

# Niseko Hirafu CID/BID

## Outreach Meeting Handout

Date & Time: April 25, 2013 (Thu.) English: 1 p.m.~3 p.m., Japanese: 4 p.m.~6 p.m.

Venue: Mountain Centre

### Those invited to the meeting

- Owners of commercial property (buildings) in the Yamada and Kabayama areas of the Town of Kutchan
- Owners of land adjoining Hirafu-zaka Street
- Tenants operating businesses in the Yamada and Kabayama areas



## BID outreach meeting materials

### Subjects:

- Owners of commercial property (buildings) in the Chonaikai Yamada #1 - 4 and Kabayama Chonaikai areas of the Town of Kutchan.
- Tenants operating businesses in the Yamada and Kabayama *chonaikai* areas of the Town of Kutchan

### ■ Vision

Proposed vision (draft): “Niseko Hirafu, a resort you’d love to live in” -- toward a safe, clean and vibrant Hirafu

### ■ Goals

1. To maintain a safe and clean Hirafu and to warmly welcome guests while keeping Hirafu vibrant through the mutual efforts of businesses, property owners and other parties
2. To create a completely new community management system in which residents and absent property owners work together as members of the Hirafu community

### ■ Outlook of Hirafu Tourism Businesses

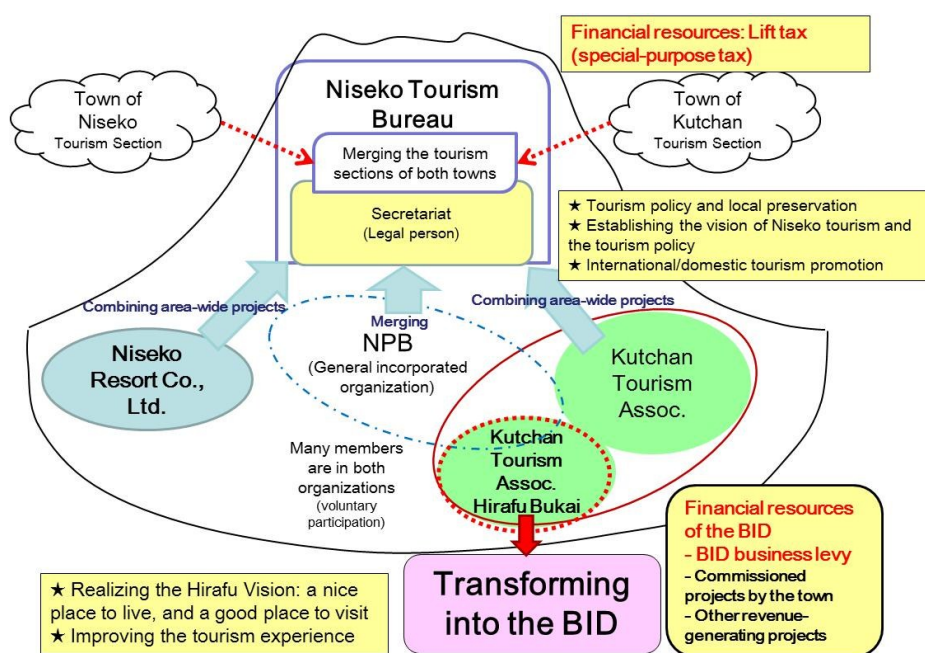
#### ● The Niseko Tourism Bureau and the BID

The roles of the Niseko Tourism Bureau are 1) to develop tourism policies and strategies that realize balanced tourism development and national environmental preservation for all of Niseko (the towns of Kutchan, Niseko and Rankoshi (pending)); and 2) to conduct international/domestic promotion and marketing. The Bureau is planned to be

established by the end of FY 2014.

The roles of the Niseko Hirafu BID (hereinafter: “the BID”) are to improve the tourism experience and to develop a pleasant resort community for tourists and residents through the maintenance and control of infrastructure, the dissemination of tourist information on Hirafu's accommodations, restaurants, retail opportunities and outdoor activities, and the development of a new trash collection system appropriate for Niseko.

