Area management and its institutional frameworks for the Tokyo Station Area Development

Miki Yasui
Hosei University
Area Management Network of Japan
(tentative name, forthcoming)
Changing focus of Japanese urban development policy

### PAST

**Urban Structure**
1) Need to expand urbanized areas to absorb the increase in population.
2) Need an effective growth management to achieve a sustainable community.

**Infrastructure**
1) Need to develop infrastructure in accordance with the speed of urbanization.

**Who make cities?**
1) Government develop infrastructure and regulate land use.
2) Urban development was lead by private developers.

**How to make cities?**
1) Government provide legal framework for development such as land readjustment or urban redevelopment scheme.
2) Government provide grants or tax incentives as incentive.

### TODAY

1) Need to realize a compact urban structure to deal with decrease in population.
2) Need to induce private investment rather than control it.

1) Need to repair/redevelop deteriorated infrastructures.
2) Need to consider a new scheme of infrastructure development and management.

Partnership should be promoted to integrate infra and development project as well as MANAGEMENT of those integrated facilities.

Need for new scheme and resources for urban MANAGEMENT.
Changes around cities and urban district.

1. Suburbanization to Re-urbanization
   ✔ Business areas have been changed into mixed use – business, commercial and residence - all over the world.

2. Competition among cities and districts
   ✔ Since 1990s, global competition among metropolis gets tougher.

   Global Cities Rankings
   AT Kearney’s Global Cities Index
   PwC’s Cities of opportunities
   Mori Foundation’s Global Power City Index, etc.

   ✔ Competition also exists within the city.

How to create a new, attractive environment for workers, visitors as well as neighborhood residents has got critical for developers.
**Area Management** - Integration of urban development and management to make it possible to use urban space innovatively by effective public private partnership.

**Brief History**

till 1990s, merchants associations were only organizations that stakeholders get together to create lively urban areas. The policy to urge them to become town management organizations was introduced in 2000, but was not so successful.

In 1998, the first area management challenges started in Otemachi-Marinouchi-Yurakucho (OMY) Area, based on the cooperation among property owners.

In 2000s, similar challenges started in Osaka, Nagoya, Sapporo, Fukuoka and major cities, especially in the city center areas. These are mostly private initiatives.

In 2002, the Act on Special Measures concerning Urban Reconstruction, which put importance on these private initiatives, passed. This designated some of the area management organization as its Urban Reconstruction Promotion Corporation and gave incentives. Also, the Agreement of collective management of public spaces enabled area management organizations be the sole managers of these spaces.

2014 Local Act for promoting Area Management was passed by Osaka city council and Kutchan Town Council (Ski resort area.)
Japanese Area Management – major activities
1. Area management is a circling process of income generation and problem solving.
2. Profit generating activities are related to using public spaces in many cases. Therefore, deregulation such as simple hire scheme of public park is necessary.

Events
Food Marche (DMY, Sapporo, Obihiro), Craft or other shops (DMY, Sapporo, Toyama, Osaka, Kawagoe etc.)

Advertising (DMY, Sapporo, Akihabara, Osaka, Fukuoka etc.)

Common management-Parking (DMY, Sapporo), Building management (Kumamoto, Sapporo), Vacant land management (Ida, Obihiro, etc.)

Low Public Interests

Education, Culture and Art support (Sapporo, Toyama, DMY etc.)

High Profit

Management of public facilities
Designated management (Toyama, Sapporo, Ida etc.), Agreement or joint management (DMY, Osaka etc.),

Entrepreneurship support, business matching (Akihabara)

High Public interest

Machidukuri Rule making -Common Area vision (DMY, Fukuoka, etc.), District urban plan(DYU, Sapporo), Agreement to use public spaces (Sapporo, Osaka, Kawagoe, etc.), Development guideline (DMU)

Area Promotion -Information center (Kawagoe, Akihabara etc.), using SNS (DMU, Sapporo, Toyama), Signage, Map and Street Furniture (DMU, Toyama, Fukuji etc.)

