

# Financing Urban Park Management with Private Sector Participation

Tokyo  
Development  
Learning  
Center

The case of Ueno Park in Tokyo

Japan Project Brief

## Background and Objectives

Urban parks can be considered as important social capital not only for the quality of life but also economic productivity in highly built-up cities. They actually bring a variety of social and economic benefits to cities, such as disaster prevention, scenic landscape, recreation spaces, and human interactions. In Japan, “parks” were identified for the first time as “the place people enjoy themselves with others” by a Cabinet decree of 1873, whereby an enormous amount of land from former temples and shrines was taken over and converted into public parks. However, since there were no laws stipulating park management, the designated public spaces were misused and occupied by irrelevant buildings, such as houses, schools, and shops. To improve urban amenity and public welfare, the national government promulgated the Urban Park Act of 1956 that prescribed the standards and regulations for the establishment and management of urban parks, which includes building-to-land ratio of park facilities, regulations on permission for establishment and management of park facilities, and regulations on objects for exclusive use. Following this, the total urban park area has consistently been increasing from 14,388 ha with 4,511 parks in 1960, to 122,839 ha with 105,744 parks in 2016<sup>1</sup>.

In the 1990s, the public need for safe, clean and comfortable urban parks increased as an element of safe and livable cities, while problems such as deterioration of park management quality and aging park facilities were pointed out. In fact, local governments responsible for management of urban parks created or designated by them according to the Urban Park Act, and they struggled to find funding sources to manage the urban parks with the rapid growth of urban parks and economic stagnation starting in early 1990. When the sphere of Japan’s local autonomy was expanded in 2003 and with a series of revisions to related laws and regulations encouraging private sector involvement in public service provision, many local governments started to contract out park operation and management works to private companies in principle through competitive bidding process. Private-based park operation and management are expected to meet a wide range of public needs, provide better quality urban park services, and maintain public properties cost-efficiently. Currently, more than 90 parks, including a garden park, zoo, botanical garden, and cemetery, are managed by private contractors in Tokyo. On the other hand, Ueno Park and Inokashira Park are directly operated by the Tokyo Metropolitan Government (TMG), due to their large-scale sites and diverse functions. This project profile shows how TMG introduced public-private partnership in Ueno Park for better management.

## Project Overview

Ueno Park is one of the five oldest parks in Tokyo, first designated over 140 years ago. The park covers a large area of about 53.9 ha and can be accessed from more than seven railway

stations on five lines. The land used to be the grounds of a temple that was taken over by the national government after the Meiji Restoration, and was eventually granted to

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Tokyo City, the former jurisdiction that corresponds to the current special 23 wards, by the Imperial Household Agency in 1924. With about 12 million visitors annually (2014<sup>2</sup>), the park area is seen as the nation’s cultural and education center, containing seven museums, a zoo, a botanical garden, and several social facilities. Of them, Ueno Zoo is the oldest setting and attracts 3.5 million

annual zoo visitors, the largest number in the country. In the vicinity, there are also the best academic institutions (e.g., University of Tokyo, Tokyo University of the Arts), tasteful old neighborhoods (e.g., Yanaka, Nezu, Sendagi), and classic retail streets (e.g., Ueno shopping street and Ameya-Yokocho) (Figure 1).