The funding methods for the Tourism Bureau are different from those for the BID. The Tourism Bureau will be funded by a lift tax (a new special-purpose tax), while the BID will be funded by BID business levies paid by building owners in the region (a new application of the “*juekisha buntankin*” system for allocating



levies to beneficiaries). Both the Bureau and the BID have the common objective of upgrading the tourist attractions; however, their roles, funding sources and areas are different.

● **The roles the Hirafu Bukai of Kutchan Tourism Association (the former Hirafu Shibu) and NPB**

The NPB and the former Hirafu Shibu had been addressing community issues, such as beautification, cleaning, information sharing and requests for infrastructure development to the government. However, in 2012, Hirafu Shibu was merged with the Kutchan Tourism Association and the community maintenance activities lost focus. It has become difficult to address community issues.

The NPB is planned to be merged with the Niseko Tourism Bureau. Consequently, there will be no organization that takes care of Hirafu community issues.

■ **Why do we need a CID/BID?**

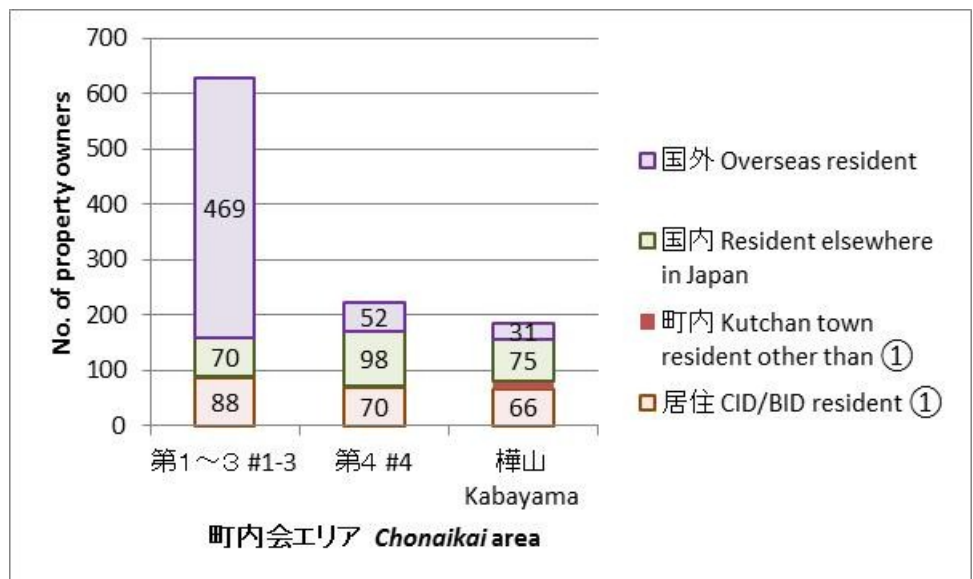
In the Hirafu Chonaikai #1 - #4 and Kabayama Chonaikai areas, 80% of building unit owners are absent (note: a house or one unit of condominium is counted as one building unit). The *chonaikai* members, who account for only 15% of building unit owners, are bearing the expenses and voluntary work of the local community (as of Jan., 2012).

Hirafu Shibu and the NPB have addressed local issues such as noise, fireworks and commercial trash collection. However, it is no longer possible to maintain the community of Hirafu only by *chonaikais* and local business operators, because they are too few relative to the number of absent building unit owners.

● **Roles of *chonaikais***

The *chonaikai* system is Japan's original, rational and sustainable community management method. For example, because the community members bear the costs of streetlamp electricity, installation and repair, the installation of streetlamps is limited to locations of high need. Because *chonaikai* members clean the rubbish stations, every member makes an effort to keep them clean and, thus, to minimize the associated costs and work. As a result, the community management expenses are kept at a minimum while good, clean conditions are maintained.

In the Hirafu area, the *chonaikai* members, who now account for only 15% of the building owners, have been taking care of the following:  
- bearing the cost of streetlamp electricity,



repairs and new installation,  
 - cleaning rubbish stations; sorting unsorted/  
 mis-sorted rubbish and putting it into fee-based  
 plastic bags.

● **Chonaikai free-rider issues**

As described above, *chonaikais* are indispensable for community management. However, *chonaikai* participation is not a legal obligation, and this is not easy to understand, even for Japanese; as a result, there are residents and property owners who do not join but become free riders.