Disaster and Crime Prevention, Environment protection (DMU, Akihabara, Kitakonosu etc.)

Public use of private spaces –Energy (Harumi, Ida), Community Transport (DMU, Fukuji, Osaka, Toyama etc.)

Low Profit
## Urban Management Legal Scheme worldwide

<table>
<thead>
<tr>
<th>Legal framework</th>
<th>US (State of NY)</th>
<th>UK</th>
<th>Germany</th>
<th>Japan (Osaka)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1981 General Municipal Act/Article 19-A</strong></td>
<td>●1984 1st BID set up in NY City based on its local Law.</td>
<td>●White paper of 2001 (Strong Local Leadership) suggested introducing BID act. ⇒2003 Local Government Act made it possible for local government to increase business rate (tax) in the designated areas with the establishment of BIDs.</td>
<td>●2004 the first BID Act in State of Hamburg.</td>
<td>●2014 first BIDs act was passed by Osaka city council.</td>
</tr>
<tr>
<td><strong>1984 1st BID set up in NY City based on its local Law.</strong></td>
<td></td>
<td></td>
<td></td>
<td>●The first BID district is Grand-Front Osaka.</td>
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<tr>
<td><strong>Who pays?</strong></td>
<td>All the property owners pay assessment and constitute District Management Association.</td>
<td>Commercial tenants (Business rate payers) is the basis. In 2013, property owners’ contribution got possible by the revision of related act.</td>
<td>Commercial property owners</td>
<td>Property owners.</td>
</tr>
<tr>
<td><strong>Management organization</strong></td>
<td>BIDs management organization is a tax exempt non-profit organization based on Internal Revenue Code(IRC) 501c(3).</td>
<td>Any corporation can be the BIDs management organization.</td>
<td>Same as UK</td>
<td>Nonprofit organizations or for-profit organizations joined by local government.</td>
</tr>
<tr>
<td><strong>staff</strong></td>
<td>District Manager has to be employed. The number of other staff varies.</td>
<td></td>
<td></td>
<td>No regulation.</td>
</tr>
<tr>
<td><strong>resource</strong></td>
<td>Assessment income can be used with various income from their activities (including events, park and facility management, business activities.)</td>
<td></td>
<td></td>
<td>Assessment and other income should be separated.</td>
</tr>
<tr>
<td><strong>period</strong></td>
<td>Renewed every 5 years.</td>
<td>Renewed every 5 years.</td>
<td>Renewed 3-5 years.</td>
<td>Renewed every year.</td>
</tr>
</tbody>
</table>

Tax based area management is Just a beginning in Japan!
“Area Based Entrepreneurship” is a big strength of Japanese Area Management. Area management organizations have created new incomes from public and common spaces.

Common spaces & services, such as;
- To start business at private owned public spaces (Kokai-Kuchi).
- To use effectively parking spaces collectively.
- To make area-based collective contract for trash collection, property management.

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Public spaces & services, such as;
- To start business in public parks, pedestrian ways and roads, including open markets, cafes and events.
- Area-wide advertising (banners, flags) using street rights or walls can generate resources for area management.
- To receive contracts for public services such as bicycle guiding, cleaning, which can be provided more effectively by area management organizations.

Get together to find something that can be more efficiently used to generate more resources and solve common problems.

Make effective partnership with government to make more open spaces for generating resources and tackle urban problems together.
The First Area Management in Japan
-Setup and Development of the property owners’ association in DaiMaruYu (OMY) Area

■ Background

1. Shortage of 1st class office spaces in Central Tokyo
2. Need to upgrade existing office especially for ICT environment
3. Need to improve working environment and amenity for workers
4. Momentum getting together to realize better redevelopment among property owners
5. Official policy to promote private led regeneration in Central Tokyo

■ Story

1998 Setup of the Discussion committee for redevelopment in Otemachi, Marunouchi and Yurakucho Area
   • 59 members, 1 special member (Chiyoda-ward), and 20 observing members.
   • This means more than 80% of all the property owners (97) joined this.

