Is the US Main Street Model Likely To Be an Effective Approach to Revitalizing Japanese City Centers?

by

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Submitted to the
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ABSTRACT

As in the United States in the 1970s, a decline of city centers is a social issue in Japan today. Although the Japanese government has attempted to address the issue since the late 1990s, little accomplishment can be seen to date. Thus, it is crucial to find a different approach – different from the conventional top-down approach in Japan. This study focuses on the Main Street Program, which is the most widely used community-driven approach in the United States. This study first discusses why the Main Street approach is promising for Japanese downtown revitalization, looking at the Main Street Program itself and distinguishing it from other downtown revitalization strategies in the United States. This study then shows Japanese economic and urban policy trends at the national and the local levels: at the national level, a reform from top-down to bottom-up is occurring, and at the local level, municipalities are struggling to enhance civic participation in decision-making and actions. Although Town Management Organizations (TMOs) were introduced with enactment of the first City Center Invigoration Law in 1998, they were ineffective because of a lack of comprehensiveness in project planning and implementation, an involvement wide range of stakeholders, a shortage of managers, and an absence of a nationwide support system. The Main Street Program could remedy these limitations. Second, this study explores how Japan can start the Main Street model, drawing upon a story by the pioneer of the program and cases of Japanese original community-driven revitalization efforts. The story of the pioneer shows the social environment in the United States in the 1970s. The story also reveals how the Main Street Program developed and disseminated in the whole United States. On the other hand, though Japanese revitalization efforts show stand-alone development, they have components similar to those developed in the Main Street Program. Finally, this study offers a way to systematize the Japanese version of the community-driven downtown revitalization approaches with consideration of the strengths of both an American systematized model and Japanese unique revitalization contexts.

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CHAPTER 1

INTRODUCTION

1.1 BACKGROUND

In Japanese local cities, a decline of the city centers has been an issue since the 1990s. The phenomenon seems similar to that of the United States in the 1970s, when the Main Street Program was developed: people tended to move toward suburban single-family housing and shop in shopping malls. Businesses followed the movement, leaving properties in downtown abandoned. Shopping streets without open shops, the “shutter streets,” have been observed almost everywhere except for the few largest urban areas. ¹ ²

As in the United States, in city centers, shopping streets provided significant spaces not only for shopping for everyday goods, but also for gathering among neighbors: seasonal festivals were held and children played around on shopping streets. Many providers of basic services, such as hospitals, governmental offices, department stores and banks were also located in city centers, offering necessary functions in a district. The sense of crisis that the city services will not work in the near future has become pervasive and is considered a significant problem connected to an aging society, a low birth rate, and a decline in public transportation.

In order to deal with these city center issues, the Japanese Central Government has attempted to change the negative trend by making policies: the City Center Invigoration Law in 1998 and its revision in 2006. In response to the first Invigoration Law, about seven hundred municipalities created the revitalization plans and more than three hundred Town

Management Organizations (TMOs) were established. However, this government-initiated effort could not achieve expected goals. The City Center Invigoration Task Force showed the data in which the urban functions have been decreasing since the late 1970s.

The review of the original Law points out that the revitalization plans created by municipalities for the original Law have neither the clear goals, nor an institution in charge of monitoring, nor the involvement of wide stakeholders. The revised City Center Invigoration Law was created to remedy these shortcomings. Nevertheless, many researchers and local government officials are skeptical about the impact of this new law and claim that a different approach is needed: an approach that is not initiated by governments.

Given that situation, this research focuses on the Main Street model in the United States with two questions: whether or not the program is likely to be an effective approach to revitalizing deteriorating city centers in Japan and how the Japanese society can start the Main Street model. The initial reason to focus on the program is that it seems to be a different approach from any other downtown revitalization strategies in the United States. Also, the program was adapted by numerous communities, over 2000 as of 2006 in the whole United States. In addition, the program’s emphasis on comprehensiveness and a community-driven approach seems very different from revitalization efforts in Japan. Suspicious people say, “In Japan, there are bureaucratic sectionalisms in governments, dividing economic policy and city planning, and merchants and city planners do not discuss their visions. Additionally, residents have no access to policy-making and urban design, so it would be hard to expect these groups of people to have consensus and make comprehensive

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revitalization efforts.” Other suspicious people question, “In Japan, the Central Government seems to take strong initiative for the whole nation. Can you expect community-driven approaches to occur, even if they are effective?” or “In the United States, the social problems such as high crime rate are much more severe than in Japan, making strong reasons for people to organize. Can you expect such a strong sense of crisis in Japan?”

These questions seem to be relevant remarks. However, the social environment including economic and urban policy is transforming in Japan and local governments are increasing their power on decision-making and openness to the public. Communities’ opportunity to access to local decision-making is also increasing and more and more people organize themselves to remedy the limitations on the government’s part. The generation is also changing and younger people are more flexible in both building their careers and living than the older generation. Furthermore, there are some successful communities that have already taken community-driven approaches. These communities are proving that people in Japan have the potential to initiate movements and motivations to establish citizen organizations. Therefore, it seems that the Japanese social environment is coming to the point at which community-driven approaches are likely to occur and that it is good timing to look at the Main Street Program.
1.2 RESEARCH QUESTIONS

Given the background, the research question of this study is twofold:

1. Is the US Main Street model likely to be an effective approach to revitalizing Japanese city centers?

In order to understand the Main Street Program, the following questions will be answered:

- What problems and conditions was the program intended to address?
- In what type of cities has the program been implemented?
- What has the program accomplished?
- What type of communities and commercial districts are successful using the Main Street Program?
- What type of funding resource makes the Main Street Program successful?
- Under what implementation-time-frame does the Main Street Program succeed?

In order to understand the issues to be addressed in Japan, the following questions will be answered:

- What is the nature of the problem in the city centers in Japan?
- What is the Japanese civic, political, and institutional context?
- What are the existing policy, funding, and institutional tools in Japan for addressing city center deterioration?
- What were the responses from the local governments to the first Invigoration Law?
- What were the responses from communities to the Invigoration Law?
• What are the challenges in revitalization after the City Center Invigoration Law was implemented?

2. **How can the Japanese society start the Main Street model?**

   In order answer the question above, this study find answers for the following questions in order to understand the establishment and spread of the program:
   
   • Why was the demonstration program started from the small towns with populations of less than 50,000 rather than mid-size towns?
   
   • What were the criteria for the selection of the pilot-project communities to demonstrate the program in 1977 and 1980?
   
   • Why did communities apply for these projects?
   
   • How much did the National Trust of Historic Preservation (NTHP) spend for each project?
   
   • What motivations did founders have?
   
   • Why did the NTHP hire the managers?
   