For example, needless to say, there are no *chonaikais* in Australia. In urbanization zones, streetlamp expenses and rubbish collection are government responsibilities. Therefore, Australians have not had experience with *chonaikai*-like community management and it is difficult for them to understand a *chonaikai* system, where members bear expenses and labour to maintain the community.

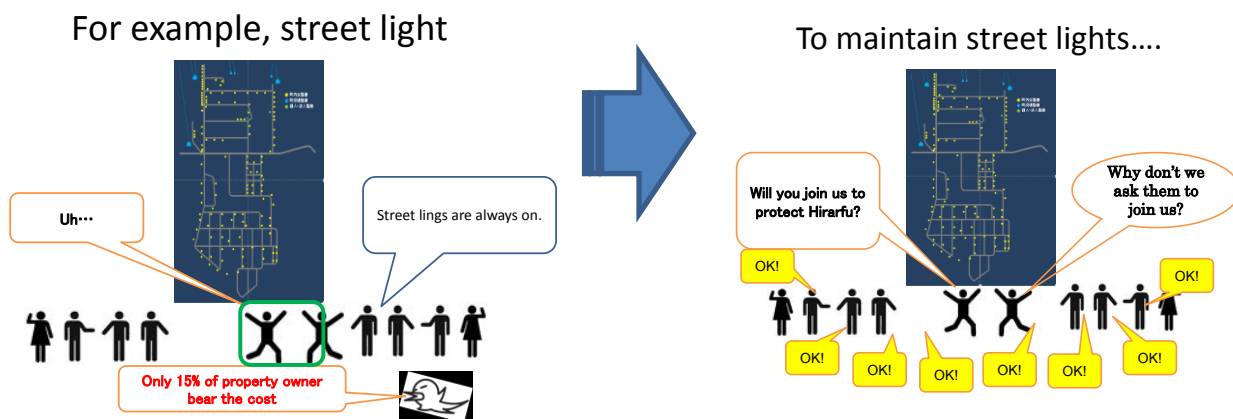
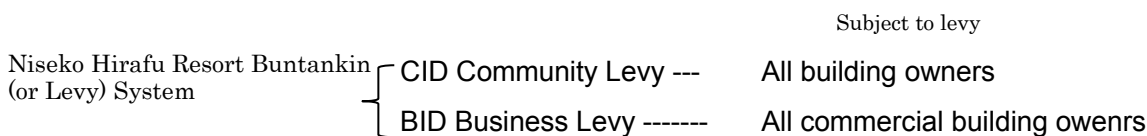
It is impossible for *chonaikai* officials to find the addresses of absent owners (especially those overseas). This makes it impossible to ask

absent owners to join *chonaikais*. Most absent property owners who have been free-riders have not intended to be such.

● **The necessity of a new system**

Hirafu needs a new community management system that protects and enhances the living environment and visitor experiences. Such a new system should be easy to understand for both Japanese and non-Japanese residents and property owners, and it must collect fees from all property owners regardless of whether they are residents.

This is why the Niseko Hirafu CID/BID Resort Community Buntankin System is proposed. The system consists of a CID Community Levy (hereinafter: CID levy) whose payers are all the building owners and some land owners, and a BID Business Levy (hereinafter: BID levy) whose payers are commercial property owners. The levies are to be used for community management. The buildings subject to the BID levy are also subject to the CID levy.



## ■ What is CID/BID Buntankin (or Levy) System

1. Services that are not covered by ordinary government services but that benefit the public are provided.
2. The funds necessary for such services/projects are collected from every property owner in a fair, transparent manner.
3. An organization to provide the services is established.
4. Ultimately, the CID/BID aims to make the area a pleasant place to live in and visit, and to increase the property values.

## ■ CID/BID areas

BID area: The areas of Chonaikais #1, #2 and #3 are planned to be included. Regarding inclusion of businesses in Chonaikai #4 and Kabayama Chonaikai in the BID, discussions are under way with the *chonaikais*.

CID area: The areas of Chonaikais #1, #2 and #3 are planned to be included. Regarding inclusion of Chonaikai #4, discussions are under way with the *chonaikai*.