2012 The committee developed into the General Incorporated Association Otemachi, Marunouchi, Yurakucho Machidukuri Association.

2013 Designation of Urban Reconstruction Promotion Corporation by national government.
   • 58 members, 12 sub-members, 9 supporting members (as of April, 2015)
Structure and Major Activities of OMY Machidukuri Association (Property Owners Association)

89 Members as of April, 2015

- Guideline Committee
  Head: Mitsubishi Real Estate
  Vice Head: Mitsubishi Tokyo UFJ Bank

- Urban Function Committee
  Head: NTT East-Japan
  Vice Head: Marunouchi Heat Energy

- Urban Development and Management Committee
  Head: Sankei Building
  Vice Head: Mitsubishi Corporation

- Urban Policy Committee
  Head: Mitsubishi Real Estate
  Vice Head: Mitsubishi Tokyo UFJ Bank

- Reporting Committee

- Whole Meeting Board

- Management Committee

- Secretariat

- Urban Function Committee
  Development of new urban function

- Urban Development and Management Committee
  Urban Infrastructure and Area Management

- Urban Policy Committee
  Policy proposal and discussion

- ECOZZERIA

- LIGARE: Area Management Association

- Promotion Committee
  Head: Japan Post
  Vice Head: Nippon Broadcasting

Revised on June, 2015.
TMG, Chiyoda-ward, JR-East and Machidukuri Association (LIGARE) have together established a discussion meeting in 1996 to make regeneration projects in this area be an engine of economic growth in Tokyo as well as whole Japan.

The objective of this meeting is to discuss comprehensive strategies including the area’s future vision, policy tools and rules which are necessary to realize the vision.

As a result, in March of 2000, a Machidukuri Guideline was adopted based on the members’ consensus. It is expected that both private and public sector renew the area’s assets in accordance with this guideline.
Machidukuri Guideline
Always Bring up and Innovate the OMY area.

- A comprehensive Machidukuri and Development guidebook.
- Not a fixed plan but expected a phased revision according to economic and social condition. 4th revision was made in May, 2014.)
OMY’s Guideline
Principle 1: Comprehensive Machidukuri Concept.

Comprehensive Machidukuri

Hardware development: streetscape building, environmentally friendly development.

Software development = Area management
- Energy and environmental management
- Infrastructure networking (Shuttle bus, logistics, parking etc.)
- Safe and comfortable neighborhood,
- Urban tourism
- Events,
- Area promotion,
- Management of street advertising.

Development of open spaces (Marunouchi Station plaza to Gyoko street and Naka street)

Guide and cooperation of individual development

Infrastructure development when necessary.

Comprehensive Machidukuri concept and its concrete activities was considered necessary for sustainable area’s future.

Based on this, development of area management scheme and structure was thought necessary for the area’s future.
How this Guideline works 1. proposal of attractive public space.
- Tokyo station plaza and Nakamichi street was proposed in this guideline.

Upper left: Just after the WWII
Upper right: 1996
Down right: Future image of 2017 (from press release)
How this guideline works 2. Network of underground ways was proposed and realized.

1988 Before the major redevelopment

Current (2013)
How this guideline works 3: Partnership among various Machidukuri organizations was proposed and realized.

- Promote communication and participation to generate the area’s viability.
- Approx. 140 members (companies, office workers and students).
- Promote public-private partnership.
- Joined by TMG, Chiyoda-ward, JR-East and Machidukuri Association.

**Machidukuri Guideline**

- Integration of development and management of urban spaces.
- Comprehensive strategy

- Coordination for efficient development and management of parking facilities in the area to realize safe and comfortable environment.
- Management of riverside walk along Nihonbashi river.