   • What were the relationships between the new Main Street organizations and the already existing associations, such as merchants associations and neighborhood associations?
   
   • Why did communities with the already existing associations apply for the Program?
   
   • What happened that the Main Street Program did not go out of business in three years as planned?
- Why did the 1980 demonstration involve states?
- What does the pioneer think of the program now?
- What the pioneer believes are the most important factors in making local main street programs successful and in fostering the broad use and success of the program in the US.
- How the existing policy, funding, and institutional tools in Japan for addressing city center deterioration can be incorporate the Main Street model?

1.3 RESEARCH METHODOLOGY

The study methodology consists of three components: a review of existing literature, interviews with people, and case studies. The persons whom the author interviewed include the pioneer of the Main Street Program, the people who are involved in the current Main Street Program in the United States, and the Japanese government officials and merchants.

In order to answer the first set of questions that is related to the Main Street Program, this study reviews literature and research published by the National Main Street Center (NMSC) and scholars. Among the questions related to issues facing Japanese city centers, questions about Japanese economic and urban policy environment are answered drawing upon existing Japanese research in the political science field. In addition, this research conducted an interview with a Central Government official and fifteen-six interviews with local government officials because clear responses to the City Center Invigoration Law from the local government are not provided except for research on TMOs done for a MIT thesis. The fifteen-six cities and towns were randomly chosen from the municipalities that created revitalization plans in response to the original City Center Invigoration Law. The interview
asked the current state of the organization, accomplishments, remaining issues to be solved, and community responses.

With respect to the second set of questions about how the Main Street model is started in Japan, an interview was conducted with Mary Means, the pioneer of the Main Street Program in the United States in the 1970s. The response to the interview shows the social environment in which the Main Street Program was created and disseminated through the perspective of this person who had the central viewpoint. Finally, two Japanese original revitalization projects are described to demonstrate the Japanese citizens' capacity and identify the essential elements for revitalization efforts in Japan in the light of the Main Street Program. Discussion of these projects draws upon literature and responses to the interviews with merchants and practitioners.

1.4 OUTLINE

Figure 1-1 shows the framework of this thesis. The introductory chapter provides an overview of the study, demonstrating the background, the research questions, and methodology. Chapter 2 and 3 give the information that helps answer the first question of the research: whether the US Main Street model likely to be an effective approach to revitalizing Japanese city centers.

Specifically, Chapter 2 gives the theoretical framework for the Main Street Program and a comparison with other revitalization efforts in the United States. In this chapter, this research presents the nature of problem in downtowns in United States and discusses why the Main Street Program is to be considered among a variety of revitalization efforts innovated and implemented in the United States.
Chapter 3 provides the big picture of the national trend on economic and urban policy in Japan and how the Central Government attempts to reform the old administrative environment. Following that, Chapter 4 establishes the foundation for discussing the nature of problems in city centers in Japan.

Following these chapters, Chapter 5, Chapter 6, and Chapter 7 are dedicated to responding the second question: how can the Japanese society start the Main Street model? Among these chapters, Chapter 5 shows the initial development of the Main Street Program and social environment for the dissemination of the program. Chapter 6 introduces factors in local success and continued relevance of the program in the United States. Chapter 7 then shows Japanese revitalization cases and compares them with the Main Street model.

Chapter 8 gives a summary, conclusions and recommendations. In this chapter, this study reviews findings and gives conclusions on whether or not the Main Street Program can be applied to the Japanese city centers. The last chapter also recommends ways that the Japanese version of grassroots city center revitalization effort could move forward, using the lessons from the Main Street Program.
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Figure 1-1 Thesis framework
CHAPTER 2

THE MAIN STREET PROGRAM

This chapter summarizes current condition of the Main Street Program in the United States. First, this chapter provides a historical background of the program (2.1), development process of the program (2.2), and growth and expansion of the program (2.3). Following that, this chapter describes the Four-Point-Approach of the program (2.4), and the philosophy and eight principles of success (2.5). In addition, this chapter compares the program with other downtown revitalization efforts in the United States (2.6). Finally, the criteria for communities to be successful local Main Street organization are introduced (2.7). The overview of the program is as follows.

The Main Street Program is a revitalization effort for downtowns in the United States, in which communities revitalize struggling commercial districts. The program was developed by the National Main Street Center (NMSC), which is a branch of the National Trust of Historic Preservation (NTHP). The Main Street Program is a comprehensive revitalization model that emphasizes local initiatives and that builds on community assets, such as local residents, merchants, and existing old buildings. Moreover, the approach involves government-private sector partnerships and creates incremental changes on traditional commercial streets that have been falling into physical and economic decline since the 1970s. The changes on the commercial streets have positive impacts on surroundings, and numerous downtowns have been revitalized using this approach in the United States since 1980.
Chapter 2

2.1 A HISTORICAL BACKGROUND OF THE AMERICAN MAIN STREET CONCEPT

In the first half of the 1900s, American Main Streets were prosperous, with rich functions that served neighborhoods: shops, apartments, government offices, movie theaters, places of worship, parks, banks, and the post office. According to Douglas A. Loescher, Main Streets were “architectural records of communities’ history and evolution,” “the places in the communities that belong to everyone,” and “the community’s cross roads, places in our hearts and minds that evokes strong emotions and helps define our identity.” These places, however, were no longer such wonderful gathering spots after passage of the Interstate Highway Act of 1956. The act stimulated suburbanization of residential areas. In addition, the government introduced development-friendly tax policies and municipalities relied on new revenue generated by commercial properties. Furthermore, department stores increased relentless buy-outs and takeovers outside of the downtown. These different forces caused spatial sprawl in tandem, and Main Streets were left behind.  

Suzanne G. Dane et al. describe the decline of Main Street in the NMSC’s training manual in 1988, “buildings suffer from neglect. People complain about parking. Vacancies are difficult to fill. Investors no longer believe Main Street is a good place to invest.” The manual offers a number of factors that contributed to the decline of Main Streets. The largest factor in the decline was the growth of suburbs that were spurred by the development of interstate highways and that drew people out of towns and cities. This trend also stimulated growth of suburban shopping centers and malls outside the downtown.

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5 Suzanne G. Dane et al., Guiding Design on Main Street (Washington D.C.: National Main Street Center, 1988), Introduction-1
Businesses followed the migration to the suburbs and left traditional buildings vacant. Because of a lack of rent, the property owners could not afford to maintain these traditional buildings. Consequently, the physical condition of buildings and economic condition of businesses on Main Streets deteriorated simultaneously and commercial districts fell into the cycle of economic decay.

