established a robust tourism management plan that strives to improve “[...] the balance between tourism and the daily lives of residents, positioning Barcelona as a leader in the management, organisation, funding, and social return of tourism.”¹⁸³

Likewise, cities like Orlando (Florida) use the state Tourist Development Tax (TDT) collected from overnight lodging businesses (currently set at 6%) to cover the maintenance and enhancement of the tourism sector without charging local taxpayers to offset the costs it brings. The law regulates how the funds can be used, and since cities see a direct benefit, this incentivizes them to stimulate the tourism sector and actively participate in it.¹⁸⁴

The City of Palm Springs, California adopted the Tourism Business Improvement District method and uses a 1% assessment on room revenue and vacation rentals’ gross short-term rental revenue for event promotion, advertising, marketing, and public relations, among others.¹⁸⁵ This option allows for tourism enterprises to keep their tax exemptions without turning into a financial burden for the local government since part of the tourism-generated revenue is used to improve the area that they are in. This is equally beneficial for businesses since it improves their destination, bringing in more visitors and, in turn, revenue for them.

¹⁸² Baird, M., & The GDS-Movement. (2020, December 9). Exploring tourism taxation as a method to fund a regenerative future. *City Nation Place*. <https://www.citynationplace.com/exploring-tourism-taxation-as-a-method-to-fund-a-regenerative-future>

¹⁸³ Ajuntament de Barcelona. (2024, September). *Government measure for tourism management 2024-2027*. https://ajuntament.barcelona.cat/turisme/sites/default/files/2025-08/Gestio_turi%C3%BCstica_llarg_CAT-en-GB-WEB_compressed.pdf

¹⁸⁴ Tourist Development Tax Citizen Advisory Task Force. *Frequently Asked Questions*. Orange County Government Florida. <https://www.ocfl.net/EconomicDevelopment/TDTCitizenAdvisoryTaskForce/FAQ.aspx>

¹⁸⁵ *Tourism Business Improvement District (TBID)*. City of Palm Springs California. <https://www.palmspringsca.gov/government/departments/finance-treasury/tourism-business-improvement-district>





Innovative Financing Tools

To support resilient infrastructure and equitable development, the Council may utilize innovative finance models. For example, it could emit Green and Resilience Bonds, which finance green infrastructure and resilience projects, and Climate Bonds, which are aimed toward climate mitigation actions. Blended finance models combining public and philanthropic capital can reduce investor risk and unlock impact funding. Collaboration with Community Development Financial Institutions (CDFIs) and regional green banks can also be fruitful, as was the case for the collaboration between the Puerto Rico Green Energy Trust, and the Connecticut Green Bank that together developed strategies toward supporting Puerto Rico residents' energy resiliency needs.¹⁸⁶ Lastly, social-impact investment funds can channel responsible capital into workforce training, affordable housing, and tourism infrastructure, with outcomes tied to social and environmental metrics.

Philanthropic and Institutional Partnerships

Foundational support is essential for early-stage development and long-term resilience. The Council will position itself to attract multiyear operational grants and collaborative funding from foundations focused on local wealth building, sustainability, and regenerative tourism (e.g., Ford, Kresge, Surdna, Rockefeller Foundations, and Hispanic Federation). Establishing a regional donor collaborative could also align private and public interests, enabling strategic pooling of philanthropic resources. Mapping existing philanthropic networks and their funding priorities will help create a compelling case for investment in stewardship-driven governance.

Operational Sustainability and Revenue Generation

True independence requires reliable operational revenue. To this end, the Council will create a foundational reserve fund, seeded through initial grants, municipal contributions, or state support, to cover administrative expenses. It will also explore fee-for-service models—for offering planning support, grant writing, data analytics, and facilitation services. Shared-service income, derived from services like regional permitting, joint marketing platforms, and cooperative procurement, can offset costs while supporting municipalities. A financial forecast will model revenue potential and guide organizational scaling.

Accountability and Governance of Funds

Transparency is foundational to stewardship. The Council will implement annual independent audits, open financial statements, and a participatory budgeting process for determining reinvestment priorities. A dedicated Finance and Investment Subcommittee will oversee stewardship of financial strategies, ensure independent oversight, and make annual recommendations. Financial reporting will also align with international best practices (e.g., Global Sustainable Tourism Council criteria), providing stakeholders with confidence in stewardship and outcomes.

¹⁸⁶ Elescano, C. (2025, January 4). CT builds energy resilience at home and away. *The Middletown Press*. <https://www.pressreader.com/usa/the-middletown-press-middletown-ct/20250104/281479282047356/>





Financial Sustainability as the Foundation of Legitimacy

Ultimately, the question of funding is inseparable from the question of legitimacy. A Council that can diversify its revenue, pool resources across municipalities, and capture the value generated by tourism and mobility will not only sustain its own operations but also prove that regional stewardship can deliver durable change. By linking its financial model to equity, resilience, and shared prosperity, the Council will demonstrate that governance innovation in the Eastern Region is both fiscally viable and socially transformative.