## ■ Why is the Japanese name “buntankin”?

This is because “*juekisha buntankin*” system for allocating levies to beneficiaries set by Article 224 of *The Local Autonomy Act* (1947) will be adopted to establish the Niseko Hirafu CID/BID system. The important feature of the system is that “the beneficiaries are limited to the levy payers.” Therefore, community levies collected in Hirafu must be used only for Hirafu community matters. For example, the levy cannot be used for the cleaning of rubbish boxes at JR Kutchan Station.

## ■ BID projects

Aiming to increase revenue for local businesses, Hirafu-specific tourism destination improvement/development and infrastructure maintenance will be conducted.

1. Developing a new rubbish collection system (1st year onward)
2. Street banner installation (1st to 3rd years)
3. Year-round guidebook, like *Wine & Dine* (1st year onward)
4. Dissemination of information on accommodations and activities via Web and Facebook (1st year onward)
5. Business promotion through local events (restaurant fair, Hirafu Festival, Hirafu Winter Festival, etc.)
6. A portion of the Hirafu-zaka St. sidewalk road-heating electricity cost\* (1st year onward)

\*The local community, including the Town of Kutchan, is responsible for bearing the cost of road heating for 1.5 m of sidewalk width, a cost that is estimated at 6 mil. yen per year. The town will be requested to bear 40% of this, and the BID will bear the remaining 3.6 mil. yen per year.

## ■ CID projects

1. Costs of streetlamp electricity, repair and new installation (short-term)
2. Community beautification (short-term)

3. Community networking (mid-/long-term)
4. Discussion on the new rubbish collection system. (mid-/long-term)
5. Lobbying to establish town laws that make property owners responsible for mowing and for removing snow from roofs, prohibiting fireworks, avoiding noise and properly disposing of cans/ bottles/ litter left on the street.

● *Chonaikais* are encouraged to continue their activities.

● CID levies will not be applied to the costs of Hirafu-zaka sidewalk road-heating.

● CID/BID operation

Because it has already become difficult for volunteers alone to take care of matters, some of the funds will be used to employ secretariat staff, and activity staff for patrolling, picking up litter and the like.



Street banners and illumination

## ■ Advantages and disadvantages of the Niseko Hirafu Resort Buntankin (or Levy) System

### ● BID Business Levy

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>- Fair cost-bearing among all tourism and commercial businesses</li> <li>- Establishing an autonomy system where both Japanese and non-Japanese members discuss issues toward solving them</li> <li>- Lobbying body of local issues and infrastructure development/ maintenance</li> <li>- Raising interest in Hirafu among absent property owners</li> <li>- Securing a fund to be used for public matters in Hirafu (Due to the transformation of Hirafu Shibu into Hirafu Bukai of the Kutchan Tourism Association, the budget has drastically dropped.)</li> <li>- Establishing a system that secures and hands down Hirafu values, such as hospitality, the natural environment and culture)</li> <li>- Enhancing property values</li> </ul>	<ul style="list-style-type: none"> <li>- It takes time to obtain consensus for benefits and cost bearing.</li> <li>- There is no method where everyone feels fair.</li> <li>- It takes time and effort to obtain a consensus among property owners who have never borne expenses or joined in volunteer work in the community.</li> </ul>

### ● CID Community Levy

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>- All building owners bear the cost (fair)</li> <li>- Lobbying body of local issues and infrastructure development/maintenance</li> <li>- Sharing full-time staff with BID</li> <li>- Establishing an autonomy system where both Japanese and non-Japanese members discuss issues toward solving them</li> </ul>	<ul style="list-style-type: none"> <li>- It takes time and effort to obtain a consensus among property owners who have never borne expenses or joined in volunteer work in the community.</li> </ul>

### 【Residents/Non-residents】

	<i>Advantages</i>	<i>Disadvantages</i>
Residents	<ul style="list-style-type: none"> <li>- Establishing an autonomy system where both Japanese and non-Japanese members discuss issues toward solving them.</li> </ul>	<ul style="list-style-type: none"> <li>- Increasing total payment of community expenses (except for the <i>chonaikai</i> members)</li> </ul>
Non-residents	<ul style="list-style-type: none"> <li>- Enhancing property values</li> </ul>	<ul style="list-style-type: none"> <li>- Payment of community expenses (that they did not pay in the past)</li> </ul>
Tenants	<ul style="list-style-type: none"> <li>- Eliminating payment of <i>chonaikai</i> fees</li> </ul>	<ul style="list-style-type: none"> <li>- May be added to the rent</li> </ul>

【Each *chonaikai*】

<i>Chonaikai</i>	<i>Advantages</i>	<i>Disadvantages</i>
#1	- No need to collect streetlamp electricity fee	
#2		
#3		
#4	- The maintenance and management costs of community are borne by non- <i>chonaikai</i> members.	- It takes time and effort to coordinate the roles of CID and the <i>chonaikai</i> . - The proposed CID levy is higher than the current <i>chonaikai</i> fee (Negotiations are needed to keep the fee at the current level.)