### 2.2 THE DEVELOPMENT PROCESS OF THE MAIN STREET PROGRAM

In 1977, the NTHP launched the Main Street Program\(^6\) in order to save traditional commercial buildings to which economic decline posed a threat. The NTHP designed a three-year demonstration project to study the underlying mechanism of this threat -- i.e., the reason why so many downtowns were dying and the factors affecting downtown’s health. More importantly, the project was intended to develop a comprehensive revitalization strategy to save historic commercial buildings. Three pilot communities were selected from seventy towns by a regional competition in the Midwest; Galesburg, Illinois; Hot Springs, South Dakota; and Madison, Indiana. The sizes of these communities ranged from 5,000 to 38,000 people. The NTHP’s first step in assisting the three communities was to hire consultants to analyze each downtown’s assets and needs. Based on these architectural and economic profiles, strategies for design improvements and economic revitalization were explored in order to discover which rehabilitation and reuse of historic downtown buildings were feasible. The NTHP also hired a full-time Main Street program manager for each community using a grant from a manufacturing firm, Bird and Son. The program managers were expected to be advocates for the downtowns; their job was to coordinate project

\(^6\) It had not established as a program yet.
activities and to convince merchants, property owners, and city officials to spend funds that would create long-term benefits.

The three pilot projects were successful. According to the NMSC website, during the pilot projects seven new businesses opened in Hot Springs, six in Madison, and thirty in Galesburg. Sales tax revenues increased by twenty-five percent in Hot Springs and the downtown occupancy rate in Galesburg rose to ninety-five percent. A great number of buildings were rehabilitated and began to be reused productively, retaining unique historic characteristics as a heritage for future generations. In addition, these three projects revealed “the need for a strong public-private partnership, a dedicated organization, a full-time program manager, a commitment to good design, quality promotional programs, and a coordinated, incremental process.”

In 1980, NMSC was established by the NTHP so that the Center could share experiences in Hot Springs, Madison, and Galesburg. Several federal agencies offered funding to the NMSC: the Department of Housing and Urban Development, the National Endowment for the Arts, the Department of Transportation, the Economic Development Administration, the Small Business Administration, and the Farmers’ Home Administration. Human resources were composed of the program managers from the three pilot communities and personnel from the Trust’s Midwest Regional Office.

From 1980 to 1983, the second demonstration program was implemented. In this second program, there were two large differences from the first demonstration program. The first difference was an establishment of the state Main Street Programs with a state coordinator for each program, whose function was to develop networks for mobilizing resources, sharing experiences, and transferring lessons to other communities. The second

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7 “History of the National Trust Main Street Center,” http://mainstreet.org/content.aspx?page=1807&section=1.
difference was that each community involved in a second program was responsible for hiring a manager. Thereby, the nationwide platform for the program was structured and a concept of community initiative was emphasized in this second demonstration program.

The selection of states for the second demonstration program was done by the NMSC with the International Downtown Executives’ Association (IDEA) and the Council of State Community Affairs Agencies. Among thirty-eight applicants, six states were selected; Colorado, Georgia, Massachusetts, North Carolina, Pennsylvania, and Texas. Each of these six states chose five towns that would be initial local Main Street Programs. This second demonstration program was also successful: twenty communities formed downtown organizations and the already existing eight groups were reinforced. twenty-eight towns established low-interest loan pools, with which communities could improve shop façades and old buildings. Construction investment rose up to $64 million dollars making 650 new facades and renovation of nearly 600 facades, and an additional $84 million dollars were spent into sixty new construction projects. Furthermore, 1,050 new businesses were created, of which more than half were successful. Finally, there were the emergence of solid economic basis in many towns, through the development of business recruitment using clear plans and programs designed to attract developers and investors.8

2.3 GROWTH AND EXPANSION OF THE MAIN STREET PROGRAM

After the two demonstration projects, the model was expanded using various tools, such as national video conferences and a how-to video tape series. In addition, the NMSC founded the Main Street Network Membership program in 1985. The third demonstration

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program developed the Urban Main Street Program for the cities whose populations exceeded 50,000. Following that, a program for towns with less than 5,000 people was demonstrated. By this means, the number of communities and states participating in the Main Street Program had grown, and currently, more than 2,000 communities have applied the model in forty-one states. According to Kent A. Robertson, the Main Street model is “arguably the most widely used and heralded method of downtown revitalization in the United States.”

Lately, the Main Street Program explores new types of the programs that could work with City Development Corporations, Business Improvement Districts, and Chambers of Commerce. The program keeps transforming and growing to offer assistance that meet the diverse needs and challenges of today’s communities.

2.4 **FOUR-POINT-APPROACH AND A SUCCESSFUL EXAMPLE OF THE MAIN STREET PROGRAM**

As the nationwide frame of the Main Street Programs is flexible, the program’s approach has large capacity for change. The basic model is the Four-Point Approach that encompasses works in four distinct areas: Organization, Design, Promotion, and Economic Restructuring. These areas were developed during the pilot project period from 1977 to 1979, and established as the basic activities to be worked on simultaneously.

By launching an organization with a manager and volunteers, a community establishes a base to start activities with a few resources. This approach provides opportunity for merchants and residents to identify issues and figure out the community’s

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needs together. From these findings, the community can create their vision and action plans.

At the same time, design of storefronts and the street should be taken care of in order to draw attention from people in the community and increase the number of customers. This is also a powerful method to create and express character of the district, strengthening the organization and enhancing the sense of community, because people can be inspired by something new is happening in their community. Design improvements also increase sales as well as number of shops, allowing the community to reconstruct the economy. Promotion is an even more powerful tool to draw attention from the people and strengthen the organization. Backed by a district’s marketing strategy and town image, this approach involves a corrective advertisement using various media such as websites and events. In particular, implementation of events works to involve more volunteers and provoke communication among residents and merchants as well as provide fun for the community.

Regarding economic reconstruction, the Main Street manager provides merchants with technical assistance such as marketing, promotion, and funding of each shop. Supported by the manager’s assistance and the other areas in the Four-Point-Approach (i.e. Organization, Design, and Promotion), economic reconstruction happens by increase of sales, event revenue, and membership. However, because often a Main Street Organization needs more revenue to improve its district, the manager seeks funding resources from both public and private sectors. More importantly, in many cases, organization works for fund-raising by donation from residents.

As stated above, each approach in the Four-Point-Approach relates and supports each other, offering holistic and incremental remedies. These remedies gradually solve typical issues of traditional business districts: vacant buildings, a lack of parking lots,
imbalanced mixes of businesses, low maintenance of the pedestrian zones, and a lack of street furniture and trash barrels. The approach, however, can be tailored to adapt to communities with different needs.