Key Takeaways: Strategic Functions Driving Local Empowerment and Regional Impact

1. Integrated Infrastructure & Mobility Systems

Core Function: Coordinate and modernize fragmented municipal transit into a seamless multimodal system.

Priorities

- Unify ferries, trolleys, microtransit, and intercity buses under shared planning and digital MaaS platforms.
- Pilot demand-responsive microtransit services (tech-enabled carros públicos) in the region.
- Expand active mobility (pedestrian, bike, trail networks).
- Promote climate-smart infrastructure (green stormwater, low-carbon transit).

Global Signals: Auckland Transport (New Zealand), Metro de Medellín (Colombia), Metro Council (Minnesota).

2. Asset Revitalization, Resilience & Risk Mitigation

Core Function: Transform underutilized, degraded, or at-risk cultural and natural assets into engines of sustainable growth.

Priorities

- Establish co-management and concession models for parks, trails, waterfronts, and historic sites.
- Embed resilience and climate risk reduction (hazard mitigation, nature-based solutions).
- Align with CDBG-MIT, FEMA, and recovery frameworks such as Municipal Recovery Plans to institutionalize asset management.

Global Signals: Lake Tahoe Regional Planning Agency (U.S.), Hawai'i Tourism Authority's regenerative DMAPs.

3. Workforce & Human Capital Development

Core Function: Build a unified workforce and entrepreneurship pipeline aligned to visitor economy and emerging industries.

Priorities

- Partner with Conexión Laboral Noreste & Sureste, academia, and employers to align training with market demand.
- Promote digital skills, emerging industry jobs, and entrepreneurship incubation.
- Embed workforce development in Council-led infrastructure and asset projects.

Global Signals: Regional labor boards and innovation hubs linking training, business incubation, and small business support.





4. Shared Services for Visitor-Facing Businesses

Core Function: Reduce costs and barriers for small enterprises while amplifying their market visibility.

Priorities

- Provide centralized permitting, insurance pools, and collective branding/marketing.
- Establish a regional reservation and customer service platform.
- Coordinate event scheduling and cross-promotion across municipalities.

Global Signals: Portugal’s Alentejo PACT hub, California’s North Coast Resource Partnership.

5. Regional Data Observatory & Civic Technology

Core Function: Build shared data and civic tech infrastructure for transparent, evidence-based decision-making.

Priorities

- Integrate FPR’s Visitor Economy Performance model into a regional observatory tracking tourism, mobility, environment, equity.
- Incorporate other data sources to assure accuracy and validity of data and insights.
- Deploy dashboards, participatory surveys, and AR/AI-enabled visualization tools.
- Align with UN SF-MST, GSTC Destination Criteria, and ETIS for comparability.

Global Signals: Metropolitan Council of Minnesota; Tampa Bay Regional Planning Council’s civic tech pilots.

6. Coordinated Investment & Financial Stewardship

Core Function: Serve as the region’s central investment coordinator and fiscal steward.

Priorities

- Pool federal, municipal, philanthropic, and private resources into a regional development fund.
- Pursue innovative financing (TBIDs, visitor/environmental fees, resilience bonds).
- Ensure transparency through audits, participatory budgeting, and ROI tracking.

Global Signals: Montana TBID framework; Shasta Cascade Wonderland Association blended financing.

7. Community Engagement & Regional Identity





Core Function: Institutionalize participatory planning, grassroots leadership, and storytelling.

Priorities

- Regular roundtables, assemblies, and mobile outreach in rural communities.
- Deploy VR/AR, podcasts, hackathons, and QR-based surveys for inclusive participation.
- Build regional identity through cultural storytelling and pride of place campaigns.

Global Signals: Hawai'i resident sentiment surveys; ReImagina Puerto Rico participatory planning.

8. Policy Advocacy & Innovation Partnerships

Core Function: Serve as the unified regional voice for policy reform and as a hub for innovation.

Priorities

- Advocate for enabling laws, streamlined funding flows, and sustainability-focused policies.
- Build partnerships with academia, tech firms, and global networks to pilot R&D projects.
- Position Eastern Region as a living laboratory for climate adaptation, digital governance, and sustainable tourism.

Global Signals: RAND Disaster Recovery Plan; international innovation partnerships in mobility and conservation.





