Rise of the Non Governmental Activities in Japan

- History of Japan’s “BIDs”
- What is a TMO?
- Where do TMOs work?
- Who compose of TMOs?
- Roles of TMOs
- Activities by TMOs
- Projection of Financing TMOs’ Activities
- SHIODOME, the “First BID”
- History of Shiodome area
- What is the Shiodome BID like?
- Closing Remarks
History

- During the high economic growth
  - Many immigrants from rural area toward inside the urban area and expansion of sprawling
  - Decrease in the young workforce in rural areas and over density in large metropolitan areas

- Changes in social and economic situations
  - Decrease in regional migration
  - Increase in the growth gap between large cities and small / meddle size cities.
  - Deterioration of the downtown areas.
  - More willingness from the public to be involved in the community development

- Necessity of new urban policies
  - From urbanization to urban reconstruction
What is TMO? (1)

- Based on the Act of Revitalizing Downtown Improvement District (1999)
What is TMO? (2)

- Learned from TCM and BID
- 262 TMOs have been established all over Japan
- More than half of DID s range between 10-20 million square feet
- Average area of DID s is about 15 million square feet
Organizations which can become TMOs

- **Shokokai**: Board of Trade, Chamber of Commerce (Mainly in towns and villages)
- **Shoko-Kaigisho**: Board of Trade, Chamber of Commerce (Mainly in Cities)
- **Specialized Third Party Private Company**: Joint stock company capitalized by medium/small companies, with more than 3% shared by local government
- **Foundation**: with more than 3% invested by local government
TMOs seen by categories

- Shoko-kaigi sho: 56%
- Specialized Third Party Private Company: 30%
- Shokokai: 13%
- Foundation: 1%
- Shoko-kaigisho: 56%
Roles of TMOs

TYPE 1
TMO as a project planner and coordinator

TYPE 2
TMO as a project planner, coordinator, and servicer
Activities by TMOs (1)

- Distributing the information about vacant retail spaces and coordinating new tenants.
- Promotion of SOHO (Small Office Home Office)
- Introducing management advisors
- Constructing shopping centers
- Creating a public space
Projection of Financing TMOs’ activities

• Based on the beneficiary payment principle.
SHIODOME, the “First BID”

- Located at the center of Tokyo
- An important traffic junction connecting the urban center and the waterfront.
- The land readjustment project has been going on.

Property owners are eagerly involved in discussing the concrete future metropolitan image.
The first railroad station was constructed in 1872.

Formation of the lively urban area surrounding the station.

The opening of Tokyo station in 1914. Shiodome station as a freight depot.

The opening of Tokyo Freight Terminal in 1973 lead to the termination of the Shiodome Freight Depot in 1986, along with the privatization of the Japan National Railway.

The site was redeveloped into a city center and park through the Project period from March 1995 to March 2007, Project expense 146.3 billion yen. (1.2 billion dollars)

The Shiodome Area Urban Reconstruction Conference

- Formed in December 1995
- Purpose: to promote open dialog and community-oriented urban planning in Shiodome
- Member: All land owners and lease holders in the area, as well as certain local government officials as special members.
- Agreed that they will be manage the area after the operation phase.
- Transformed into a Not-for-Profit Cooperation.
SHIODOME BID

- Former conference has gained “legal personality” by becoming a Not-for-profit Cooperation (12.28.2002)
- Has begun operating since March 2003
- All the business owners have joined the BID as members (No membership of local residents.)
- Subcontracts the management and maintenance of a certain public facilities with Tokyo Metropolitan Government
- Higher quality public facilities than the regular development
- Maintenance cost = Regular maintenance cost (from the local gov.) + Additional maintenance cost (by the BID)
- Basic agreement about the responsibilities and payment between the BID and the local government
Closing Remarks

- From “Urbanization” to “Urban Reconstruction”
- Limitation of the current legislative system.
- TMO and lack of self-financing tools
- Two kinds of Not-for-profit Companies and lack of Tax credits for BID
- Payment and responsibility agreement with the local government
- Final report from the “Examination Committee of Japanese Version of BID” (To be published.)