For example, Berkeley, California launched a Main Street organization in the form of a nonprofit organization in 1990. The community was experiencing, at that point in time, a decrease in business sales, an increase of building vacancies, and an epidemic of aggressive panhandlers. The community was also suffering from squalid streets and a hands-off policy on the police's part because left-wing activists were loudly proclaiming the civil rights of street people. The organization emphasized cleaning-up of the streets and social services for street people and worked on those activities with volunteers from the community. As a result, the commercial districts in Berkeley reduced vacancy rates from fifteen percent to two percent, and by 1997 the streets had become beautiful and peaceful places.10

This case shows that the community took a unique strategy that did not totally conform to the Main Street Four-Point Approaches of Design, Economic Restructuring, Promotion, and Organization. Rather, the community of Berkley initially emphasized on the Organization approach in order to clean-up the streets and to provide social services that are not directly related to other approaches. However, this considerate step taken by the community had a positive impact on businesses. For example, cleaner streets encouraged shopkeepers to take care of their storefronts. Better storefronts and a decrease of panhandlers, which resulted from the provision of new social services, brought more shoppers. As more shoppers came to the district, so did businesses. This is how the Main

Street Approach worked in this unique setting and, moreover, the lessons of this case were shared with other communities.

2.5 THE MAIN STREET PHILOSOPHY AND EIGHT PRINCIPLES OF SUCCESS

Along with the Four-Point-Approach, the Main Street Program defines its philosophy with eight principles of success. According to the NMSC, these eight principles distinguish the Main Street methodology from other redevelopment strategies. Although other redevelopment strategies and comparison with the Main Street Program will be discussed in the next section, this section will look at these eight principles of the Program: 1) comprehensiveness, 2) incremental process, 3) self-help, 4) partnerships between private and public sectors, 5) rediscovery of existing assets, the 6) quality of design and activities, 7) changes in people’s way of thinking, and 8) implementation of projects. 11

1) The first principle is comprehensiveness, in which the NMSC suggests that “sustainable, long-term revitalization, and a comprehensive approach including activity in each of Main Street’s Four Points,” are significant for success. On the other hand, the NMSC argues that single focused projects, such as “lavish public improvements, name-brand business recruitment, or endless promotional events,” hardly accomplish the revitalization of Main Streets.

2) The second principle is incremental process. The NMSC contends that successful revitalization efforts cannot be sophisticated from the beginning, and a community needs to nurture an effort from basic, “baby steps.” The first steps are efficient enough if these steps

can provide the community with perception, i.e. “new things are happening.” The NMSC set forth that “incremental change leads to much longer-lasting and dramatic positive change in the Main Street area.”

3) The third principle is “self-help.” The NMSC suggests that only the community can help their Main Street, and local leaders must have residents and merchants recognize that if they use their money and time into their Main Street, they could be rewarded. Moreover, in order to accomplish long-term success, community members inevitably need to be involved in and commit to the revitalization effort.

4) The fourth principle is partnerships between private and public sectors. The NMSC argues that both sectors necessarily have interests in commercial districts, and there are strengths and limitations in each sector. Therefore, both sectors must work in a complemental way based on an understanding of their different capacities.

5) The fifth principle is rediscovery of existing assets. NMSC recommends reviewing existing assets such as “distinctive buildings and human scale that give people a sense of belonging.” These assets must be utilized to create a unique business district, and this uniqueness is “the foundation for the revitalization program.”

6) The sixth principle is the quality of design and activities. NMSC puts more emphasis on quality than quantity. The elements that are applied for quality include a wide range of projects, from storefront designs to promotional campaigns to educational programs. NMSC argues that “shoestring budgets and ‘cut and paste’ efforts reinforce a negative image of the commercial district.” Thus, each project has to be taken care of very carefully.
7) The seventh principle is changes in people's way of thinking. This principle refers to both change in public perception toward the Main Street Program and change in the way of thinking in business practice. According to NMSC, "at first, almost no one believes Main Street can really turn around." This negative perception of the Main Street must be turned around. Also, merchants need to alter their conventional thinking on how to operate their businesses.

8) The eighth principle is the implementation of projects. This notion implies that the Main Street Program must show the result of each project to people in order to advertise the program's procedure and success. Small projects at the infant stage of the program will attract attention of the people and trigger bigger projects and larger involvement from the community.

These principles show that the Main Street Program is not a magic that can change the struggling downtown overnight. Rather, NMSC encourages the community to take the first step, which always requires faith the effort would be successful, and to take slow but sound steps, which always require a great amount of patience. Even if the program does not have glorious big projects with ribbon-cutting ceremonies, the Main Street Program has been well theorized into these philosophical principles and has established a sound movement of an antithesis to big-project-based urban renewal.

2.6 COMPARISON WITH OTHER REVITALIZATION EFFORTS

This section discusses strengths of the Main Street Program in comparison with other revitalization models for struggling commercial districts based on Karl F. Seidman's
Inner City Commercial Revitalization: A Literature Review,\textsuperscript{12} in which he compares revitalization strategies for commercial districts. Although he focuses on inner city commercial revitalization, Seidman bases his research on a wider range of revitalization efforts than inner-city neighborhood revitalization, such as neighborhood economic development and downtown development. In addition, he discusses revitalization strategies that have been used for downtowns in general. Therefore, this paper compares various revitalization efforts on Seidman’s list of revitalization strategies. He offers six revitalization strategies for downtowns: 1) Comprehensive Community Initiatives, 2) Enterprise Zones, 3) Housing-Based strategies, 4) Commercial Real Estate, 5) Business Development and Attraction strategies, and 6) District Management strategies.

1) Comprehensive Community Initiatives (CCIs) -- This model address numerous issues at the same time. The Model Cities program was an early model in the 1960s, and in the early 1990s there were many CCIs that were founded by foundations. The reviewers of CCIs found that strong leadership and management were important in order to build consensus on the problem and solutions within a community. Based on the CCI model, the federal Empowerment Zone/Enterprise Community program was enacted in 1993. This model emphasized business development and had positive effects on an increase of resident employment and business ownership. Like CCIs, strong leadership and strong staff capacity are required. Cooperative structure among government, businesses, and community-based organizations were considered to be important because the structure adds variety of perspectives, broadens networks, and enhances resources.

\textsuperscript{12} Karl F. Seidman, “Inner City Commercial Revitalization: A Literature Review” (MIT, 2006)
2) Enterprise Zones – This is a concept imported from Britain. This model introduced tax incentives and regulatory relief to generate more investment in blighted urban districts. This strategy has been mainly driven by states, and has been successful to create new jobs and investment. This model alone, however, is not enough to revitalize a district. Rather the model requires a stable economic base and a great deal of available land for commercial and industrial use in the urban district.