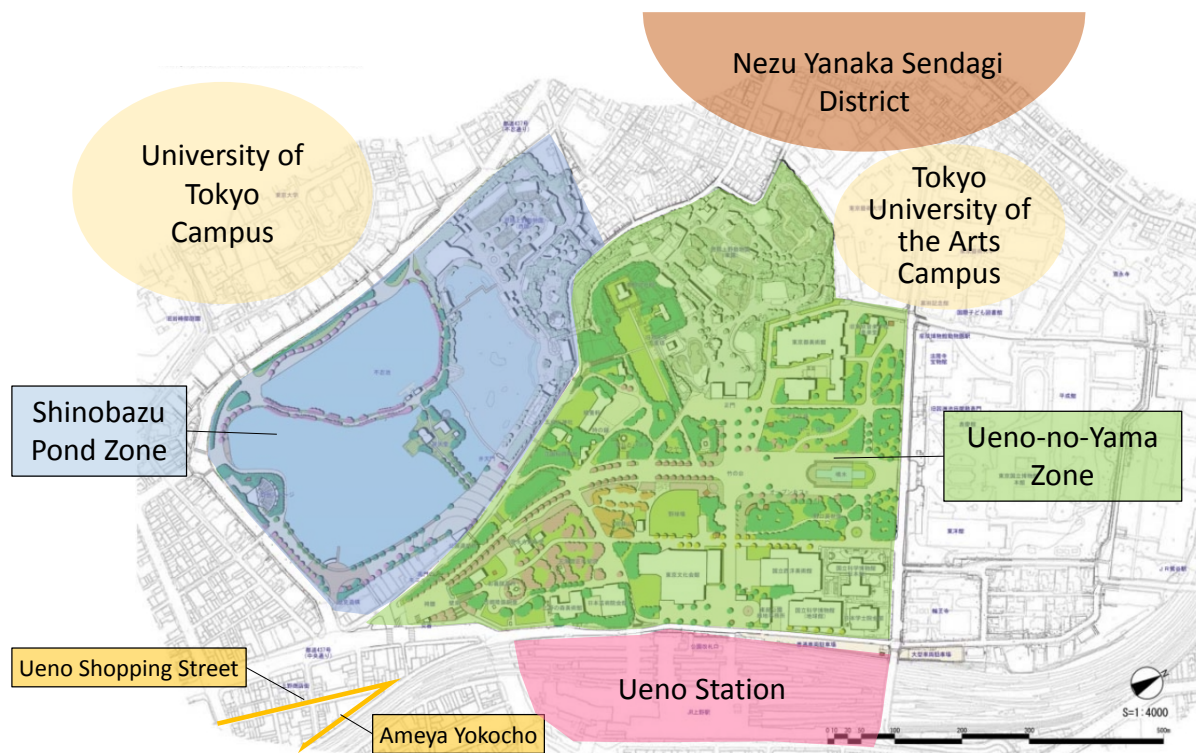


Figure 1: Zone map of Ueno Park and the vicinity

Source: Produced by author based on Ueno Park Revitalize Plan (2009) (in Japanese).  
[http://www.kensetsu.metro.tokyo.jp/jigyo/park/tokyo\\_kouen/grand\\_design/uenosaiseiplan2.html](http://www.kensetsu.metro.tokyo.jp/jigyo/park/tokyo_kouen/grand_design/uenosaiseiplan2.html)

## Ueno Park Revitalizing Basic Plan

To cope with the aging of facilities and also to meet the emerging needs of a “safe and comfortable” park harmonized with redevelopment of its vicinity, TMG announced the Revitalizing Basic Plan of Ueno Park in 1992 and renewed it in 2009 after discussions by the committee to discuss the grand design of Ueno Park with the involvement of relevant experts and stakeholders. The Basic Plan set the vision to make Ueno Park a “cultural forest” where people can get a feel for Japanese culture, art and history, as well as nature. The Plan

identified two zones with six areas and showed the direction of development in each of the zones/areas.

## Flexible and Adaptive Management

Ueno Park is flexibly managed to meet its historical background and current needs. To cover part of the expenses to manage urban parks, TMG allowed some private entities to run their businesses such as a restaurant and make a profit inside the park. While the Urban Park Act of 1956 prohibits any kind of private business activities in urban parks to avoid

uncontrolled development, the government identified restaurants and small shops as part of the park facility that can be built, operated, and managed by private operators to meet public interest under government controls and allowed them to continue their commercial activities. This actions by TMG follows the Urban Park Act that allowed local governments to grant third party use or occupation of property, and construction and management of facilities. Consequently, several restaurants and small shops exist as park facilities in Ueno Park.

## Two Step Management System

For the creation of a new open space where people can get together, open-air dining spots were planned in the Revitalizing Plan and TMG decided to apply a two-step management

system to manage the spots (Figure 2). In the first step, TMG obtained special permissions from the governor to build cafes inside the park according to the Urban Park Act. Then, TMG built two one-story houses (Photo 1 and 2) and selected the Tokyo Metropolitan Park Association as the permitted operator of the new buildings. In the second step, the Association contracted two private companies to run businesses in the buildings, selected from 15 applicants through a competitive bidding process. Evaluation criteria of the bidding included consistency of the basic revitalizing plan in addition to profitability and quality of services to park visitors. A notable feature of the management system is that a part of the profit from these two cafes is returned to the Association and used to improve the park environment.

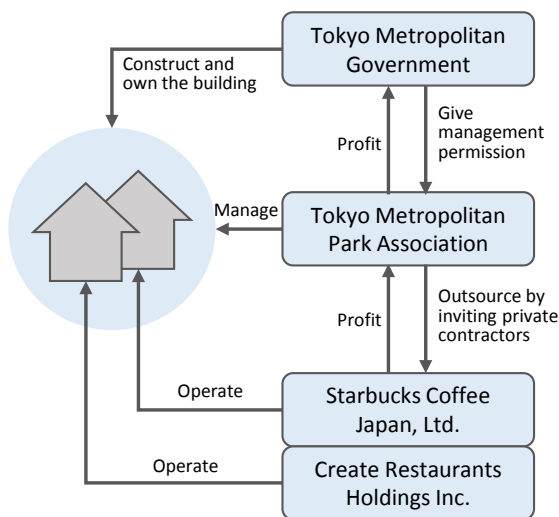


Figure 2: Two-step Management of the Two Cafés in Ueno Park

Source: Produced by author based on information from Real Public Estate website (in Japanese), <http://www.realpublicestate.jp/column/2001/>