Town of Kutchan will collect the levies in accordance with the “*juekishu buntankin*” system that allocates levies to the beneficiaries.

The levies collected under the system are the same as “taxes.” If you fail to pay the levies...

1. The same procedure as for unpaid tax will be applied (e.g., lien), and
2. The owner will lose the right to vote on CID/BID matters, the right to be on the board of directors, and the right to receive CID/BID services.

■ Processes toward establishing the Niseko Hirafu CID/BID

Upon the consensus made among local residents/businesses, the committee will propose that the Town of Kutchan establish the CID/BID laws. After the laws are enacted, the locals will establish a legal person to operate the CID/BID. The CID/BID operating body will apply to the Town of Kutchan to establish the Niseko Hirafu CID/BID. Upon the approval of the Town of Kutchan, the Niseko Hirafu BID/CID will be established.

■ Collecting CID/BID levies

The CID/BID will be established by the consensus of building and relevant land owners. All of them, regardless of whether they are residents or non-residents, are obliged to pay the levies. The

■ Amounts of BID levies

All commercial buildings used for tourism or other commercial purposes will pay the following levies. Vacant lots may be subject to a levy.

1. Accommodations: “number of rooms used for guest stay” X “accommodation room unit rate” (accommodation room unit rates: 3,500 - 7,000 yen/room)  
The unit rate may be determined by the location (distance from Hirafu-zaka St.) and types of accommodations (hotel, pension/lodge, condo, chalet, backpacker hostel).
2. Restaurants/shops: Floor area (excl. kitchen, toilets, etc.) X 100 yen/m<sup>2</sup>/year + 35,000 to 40,000 yen (This includes introduction in maps and a half-page ad in a *Wine & Dine*-like ad directory)

## The Process for Establishing the Niseko Hirafu CID/BID

	Hirafu Community	Town of Kutchan
May 2013	Hirafu community proposes establishing a CID/BID	
May - Dec.	Examination of the CID/BID business plan and the budget Consensus-forming with stakeholders	Upon receiving the Hirafu community CID/BID proposal, enact a CID/BID town law.
Dec.		Submit the CID/BID Town Law of Kutchan to the Council. Approval by the Council.
Jan. - Feb. 2014	Confirming establishment of Niseko Hirafu CID/BID with relevant stakeholders in the community Establishing a legal person Apply to Kutchan Town for the CID/BID to be established.	Upon receiving the application, start inspection toward approval.
Apr. – May 014		Voting by the property owners (Negative vote)
May 2014	Announcing the CID/BID establishment approval.	If the negative votes is less than 40% of the total eligible vote, establishment of CID/BID is approved.
Jan. 2015		Start CID/BID levy collection

3. Share of road heating electricity cost by length of land adjoining Hirafu-zaka St.
4. Vehicle food vendors
  - Required to register with the BID and pay a fee
  - Businesses in good standing will be listed in the BID web directory.
  - The fee will be roughly 35,000 yen/vehicle/year

**Examples of properties subjects to/not subject to the BID levy**

Type	Note	BID levy
Accommodations	Licensed by the public health centre to operate as such	Subject to BID levy
	Not licences to operate as such	Subject to BID levy (Guidance will be provided to obtain a proper licence.)
Chalets (vacation houses)	Rented to tourists	Subject to BID levy
	Chalets, or vacation house not rented out	Not subject to BID levy
Rented houses and apartments	Having a 3-month or longer contract with a tenant who is registered as a resident	Not subject to BID levy
	Having a less than 3-month contract with a tenant who is not registered as a resident	Subject to BID levy
	Having a 3-month or longer contract with a tenant who is not registered as a resident	Subject to BID levy
Warehouses garages attached buildings	Businesses other than in tourism/commerce (e.g., agriculture)	Not subject to BID levy