3) Housing-Based strategies – Based on the notion that an increase of residents will bring life back to a commercial district, these Housing-Based strategies focus on residential development. Although these strategies are able to utilize Community Development Corporations (CDCs) as sponsors, CDCs’ capacities are limited. Therefore, studies have shown that public-private partnerships, homeownership programs, and a combination of large-scale and small housing development have been successful.

4) Commercial Real-Estate-Based strategies – In this strategy, developers undertake construction of commercial facilities in urban business districts that have either large impacts at one time or incremental small influences over time. While these new commercial facilities are expected to provide new jobs and distribution spots, if the development focuses on single use facility (e.g. a mall with only upscale shops and restaurants), it tend to be unsuccessful. Lessons revealed that a well-grained mixture of use including locally owned businesses is important for success. In addition, partnerships among nonprofit organizations, private businesses, developers, faith-based organizations, and government are a key to success in terms of investment and physical improvement.
5) Business Development and Attraction strategies – These strategies support startups and local small businesses in terms of financing and marketing to create stable neighborhood commercial districts. CDCs tend to employ a business development strategy in their early stages, and CDCs and other nonprofit organizations have try to connect neighborhoods that are working on business development.

6) District Management strategies – These strategies include application of shopping-mall-methodology over the clusters of small businesses in order to compete with shopping malls. Shopping-mall-methodology refers to coordination of hours, appearance, and marketing among businesses and property owners. Within this category, Seidman lists three strategies: Business Improvement Districts (BIDs), Centralized Retail Management, and the Main Street Program.

   BID refers to a legally defined tax system in which businesses and property owners oblige themselves to pay tax for neighborhood services, projects, and activities to improve the environment of their own communities. Although this system provides a sound funding base for property and business owners, residents have no obligation to participate in this system.

   Centralized Retail Management is a model based on a formal contract by property owners. This management model intends to raise funds from a district and undertake activities. This model, however, has been said to be a “failure” by a leading downtown consultant according to Seidman, and other reports say it is difficult to implement and hardly adapted.
The Main Street Program is listed in this category as “the most widely used approach to business district management.” What makes this program different from other revitalization efforts is composed of four factors: grassroots community effort, incremental approach, fewer resources to start-up, and a focus on volunteers. The first factor, grassroots community effort, indicates that in this program, the governments do not have the initiative. The second factor, incremental approach, should be considered in conjunction with the fact that the Main Street Program does not necessarily intend to develop new construction. Thus, although there is an incremental approach in Commercial real-estate-based strategies, it is different from the Main Street Program because the commercial strategy deals with construction. The third factor, fewer resources at the starting point, derives from the fact that the program does not focus on commercial and housing development, which requires a community to raise large funds and hire a variety of professionals. The fourth factor, focus on volunteers, is a major workforce based on volunteers. Seidman points out that this factor has more problems in urban neighborhoods than in other Main Street setting, such as small cities and towns.

With these unique approaches, the Main Street Program addresses issues such as the physical decay of commercial districts, vacant buildings, the imbalanced mix of tenants, a lack of promotions, poor communication among merchants and residents, and development without consideration for neighborhoods. However, according to Della Gott Rucker, the program does not address urban problems that are typical in the United States, such as crime, homelessness, employment opportunity, and weak social norms and networks.

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13 Seidman, 4.
Additionally, Seidman suggests that the program’s ability to deal with economic restructuring is “on the local retail level, with no attention to connecting the district with the regional economy, nor is there any emphasis on expanding access to capital.”\textsuperscript{15}

Although there are these shortcomings, they does not seem to be reasons to prevent the program from being introduced to Japan, because typical urban problems in the United States above are not so much of problem in Japanese social environment. Besides, the economic restructuring at the regional level seems to be the more sophisticated issue that should be focused after community-driven revitalization efforts at the local level are implemented.

2.7 \textbf{SEVEN POINTS TO MAKE}

\textbf{THE MAIN STREET PROGRAM SUCCESSFUL}

Before starting to discuss the background of the Japanese society, this section introduces points that enable the Main Street Approach to be adaptable to a community. The NMSC set forth seven points to figure out whether or not the program is the right strategy to deal with a community.\textsuperscript{16} A downtown or community in question should

1) be a traditional business district,

2) has a decent concentration of businesses,

3) be capable to commit to the revitalization with the comprehensive way,

4) has a broad base of support,

5) be able to convince participants,

\textsuperscript{15} Seidman, 5.
\textsuperscript{16} The NMSC, “Is the Main Street Approach right for you?” http://mainstreet.org/content.aspx?page=1989&section=2
6) has sufficient human and financial resources, and

7) has community that value historic preservation.

1) The NMSC notes that although the Main Street Four-Point-Approach is effective for any commercial district, the commercial district should have old buildings to be a “Main Street” district. This is a notion that keeps the accreditation of the “Main Street” as the unique brand of commercial streets with historic architecture.

2) The NMSC announces that if there is no business on a commercial street, it is “considerably harder” to revive the street, though it is not impossible.

3) The NMSC asks communities to understand and prepared the comprehensive approach using Four Point Approach before their accreditations. The center also asks communities to understand the incrementalism of the approach.

4) The NMSC recommends not only the involvement of “public” and “private” sectors, but also “traditional participants” and “non-traditional participants.” “Traditional participants” refer to business, property owners, and city officials, while “non-traditional participants” include residents, civic associations, schools and other institutions, banks, utilities, and media. The NMSC emphasizes that it is essential to have wider support.

5) The NMSC defines the program as the “consensus-driven program,” in which an organization does not follow the strong leadership of one or two persons. Rather, the program value to achieving agreements of participants, though it takes long time and many steps. The NMSC contends that this way promises “lasting and positive changes” on Main Streets.
6) The Main Street Program needs budgets and human resources. The NMSC notes that the budgets of a local program may range from $45,000 to $100,000 annual, and the variation is depend on the size of the district, local priorities, resources for revitalization, and salaries. According to the NMSC, expenses are director’s salary, support staff’s salary, rent and utilities, office supplies, insurance, equipment, PR materials, professional development, and each committee’s activities. On the other hand, the resources of income are city funding, earned income (from promotional and fundraising events), membership, fund raising, and corporate sponsors. With respect to the human resource, the NMSC notes that the number of volunteers in a regular local Main Street organization range from forty to sixty for its board, committees, and projects. The NMSC requires a community to hire a full-time executive director who coordinates “a wide range of projects, from supervising promotional activities to assembling market data.” Exceptionally, a small town with a population of less than 5,000 is allowed to hire a part-time manager. The NMSC contends that the role of this executive director is different from that of a shopping mall manager, being “an enthusiastic advocate for the commercial district and authority on information, resources and programs related to revitalization efforts.”