Photo 1: Starbucks Coffee in Ueno Park

Source: Starbucks Japan  
<https://www.starbucks.co.jp/store/search/detail.php?id=1087>



Photo 2: Park Side Café in Ueno Park

Source: Tokyo Metropolitan Park Association  
<https://www.tokyo-park.or.jp/park/format/facilities038.html>

## Project Impacts

### Economic Impact:

This innovative public-private partnership system enables the local government to maintain the park assets more cost-efficiently and provide high-quality urban park services to

a variety of visitors effectively. Improved park facilities and services, well-integrated with the surrounding environments and institutions including museums and universities, also significantly contribute to the local economy by attracting tourists.



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## Social Impact:

The park contains many recreational and cultural spaces and contributes to improving both the mental and physical conditions of various age groups who can be refreshed and enjoy outdoor activities. The amenity setting also attracts diverse users and creates spontaneous interactions, which enhance social cohesiveness across urban communities. In addition, the park plays an important role in improving urban safety against potential disasters by functioning as evacuation sites and pathways for local residents. The park's green space can also effectively prevent the expansion of fire incidents across densely built, old wooden housing neighborhoods.

## Environmental Impact:

The basic plan of the park revitalization includes rehabilitation of cherry blossoms and other green areas. The vast green spaces provided by the park are expected to reduce Tokyo's heat island effect and to absorb greenhouse gas emissions from the urbanized areas. These spaces can also conserve indigenous species of plants and animals in central Tokyo. The park can also provide a supporting space for various environmental educational programs, especially in the zoo section, so people can learn about conservation of livelihoods and natural environments.

## Lessons Learned

Urban parks are increasingly expected to meet multiple social needs, such as increasing city amenities, disaster resilience, environmental conservation and restoration, international tourism promotion, local economic development, community improvement, and social cohesiveness. However, growing financial pressure is likely to make it difficult to sustain the quality of urban parks. Key lessons learned from the case of Ueno Park are summarized below:

## Flexible Legal Setting for Park Management:

In principle, public park management is not for profit-seeking activities, and uncontrolled private business practices may distort the original purpose of the public parks and exacerbate social inequity in urban contexts. The case of Ueno Park shows us that urban parks as public goods/services should be managed under government supervision in a proper manner but there also needs to be flexible and adaptive management in consideration of economic, social and cultural aspects of individual parks. Overly-strict operational regulations would diminish the diversity, attractiveness, and competitiveness of urban parks and limit the positive influence of park services on local communities and economies.

## Creative Collaboration With Private Enterprises on Urban Park Management:

Urban park management under public-private partnership schemes is obviously effective and more governments may adopt the scheme to meet the local needs to improve urban parks. However, merely contracting out park operation and maintenance services to private companies does not ensure desirable results for users. Local governments should develop plans and principles for urban park management with the participation of local stakeholders and experts, and the contracted private sector should follow the plans and principles. It is also important to manage urban parks with local specific and creative ideas along with the promotion of new private enterprises and business clusters in surrounding districts to maximize the local benefits.

## Future Challenges

The private-partnership in urban park management is suitable for large-scale parks in

very active urban centers. However, this market-based approach is not always applicable especially for small parks, or parks in rural or suburban areas without vibrant local economies. In fact, those parks have potential risks to be abandoned if private sector cannot gain profits. In the context of declining population and aging society public budget will be squeezing, more urban parks will be at risk of deterioration or abandonment without proper asset management. It is crucial for the local governments to grasp the marketability of various parks as assets and strategize the ways to manage different types of parks under both profitable and unprofitable circumstances. The asset management strategy should be developed with involvement of a variety of unconventional partners, such as hotel and tourism enterprises, universities, retirement communities, and real estate investment trust companies, who possess unique methods and sharable resources. Communities and non-profit organizations are also important stakeholders with the potential to manage parks especially under unprofitable circumstances.

<sup>1</sup> Ministry of Land, Infrastructure, Transport and Tourism. Changes in number and areas of urban parks (in Japanese). [https://www.mlit.go.jp/crd/park/joho/database/t\\_kouen/pdf/01\\_h26.pdf](https://www.mlit.go.jp/crd/park/joho/database/t_kouen/pdf/01_h26.pdf)

<sup>2</sup> Taito-Ward. March 2015. Tourism Statistics and Marketing Survey Report in Taito-Ward in 2014 (in Japanese). [https://www.city.taito.lg.jp/index/bunka\\_kanko/yukyaku/tyo-usatoukei/marketing/houkokusho.files/4sise.pdf](https://www.city.taito.lg.jp/index/bunka_kanko/yukyaku/tyo-usatoukei/marketing/houkokusho.files/4sise.pdf)

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