

## The 12th Niseko Hirafu Preparatory Committee (Summary of minutes)

### The 3rd Niseko Hirafu Resort CID/BID Draft proposal

- Date and Time: 14th of Dec. 2012

Preparatory Committee Meeting: 13:00 - 14:00

Local briefing: 14:00 -15:00

- Attendance: List attached
- Summary

#### 1. What is a CID/BID?

- (1) Why do we need BID/CID?
- (2) Hirafu vision: "Niseko Hirafu, a resort you'd love to live in"
- (3) Subject area of the CID/BID
- (4) Objectives of the CID/BID.

A BID is not only about road heating electricity bills; it's also about area improvement.

- (5) CID fee collection principles

Charging 12,000 yen per unit, with reductions for those who do volunteer work in this area CID estimated project budgets (draft)

- (6) BID fee collection principles

Making Hirafu "a superb place to visit"  
BID estimated project budgets (draft)

- (7) Projects that do not require substantial costs

- (8) Hirafuzaka St. Road Heating System: Draft proposal for sharing electricity costs

- (9) The properties fronting on Hirafuzaka St. benefit from road heating

Survey the attendees

#### 2. Questions and answers

(Opinions)

- We have proposed a BID/CID draft, but there is no alternative plan. If we have only one choice of BID/CID fee or area, it's the same as not having any choice.
- Gathering money before making a plan for projects is putting the cart before the horse. It's important to decide the plan first and then collect the money.
- The BID budget is 17 million yen and the CID budget is 8.7 million yen, but both have almost the same personnel and operation costs. Thus, the CID total budget is 8.7

million yen but the operation costs are 6.4 million yen. This is too expensive. This heavy overhead cost seems to be the result of collecting money as a levy without a concrete project plan.

- I am extremely against "Wine and Dine" being included in the BID project budget. Only some restaurants want to make advertisement; some companies don't need to advertise in "Wine and Dine".
- BID discussions started in 2010, and you say you haven't decided anything, but it sounds like the plan has moved quite far ahead.

(Preparatory Committee)

We want to make a sophisticated plan. To this end, we presented a detailed draft plan so that relevant local people are able to choose from proposed plans or to give opinions to improve the proposal.

(Questions from newly opened company from this year)

- Has the Hirafuzaka construction project been decided? Is that the origin of the BID? Does the BID gather money for the Hirafuzaka electricity bill?

(Preparatory Committee)

The construction of Hirafuzaka has started. The main reason for the BID introduction is community preservation rather than Hirafuzaka road heating.

- Is it right to charge the BID fee by the number of the beds or the number of the bedrooms at an accommodation?

(Preparatory Committee) We have simulated the fees in a different way. At Whistler in Canada, they charge a BID fee 40000 yen per bedroom. We're thinking of charging around 4000 yen per bedroom in this area.

- Because the BID/CID would collect a lot of money, you need to have good presentation so that everyone understands that it's in their interest to pay and that property values would go up.
- A BID/CID is important, and we should discuss it cautiously. My wife attended the last meeting and I came this time, and we thought we should face this BID project seriously.
- We've been living Hirafu-zaka and we find it hard to agree to a higher BID rate than that for other areas, but if the BID needs a certain amount of budget we have to pay it.

- When I saw people skiing on the road or falling at the edge of the heated road, I felt like we needed the sidewalk heating. However, the Park Hotel staff always clear the snow in front of their hotel. It's not right that people who are unaware of the hotel's efforts say that the hotel will benefit a lot from the road heating.
- When sidewalk heating starts, the Park Hotel staff will have less snow clearing to do.
- It's not good that the foreign company staff throw the snow into the road. Please understand that there are benefits to living on Hirafuzaku, but also the disadvantage of snow problems.
- Normally a *chonaikai* fee is charged to the tenant. But this BID is charged to the property owner. Maybe the property owner will add the CID fee to the rent.