7) The NMSC notes that retaining old architecture as well as local businesses is foundation of the program. A community has to value historic preservation and “recycling” existing businesses in order to make the program successful.

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17 The NMSC calls a manager as a director or an executive director.
18 The NMSC, “Local Main Street Programs: Budget and Funding,” http://www.mainstreet.org/content.aspx?page=2094&section=15
To what extent these criteria can be applied to the communities in Japan will be further discussed in the summery section of Chapter 7. The next chapter shows the background of Japanese society and gives the context of Japanese revitalization efforts from political, cultural, and institutional perspective.
CHAPTER 3

BACKGROUND OF JAPANESE SOCIETY

Currently in Japan, there are policy and social trends at the national and local levels that are creating an environment for which the Main Street Program’s philosophy could be effective. This chapter introduces the Japanese social background in relation to the urban policy and social trend from the Central Government’s perspective and creates foundations to discuss issues facing Japanese cities and towns that are showed in the next chapter. First, this chapter introduces the Japanese policy and social trends at the national level (3.1). Second, this chapter describes Japanese previous economy and urban policy (3.2). Lastly, strategies to reform the previous urban policy at the national level are introduced (3.3).

3.1 JAPANESE POLICY AND SOCIAL TRENDS

AT THE NATIONAL LEVEL

At the national level, there has been a trend to reform economic and urban policy that is largely dependent on construction projects by public investment.20 Hiroichi Endo, a professor at Osaka City University, argues that because this national policy had focused on the enhancement of economic growth, Japanese city planning had prioritized the productivity of industry instead of residents’ quality of life. 21 However, this priority has been changing since economic growth has slowed down, and sufficient infrastructure and

buildings in urban areas are provided to accommodate industries and public services. In
order to show this shift of priority, the following sections will introduce this economic and
urban policy trend.

3.2 JAPANESE PREVIOUS ECONOMY AND URBAN POLICY

According to Endo, previous economic and urban policy was established with the
National Comprehensive Development Plan in 1962, and the Japanese ratio of public
investment on fixed assets to GDP has been the largest in the world since the 1970s. This
structure was efficient for rapid growth of the Japanese economy in two ways. One was
public investment to develop vast industrial land so that large industrial factories could be
located on cheap land and increase industrial production rapidly. Another was the creation
of demand both directly and indirectly. Direct demand was created by public regional
development and large construction projects in which private sectors utilized the projects as
opportunities for vending construction materials, machines, and techniques. Indirect
demands were created by investment in automobiles and roads that enabled products to be
delivered more efficiently than railways and expanded the market area rapidly. The
economic growth supported by these public investments was characteristic of the Japanese
economy in the 1970s and formed the heavy reliance of a local economy on public
investments.  

In 1980, pushed by international pressure to expand domestic demand, the Central
Government established a policy that accelerated public investment by the local government.
At that time, the Central Government, which controlled the centralized tax system, gave

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22 Endo, 92.
subsidies and permission for the issuance of bonds to local governments that were planning public development projects. This policy created the conspicuous trend in which local governments competed to implement subsidized public developments, so called "hako-mono" projects without citizen participation. Furthermore, this trend was enhanced in the 1990s in order to recover from the recession that occurred after the so-called "bubble economy" in the 1980s.24

The result of this flow was an economic crisis from deep debt reliance in many local governments and "hako-mono" that are often criticized by a lack of planning for operations, maintenance, and sustainable public use. Moreover, rural areas lost self-sustaining economic activities resulting in depopulation. On the other hand, large urban areas that developed with an unfriendly urban structure for humans have a low birth rate from 1.1 to 1.3 per household (the national average is 1.46)25 and long commutes by overcrowded trains. Since this phenomenon was recognized, Japan has been seeking a strategy to reform the economic structure in which national and local governments heavily depend on public investment, and which contributes to creating poor urban and rural areas.

3.3 STRATEGIES TO REFORM THE PREVIOUS URBAN POLICY

AT THE NATIONAL LEVEL

The major strategy for the reform is considered to be twofold; one is the reform of the method to implement public projects with Public-Private-Partnership. Another is City Planning at the Local Level with Citizen Participation in which municipalities have to

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23 A sarcastic nickname for public projects that construct lavish buildings without consideration for sustainable operation.
24 Endo, 100.
25 Endo, 102.
conduct city planning for their administration area with the involvement both of community residents and civic organizations.

Public-Private-Partnership

Regarding Public-Private-Partnership, currently there are two forms of partnership in Japan. One is the Joint Public-Private Venture (JPPV), and the other is Private Finance Initiative (PFI). The JPPV refers to a form of enterprise, whereas the PFI defines a project style. A JPPV is a company undertaken by a private sector with government funding of more than 25%, and a PFI is a project completed under a contract between a government public and a private firm. Although the JPPV was first introduced in the 1970s and became pervasive in Japan, studies have shown that there have been many cases of failure in this form. To explain this failure, Noburo Akai and Satoshi Shinohara identify a lack of clarity in responsibility and a lack of information on the government’s part about capacity of private sectors. A lack of clarity in responsibility causes a low performance in the private sector, because it does not have risk, and the governments compensate the deficit in many cases. A lack of information on the government’s part makes room for private sectors to embellish cost-benefit analysis and develop excessive facilities. Therefore, the Central Government has been reforming JPPVs by reducing the number (Figure 3-1) and by asking local governments to disclose information and to improve auditing. Nevertheless, the JPPV form is employed by many incorporated town management organizations.

Another form of public private partnerships, the PFI, was introduced from Britain and legislated in 1999 in order to deal with JPPV’s shortcomings. (Figure 3-2) This form

has a strict contract that clearly assigns tasks to both a government and a private sector and is funded in the project finance method that analyses value and risk for each project. Table 3-1 and Table 3-2 show the number of JPPV companies and PFI projects by category in 2002 and 2005. While JPPV includes many profit-making businesses, many of PFI projects are governmental facilities such as schools, libraries, fire departments, and police stations. This fact seems to reflect that governments have tried to fill disinvestment from private sectors by creating JPPVs, whereas PFIs have been employed in order to utilize the private sector’s know-how in the public sector’s construction projects. Additionally, though the number of projects related to town management and community development increased and occupied the third largest portion in PFIs, the projects are composed of parking, airport, park, and affordable housing. These options could be increased and cover more profit-making businesses for community development projects in the future. On the other hand, in JPPVs, the revitalizations of city center fell into the Business/Industry category. This seems to reflect the fact that town management organizations incorporated as JPPVs were mostly composed of business owners. This tendency is mentioned again in relation with the limitations of Japanese town management organizations in the “Responses by the Local Governments” section (4.3) in Chapter 4.
Figure 3-1 Number of New Joint Public-Private Ventures