**Amounts of CID levies**

- CID levy: 8,400 yen/unit/year (the same amount as the Chonaikai #3 membership fee)
  1. All buildings are subject to the levy, except as in #2 below.
  2. Warehouses and garages of farmers and of “pure” residents who do not conduct any businesses are exempted.
  3. A group of accommodation buildings on the same premises and approved to operate as one entity of accommodation business by the *hokensho* (public health centre) is counted as one unit.
  4. The owner’s housing unit within accommodations, restaurants or the like is not

counted, provided that the owner owns both the housing unit and the business units.

- The community *buntankin* of Chonaikai #4 may be less than those for other *chonaikais*, provided that Chonaikai #4 bears some roles of the CID.

**Is a vacant lot subject to levy?**

○BID

The land adjoining Hirafu-zaka St. will be charged for “Hirafu-zaka St. sidewalk road-heating electricity share” according to the length of land along Hirafu-zaka St. Other than that, a BID levy for vacant lots is not planned thus far.

○CID

There are discussions of charging a levy for a vacant lot where there used to be a building. Details have not been discussed.

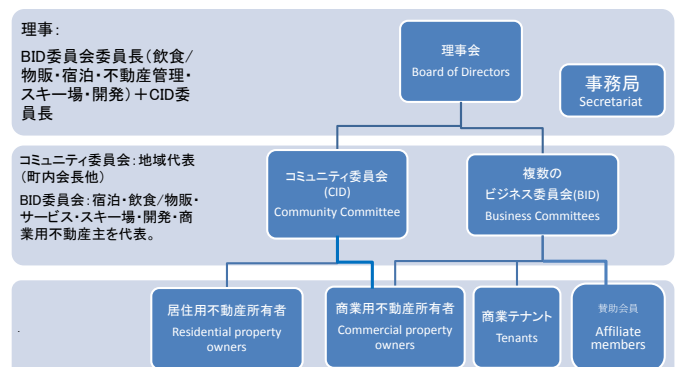
Land that is properly managed/ maintained by local residents or that offers to be a snow dumping site may be exempted from the levy.

**CID/BID operation organization**

Type of legal person: General incorporated association

○Reasons for this choice

1. All property owners need to be CID/BID members; therefore, the organization does not allow a member to leave freely, as they could do if an NPO or a joint-stock company were chosen as the type of legal person.
2. The objective of a joint-stock company is economic gain, which is not the objective of the CID/BID organization, whose objective is the provision of public services.





## ○Annual Membership Meeting

The annual, mid-term (3-year) and long-term (5-year) business plans will be put up for approval at the Annual Membership Meeting.

## ○Board of Directors

The board drafts policies, business plans, etc. for submission to the Annual Membership Meeting and for operating CID/BID projects and activities. Other than the representatives of the ski lift operator, the directors will be elected by voting.

## ○Secretariat

One or two full-time secretariat staff will be supplemented by part-time project/activity staff or by contracting out for staff.

## ○Accounting

1. The levy is a tax-like fund. Therefore, a professional accounting office will be assigned to guide accounting work and to make audits.
2. Activity-based-accounting (ABC) will be used to clarify the cost of each activity/project.

## ■Member categories

**BID members:** All commercial property owners and some land owners and their tenants

**CID members:** All residential/commercial property owners

**Affiliate members:** Businesses whose addresses are outside the BID but who wish to participate in BID activities. Affiliate membership requires approval of the board of directors and payment of a fee.

## ■Voting

### ●CID/BID establishment

The committee is proposing to conduct a vote among property owners who would be subject to a CID/BID levy on establishment of CID/BID. The voting rights for CID establishment will be given to the owner of CID units\* according to the number of units subject to the CID levy; the voting rights for BID establishment will be given to the owner of BID units\* according to his/her ownership of BID units. Voting will be by so-called “negative vote” for CID/BID establishment and continuation. Only

eligible voters who oppose the creation of the BID/CID will vote. Unless the opposing vote exceeds 40% of the total BID/CID units owned by property owners, the Hirafu CID/BID will be approved and established. The continuation of CID/BID will be put to a vote every five years.