4.4 Realizing the Vision: Activating Sustainable Development for the Eastern Region

The Eastern Region stands at a critical inflection point of extraordinary risk and opportunity. Intensified environmental threats, fiscal instability, and outmigration continue to hold back our forward movement, while uneven development leaves too many behind. Yet at the same time, Puerto Rico has reached record visitation, new international routes connect us to the world, and the visitor economy is already generating more than \$1.2 billion in direct visitor spending in the region annually; supporting about 15,000 jobs. The island has global momentum, and the Eastern Region, as the home to El Yunque, bioluminescent bays, pristine beaches, and vibrant town centers, will be at the center of this new era of growth.

Doubling visitation to the region is no longer a distant aspiration. It is happening now. And beyond tourism, new federal policies are opening the door for reshoring advanced manufacturing, positioning Puerto Rico once again as a competitive hub in critical supply chains. The Eastern Region, with its port assets, strong biosciences sector, workforce potential, and available land, is uniquely poised to capture both streams of growth, visitor economy expansion and industrial revitalization. The question is whether we will capture this growth sustainably, retaining its value for local communities, or whether we will squander the moment, unprepared and fragmented. The risk is missing the chance to build a durable visitor economy rooted in Puerto Rico's ineffable vitality: its people, culture, and natural assets. The opportunity is to shape growth into a resilient, inclusive, and a world-class economy that benefits all.

The Economic Development Council is the vessel to seize this opportunity. It will institutionalize regional coordination, ensuring that infrastructure, workforce, and investment keep pace with accelerating demand. It will safeguard natural beauty, local ingenuity, community culture and heritage, while aligning municipal strategies. It will measure outcomes using innovative tools and models to prove the true scale of impact and guide reinvestments. It is not simply a response to present challenges, it is a commitment to a different trajectory, one rooted in long-term thinking, shared values, and the belief that regional coordination can unlock transformational change. In short, it is the only path forward.

By advancing the strategic functions outlined above, from resilient infrastructure to workforce development and data-driven governance, the Council will bridge the gap between what the region aspires to become and the fragmented systems that currently exist. These functions are not ends in themselves, but dynamic tools to realign priorities, build capacity, and activate a shared sense of purpose across communities, municipalities, and sectors.

Through phased implementation, broad-based engagement, and sustained investment, the Council will grow into a trusted regional institution capable of delivering measurable outcomes. It will serve





as both a guardian of the region’s long-term vision and a catalyst for collective action, a place where ideas become programs, aspirations become infrastructure, and communities co-create their future.

The call to action is direct. To municipalities: commit to participation and shared stewardship, knowing that collaboration multiplies capacity. To funders: invest in the Council’s launch and in a model that will deliver measurable returns. To nonprofits: bring expertise, networks, and innovation to strengthen the Council’s programs and partnerships. To the business sector: align investment and operations with regional priorities, leveraging the Council as a platform for sustainable growth. To academia: contribute research, training, and thought leadership to ensure strategies remain evidence-based and future-ready. And to communities of the region: engage through roundtables and civic platforms, shaping decisions that affect your future.

The groundwork has been laid. The data is clear. A shared vision has been expressed. What remains is collective will. Today, the Eastern Region has the chance to lead again, modeling for Puerto Rico and the Caribbean a new form of place-based governance rooted in stewardship. The question is not whether the Eastern Region needs an Economic Development Council, but how quickly we can build it.





Key Insights: Catalyzing Sustainable Regional Transformation Through Collaborative and Innovative Governance

1. Why Governance Matters

Core Message: Fragmentation has kept the Eastern Region from realizing its full potential.

Strategic Imperative: Regional coordination is no longer optional; it is the only foundation for resilience and competitiveness.’

Illustrative Signal: The Eastern Region Economic Development Council will unify 15 municipalities under one shared vision.

2. Building the Institution

Core Message: Puerto Rico already has the legal tools and policy frameworks to establish a Council.

Strategic Imperative: Multisectoral collaboration must be institutionalized to outlast political cycles and ensure continuity.

Illustrative Signal: The Municipal Code and public policy empower intermunicipal consortia and nonprofit entities to act collectively.

3. Sustaining the Institution

Core Message: Legitimacy rests on financial sustainability.

Strategic Imperative: Diversified funding, anchored by value retained from the visitor economy, is essential for long-term impact.

Illustrative Signal: Federal designations such as EDD or RTPO unlock recurring support and strengthen fiscal resilience.

4. Growing the Institution

Core Message: The Council must evolve through deliberate phases—formation, consolidation, and expansion.

Strategic Imperative: Flexibility allows the Council to adapt, combining roles in economic development, mobility planning, and destination stewardship.

Illustrative Signal: A phased strategy ensures growth is sustainable, accountable, and aligned with capacity.

5. Delivering Impact

Core Message: Transformation will be measured by outcomes, not structures.

Strategic Imperative: Workforce pipelines, resilient infrastructure, and stewardship of natural assets must produce visible, shared results.

Illustrative Signal: A Regional Data Observatory will track progress, reinforce transparency and accountability, and guide community reinvestments.