Figure 3-2 Number of New PFI Projects
### Table 3-1 Number of New Joint Public-Private Ventures by Category in 2002 and 2005

<table>
<thead>
<tr>
<th>Category</th>
<th>2002</th>
<th>2005</th>
<th>Field of Work</th>
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</thead>
<tbody>
<tr>
<td>Tourism/Leisure land</td>
<td>39</td>
<td>19</td>
<td>Operation of leisure land</td>
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<td></td>
<td></td>
<td></td>
<td>Resort</td>
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<td>Agriculture</td>
<td>23</td>
<td>26</td>
<td>Forestation</td>
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<td>Business/Industry</td>
<td>28</td>
<td>12</td>
<td>Revitalization of city center</td>
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<td></td>
<td></td>
<td></td>
<td>Technical assistance</td>
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<td>Region/Urban Development</td>
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<td>9</td>
<td>Urban renewal</td>
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<td></td>
<td></td>
<td></td>
<td>New development</td>
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<tr>
<td>Social Welfare/Health care</td>
<td>4</td>
<td>2</td>
<td>Welfare and healthcare facilities</td>
</tr>
<tr>
<td>Sanitary</td>
<td>4</td>
<td>2</td>
<td>Disposal of industrial waste</td>
</tr>
<tr>
<td>Roads/Logistics</td>
<td>9</td>
<td>4</td>
<td>Railway</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Parking</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Airport</td>
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<tr>
<td>Education/Culture</td>
<td>9</td>
<td>14</td>
<td>Social education facility</td>
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<td>Environment</td>
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<td>1</td>
<td>Protection of nature</td>
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<td>Other</td>
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<td>Sum</td>
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<td>41</td>
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Resource: Ministry of Internal Affairs and Communications

### Table 3-2 Number of PFI Projects by Category in 2002 and 2005

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<th>Field of Work</th>
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<td>Music Hall</td>
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<td>Healthcare/Environment</td>
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<td>Hospital</td>
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<td></td>
<td>Ceremony Hall</td>
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<td></td>
<td></td>
<td></td>
<td>Water Purifier-Tank</td>
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<td>Town/Community Development</td>
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<td>Airport</td>
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<td>Park</td>
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<td></td>
<td></td>
<td></td>
<td>Affordable Housing</td>
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<td>City Hall Assets</td>
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<td>Court Facility</td>
</tr>
<tr>
<td>Social welfare</td>
<td>7</td>
<td>12</td>
<td>Welfare Facilities for Aged</td>
</tr>
<tr>
<td>Industry</td>
<td>5</td>
<td>11</td>
<td>Wholesale Market</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>24</td>
<td>Complex</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Station</td>
</tr>
<tr>
<td>Sum</td>
<td>90</td>
<td>230</td>
<td></td>
</tr>
</tbody>
</table>

Resource: Cabinet Office, The Office of PFI
Chapter 3

City Planning by Local Governments

The transfer of the city planning power to the local governments officially occurred when the National City Planning Law was revised by the Central Government in 1992. The law institutionalized the role of cities and towns to create master plans for their administrative areas, and also the Law employed the notion of “residents’ involvement” for the first time as a national law. This revision was a revolutionary event in Japanese city planning environment, because precisely there was no “city planning” in Japan, but “the national plan for cities and towns.” By this revision, decision making in city planning transferred from the Central Government to the local government, and citizens are recognized as a part of the main body to plan the city. According to the follow-up research done by the Ministry of Land, Infrastructure, and Transport (MLIT) in 1998, had formulated master plans among 2025 municipalities at the time. These master plans consist of the vision, the goal, and the actions (sometimes they do not have concrete actions) of the cities and towns and generally put emphasis on comfort and safety that secure the quality of citizen’s life. Municipalities also set different kinds of nodes such as community nodes, tourist nodes, and business hubs in order to activate the cities and towns. Some of these master plans include conservation of natural land and rehabilitation of downtowns. More importantly, these master plans can change the upper plan such as zoning code and the network of roads planned by the Central Government and prefectural governments, if changes are necessary. (Figure 3-3 shows the levels of the governments in Japan.)

27 The City of Yokohama, City Planning Department, “What is a Master Plan,” http://www.city.yokohama.jp/me/toshi/cityplan/master/about/index.html
Citizen Participation

In order to enhance citizen participation, two strategies have been undertaken: the establishment of a legislative basis for civic organizations and emphasis on education for individuals. With respect to civic organizations, the Law to Promote Specified Nonprofit Activities (the NPO Law) was enacted in 1998, and the Cabinet Office certified 29,934 organizations as Nonprofit Organizations by December, 2006. Table 3-3 shows the number of Non Profit Organizations by category as of the end of 2006. The number of organizations related to town management and community development is 12,064, and this is the third largest category among seventeen realms, which seems to reflect the high concern with this field from citizens.
### Table 3-3 Number of Non Profit Organizations by Category

*as of 31st December, 2006 (multi answers)*

<table>
<thead>
<tr>
<th>No</th>
<th>Category</th>
<th># of Org.</th>
<th>%*1</th>
<th>Increase compared to Sep.2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health care, medical care, and welfare</td>
<td>17366</td>
<td>58</td>
<td>736</td>
</tr>
<tr>
<td>2</td>
<td>Social education</td>
<td>13873</td>
<td>46.3</td>
<td>501</td>
</tr>
<tr>
<td>3</td>
<td>Town management and community development</td>
<td>12064</td>
<td>40.3</td>
<td>448</td>
</tr>
<tr>
<td>4</td>
<td>Academy, culture, arts, and sports</td>
<td>9590</td>
<td>32</td>
<td>346</td>
</tr>
<tr>
<td>5</td>
<td>Conservation of environment</td>
<td>8482</td>
<td>28.3</td>
<td>307</td>
</tr>
<tr>
<td>6</td>
<td>Rescue operations of natural disaster</td>
<td>1978</td>
<td>6.6</td>
<td>69</td>
</tr>
<tr>
<td>7</td>
<td>Regional security</td>
<td>2881</td>
<td>9.6</td>
<td>129</td>
</tr>
<tr>
<td>8</td>
<td>Human rights and peace</td>
<td>4606</td>
<td>15.4</td>
<td>187</td>
</tr>
<tr>
<td>9</td>
<td>International Corporation</td>
<td>6060</td>
<td>20.2</td>
<td>192</td>
</tr>
<tr>
<td>10</td>
<td>Gender equality</td>
<td>2581</td>
<td>8.6</td>
<td>81</td>
</tr>
<tr>
<td>11</td>
<td>Sound growth of children</td>
<td>11924</td>
<td>39.8</td>
<td>471</td>
</tr>
<tr>
<td>12</td>
<td>Information society</td>
<td>2393</td>
<td>8</td>
<td>128</td>
</tr>
<tr>
<td>13</td>
<td>Science and technology</td>
<td>1226</td>
<td>4.1</td>
<td>74</td>
</tr>
<tr>
<td>14</td>
<td>Economic activity</td>
<td>3356</td>
<td>11.2</td>
<td>216</td>
</tr>
<tr>
<td>15</td>
<td>Skill development and expansion of employment opportunity</td>
<td>4575</td>
<td>15.3</td>
<td>367</td>
</tr>
<tr>
<td>16</td>
<td>Consumer safety</td>
<td>1485</td>
<td>5</td>
<td>87</td>
</tr>
<tr>
<td>17</td>
<td>Communication, consultation, and support for the activities above</td>
<td>13486</td>
<td>45.1</td>
<td>558</td>
</tr>
</tbody>
</table>