\* In principal, one unit of housing (house, condominium, chalet, etc.) is regarded as one CID unit.

\*\* The BID unit is determined by dividing the total BID levies of the BID member by the average accommodation room unit rate.

### ●Why a “negative vote”?

Hirafu residents and local businesses account for only 20% of all property owners in Hirafu. Because local residents/businesses account for too small a share to take care of overall community matters, the new CID/BID system, in which all building unit owners share the responsibility for bearing the community costs, has become necessary.

When we adopt a “positive vote” for CID/BID establishment, a CID/BID could be established if and only if a majority of absent property owners were willing to pay for Hirafu community expenses and were paying enough attention to Niseko Hirafu so that they did not forget to cast their positive vote. That is a very difficult challenge for Hirafu community residents and businesses.

When it becomes impossible for local residents and businesses to bear the costs and labour of maintaining the community, the local environment is increasingly degraded. That will result in falling property values. This will, in turn, cause great damage to absent property owners.

Let's introduce some overseas examples. In Vancouver, Canada, the vote to establish a BID was originally by “positive vote.” Then, the economic development of the city caused rapid increases in real estate values and a high share of absent property owners who resided around the world. (Nearly 60% of property owners in the city live overseas.) This interfered with the establishment of a BID for several years. In addition, the BID continuation vote, which is held every five years,

became increasingly burdensome for BID projects, because the secretariat had to spend most of their effort in the fourth and fifth years obtaining positive votes from absent property owners who were uninterested in BID activities.

Consequently, the city changed the voting system from “positive vote” to “negative vote.” This change led to the establishment of many new BIDs that revived local commercial centres. In England and in other cities in Canada, a “positive vote” is used for the establishment of BIDs.

There are examples of CIDs and BIDs that introduced a “positive vote” system and failed to continue. That was because both had absent (overseas) owners of large-scale properties who once supported the CID/BID but did not support continuation.

Learning from these preceding examples, we are proposing to introduce the “negative vote” system for the Niseko Hirafu CID/BID. The “negative vote” will help the local community to establish/continue the CID/BID even if a large-scale, absent property owner does not want to.

Again, 80% of property (building unit) owners in Hirafu are absent owners. And 75% of property owners in the Chonaikai #1, #2 and #3 areas live overseas. The share is 61% for Chonaikais #1 - #4. To obtain a majority by positive vote, we must obtain 50% of such absent owners' support. If we introduce a positive vote system for CID/BID establishment or continuation in near future, we would not be able to decide to introduce what we need in the near future. This means our objective of CID/BID, which is sharing of the responsibility and benefits of local management with absent owners, would be easily rejected.

Hirafu is an international resort. It needs a system befitting international standards.

#### ●Election of BID Board of Directors

1. Only Hirafu residents are eligible for

directorships.

2. The voting rights for BID Board of Directors will be given to a property owner in accordance with the number of “BID units” held by the property owner.
3. Tenants will be eligible for directorship and will have voting rights to elect directors who are responsible, as chairs, for relevant commercial committees.
4. BID members who fail to pay the CID/BID levy or taxes by the deadline will lose their CID/BID voting rights and eligibility for directorship.

#### ●Appointment of CID Directors

1. *Chonaikai* chairs will be appointed to some of the CID directorship positions. However, because some *chonaikais* are no longer functioning, and they have no chair, a method for electing or appointing CID directors is a pending issue.
2. When an election will be held for CID directors, the election may be similar to that for the BID board of directors: Only residents of Hirafu in good standing will be eligible for directorship.

#### ●Annual Membership Meeting

Each member (per person or business) will have one vote. A quorum will be set under the CID/BID bylaws.

#### ●Board of Directors Meeting

Each Director will have one vote. A quorum will be set under the CID/BID bylaws.

#### ■Let's share responsibilities and benefits!

Although absent property owners will be responsible for paying the levy under the CID/BID system, they will also benefit from the improved community environment. Under the Niseko Hirafu CID/BID, all property owners, regardless of whether they are residents or non-residents, will collaborate to foster the community as a world-class mountain resort.

## Levy payment examples

Note: The assessment below is based on the assumption that the shops and restaurants have been placing a half-page ad in *Wine & Dine*.