**Beautification Board of Marunouchi**
(setup in 1966 by property owners to maintain roadside plants and flowers.)
OMY Area Management Association (LIGARE)

- Based on the Guideline, it promotes communication within the area, provide sustainable environment and enhance the area’s economy.
- “OMY as Hometown where everyone can be proud of. OMY as a town where people can enjoy working here. “
- It has membership structure, including 150 individual members and 60 corporate members.
- Their revenue comes from membership fee (30%), business income (60%) and sponsorship (10%).
LIGARE’s activities  1. Shuttle Bus

- Free “Marunouchi Shuttle” running in the area. This is a Hybrid, environment friendly car.
- Operation started in 2003.
The number and profile of users of Marunouchi Shuttle

Major Objectives of using shuttle are for business use on weekdays, and for sightseeing, shopping and dining out on weekend.

The number of users per day are, on average, 2,100 on weekday and 1,150 on Saturday and Sunday.

The total uses from the beginning of operation till March 2015 is 5,840,000.

The number of annual users of Marunouchi Shuttle
**LIGARE’s activities –2. Usage of open spaces**

- **Dinosaur show**
  @ Marunouchi Building lobby

- **Bon-Odori (Traditional summer dance festival)**
  @Naka-Street

- **Classic Concert**
  @Marunouchi OAZO lobby

- **Gardening Show**
  @Marunouchi Building front yard

- **Christmas Event**
  @Marunouchi Building lobby

- **Music Live Event**
  @Brick Square
LIGARE’s Activities - 3. Events on Naka-Street

- Artists events (2002～)
- Gardening Show (2004～)
- Street Gallery (1972～)
- Illumination Event (2002～)
LIGARE’s Activities - 4. Harnessing Community

**Uchimizu Project to cool down summer heat.**
- Held every summer since 2005.
- About 4-5 points in the area are set as UCHIMIZU point.
- About 3,000 workers join it annually.

**Eco-Kids project**
- Annual summer event since 2007.
- 20 ecology related programs are open by the cooperation of OMY based companies.
- About 1,000 children join every year.

**KIRAPIKA project to clean up the station.**
- Promote workers to join the KIRAPIKA project initiated by JR.
- 100 persons from 15 companies joined.
LIGARE’s activities - 5. Advertising using open spaces

They hang banner flags on street lights to generate resources for other activities as well as contribute lively streetscape.

Points used for advertising
Examples of flag banners

- Example 2: Sakura Café event at Marunouchi building
- Example 3: Exhibition “The Beautiful” at nearby museum
- Example 4: Exhibition “The best in 2013” at nearby museum.
LIGARE’s Activities - 6. Events on the public road

This is a special road use permit based on the “National Strategic Special District.” Various events have been held on multiple street in the area, both over ground and underground to create lively atmosphere on the street.

- Planned events on the National Strategic Special Districts

**Over ground**

- Open Café on Naka Street
- Uchimizu on Gyoko street
- Kitchen car event on riverside Kawabata Street
- Bon-Odori on Naka-street

**Underground**

- Marunochi Gyoko Marche on Gyoko underground street
- Music Festival on NO.5 Chiyoda pedestrian way.
In cooperation with National, Tokyo Metropolitan as well as Chiyoda ward governments, through the Tokyo Station Neighboring Disaster Prevention Committee, all the property owners, workers and related organization are working together on the area-wide programs for disaster prevention, such as holding area wide drill, coordinating food and other stocks for emergencies.

**Tokyo Station Neighboring Disaster Prevention Committee**

- Corporations in the area.
- Chiyoda-ward Emergency Unit
- Marunouchi Fire Unit and other organizations.
- Emergency organizations, including fire dept. and hospitals.

Marunouchi Visions (90 monitors in the area) will change into emergency information when necessary.

**drill**
Suggestions for successful area management 1

For Developers and prospective area management organizations;

1. Seamless phase design
   From initial planning and development phase, it is important to think about what should be done for the area to keep its value in the future.

2. Community and organization design
   It is also important to think about how area’s strategy can be made, and how it is implemented?

3. Business design
   The most important point is to decide the way to secure resources to implement the strategy.
Suggestions for successful area management 2

For national or local policy makers,

1. Enable area-based public space management by private area management organizations.

2. Consider the structure of area management organization – Is it a property owners’ association or merchants’? Can you make a BID structure?
Thank you very much for listening😊

MARUKEN, a mascot character of OMY area.