- A restaurant (operated by a natural person) on Sasayaki-zaka St. in Chonaikai #1.

The owners owns the building. The floor area excluding the kitchen and wash rooms is 10 m<sup>2</sup>

■ CID levy	8,400 yen
BID levy	10 × 100 yen + 35,000 ~ 40,000 yen = 36,000 ~ 41,000 Yen
Total	44,400 yen ~ 49,400 yen

- Current payments to community organizations

Centre village streetlamp electricity costs	5,000 yen
<i>Wine &amp; Dine</i> ad and NPB annual fee	31,000 yen
Kutchan Tourism Assoc. fee	17,000 yen
Total	53,000 yen

- A pension in Chonaikai #3 (operated by a natural person) The owner owns the building. Accommodation rooms total 8.

■ CID levy	8,400 yen
BID levy	8 (rooms) X 5,000 yen (anticipated max. room rate for a pension in Chonaikai #3) = 40,000 yen
Total	48,400 yen

- Current payments to community organizations

Chonaikai fees	8,400 yen
Kutchan Tourism Assoc. fee	27,000 yen
NPB annual fee	10,000 yen
Total	45,400 yen

- A 30-room hotel on Hirafu-zaka St. in Chonaikai #1 (operated by a legal person)

The owner owns the property, which includes a café (20 m<sup>2</sup>).

The property adjoin Hirafu-zaka St. for 20 m.

■ CID levy	8,400 yen
BID levy (Café)	20 × 100 yen + 35,000 ~ 40,000 yen = 37,000 ~ 42,000 Yen
(Accommodations)	30 (rooms) X 7,000 yen (anticipated max. room rate for a hotel in Chonaikai #1) = 210,000 yen
Share of road heating electricity cost by length of land adjoining Hirafu-zaka St.	20 m X 2,130 yen = 42,600 yen
Total	289,600 yen ~ 294,000 yen

- Current payments to community organizations

Centre village streetlamp electricity costs	10,000 yen
<i>Wine &amp; Dine</i> ad	21,000 yen
Kutchan Tourism Assoc. fee	27,000 yen
NPB annual fee	100,000 yen
Total	168,000 yen

- A condominium in Chonaikai #2 (2LDK) (owned by a natural person; rented out to tourists by a property management company)

■ CID levy	8,400 yen
BID levy (Accommodations)	2 (rooms) X 7,000 yen (anticipated max. room rate for a pension in <i>Chonaikai</i> #2) = 14,000 yen
Total	22,400 yen

- A chalet in *Chonaikai* #4 (3 LDK) (owned by a natural person; rented out to tourists by a property management company)

■ CID Community levy	(Not discussed yet)
BID levy (Accommodations)	3 (rooms) X 6,000 yen (anticipated max. room rate for a chalet in Chonaikai # 4)
Total	18,000 yen

- Current payments to community organizations

Chonaikai fees	6,000 yen
Total	6,000 yen

- A pension in Kabayama Chonaikai (operated by a legal person)

The owners owns the building. Accommodation rooms total 15.

■ CID levy	None (Kabayama Chonaikai fee: 4,000 yen)
BID levy (Accommodations)	15 (rooms) X 4,500 yen (anticipated max. room rate for a pension in Kabayama Chonaikai) = 67,500 yen
Total	67,500 yen

- Current payments to community organizations

(Chonaikai fee)	(4,000 yen)
Kutchan Tourism Assoc. fee	27,000 yen
NPB annual fee	30,000 yen
Total	57,000 yen

- A tenant restaurant in Chonaikai #1 (operated by a legal person)

Floor area: 50 m<sup>2</sup>

■ CID levy	None
BID levy	None
Total	0 yen

- Current payments to community organizations

Centre village streetlamp electricity costs	5,000 yen
<i>Wine &amp; Dine</i> ad	21,000 yen
NPB annual fee	30,000 yen
Kutchan Tourism Assoc. fee	27,000 yen
Total	83,000 yen

- After CID/BID introduction, the landlord could

increase the rent by the CID/BID levy amounts.

BID levy  
50 × 100 yen + 35,000 ~ 40,000 yen = 40,000 ~ 45,000 yen

CID levy  
8,400 yen Total 48,400 ~ 53,400 yen