*1 The sum of this column is not 100%, because many organizations undertake activities in multiple fields.

*2 Activities categorized in from No. 12 to No. 16 are certified after the enactment the revised Law to Promote Specified Nonprofit Activities in May, 2003.

Resource: Cabinet Office, The Office of NPO

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However, a report proposed by the advisory committee\textsuperscript{31} for the Support Division of Community Development, established in the Ministry of Education, Culture, Sports, Science, and Technology (MECSST), summarizes another set of conditions of Japanese society.

1) A diminishing number of people who have a sense of belonging to the community.
2) A lack of information system to exchange experiences and knowledge.
3) A poor continuity of activities caused by a lack of leaderships and skills such as planning and assessment of projects.
4) Little collaboration between different groups in an area. \textsuperscript{32}

Since this report was written in 2004, this set of conditions stated above implies that two laws, the National City Planning Law in 1992 and the enactment of the NPO Law in 1998, were not so effective to promote civic participation.

In order to expand individual’s capacity to partake in town and community management, the division intends to develop residents and civic organizations that are capable to commit and lead their communities. The goal of the committee is to promote community development\textsuperscript{33} as an activity to solve the problems within the community by its residents. The activity is also described as a proactive activity undertaken in response to social issues and from the perspective of public responsibility. \textsuperscript{34}

In these ways, the Central Government has been taking steps to both strengthen decision making at the local level and promote participation of community residents and community organizations in order to change the “top-down” approach. Although there are

\textsuperscript{31} The committee includes scholars in wide variety of the field such as economy, city planning, environment, and education.
\textsuperscript{32} MECSST, “Current Condition and Issues in the Promotion of Community Development,” To Activate Communities and Improve Community Development by Development of Community Residents, (2004) Chapter 1. \url{http://www.mext.go.jp/b_menu/houdou/16/08/04081301/002.htm}
\textsuperscript{33} “Tiiki-dukuri” in Japanese
obstacles to involving communities and establishing public private partnerships, efforts to reform previous economic and urban policy continue, and the direction seems to be in line with the Main Street Program’s approach.
CHAPTER 4

JAPANESE CITY CENTER ISSUES

In the previous chapter, the transition of economic and urban policy at the national level was introduced. That is, the Central Government has been taking steps to both strengthen decision making at the local level and promote participation of community residents and community organizations in order to change the “top-down” approach. Therefore, the decision-making authority of cities and towns are expanding, however, Japanese local cities tend to wait the Central Government’s initiative because many of them still not recovered from deficit and need subsidies. This chapter describes Japanese city center issues, responses by the Central Government to the issues, and also responses by the local government to the policies created by the Central Government. In addition, this chapter discusses the difference in approaches between Japanese revitalization efforts and the Main Street Program.

4.1 JAPANESE CITY CENTER ISSUES

As stated in the introduction, in the Japanese local cities, a decline of the city centers has been an issue since the 1990s. People tended to move toward suburban single-family housing and shop in roadside shopping malls. Businesses and public facilities, such as hospitals, followed the movement leaving properties in city centers abandoned. In addition, the end of the inflation of land price in 1998 caused many bankruptcies among businesses that secured loans with land.\(^{35}\) Property owners accustomed to high property value in city

\(^{35}\) Kinoshita, *The Strategy to Revitalize Local Town Management*, 64.
centers lost interest in managing or selling their real estate; the owners often lived in the
suburbs and just left their property vacant.36 Shopping streets without open shops, the
“shutter streets”, have been observed almost everywhere except for a few of the largest
urban areas. 37

The sense of crisis that the local city center functions will not work in the near future
has become pervasive and is considered a significant problem connected to an aging society,
a low birth rate, and a decline in public transportation. More and more businesses have
concentrated in the largest urban areas and so have the working generation, while city
centers in the local areas have been failing to maintain population. On the other hand,
average elderly people cannot afford expensive living costs in the largest urban areas, and
they tend to stay in their neighborhoods in local areas, where downtowns in walkable
distance are declining and leaving elderly people isolated. As for public transportation,
recently the Central Government reported a trend in which public bus and local train
systems in city centers were abolished because of profit deterioration.38

4.2 RESPONSES BY THE CENTRAL GOVERNMENT

The issues stated above, however, had been considered by the Central Government
to be the result of competition between small businesses and large mass retailers before the
deterioration of city centers became a social issue. In the 1970s, the Central Government
enacted a law to protect small businesses in city centers. The “Large-Scale Retail Stores
Location Law” regulated the size of floor area, the time of opening, and the days of holiday
of large retailers in order to relieve the competition. The restriction was revised and

36 Kinoshita, The Strategy to Revitalize Local Town Management, 64.
enhanced several times by 1992, when the law was loosened in response to a request from the United States that intended to expand mass retailers’ markets. Along with this relaxation of regulations, the low price of land spurred mass retailers to head for suburban areas. Moreover, there was no development regulation on the farm land, making shopping-center development easy.\(^{39}\) On the other hand, small businesses have become more and more outdated because the law protected and spoiled them by keeping them away from competitions.\(^{40}^{41}\)

In order to deal with the escalation of city center deterioration, the Central Government enacted the first City Center Invigoration Law\(^{42}\) and abolished the Large-Scale Retail Stores Location Law in 1998. The initiative was taken by a cross-ministry office called the Downtown Revitalization Office, composed of officials from eight ministries including MLIT, MECSST, the Ministry of Economy, Trade and Industry; the Ministry of Internal Affairs and Communications; the Ministry of Agriculture, Forestry and Fisheries; the National Police Agency; Ministry of Health, Labor and Welfare; and The Cabinet Office.

According to Masatomo Miyazawa, who researched the condition of Town Management Organizations (TMOs) in 2006, this law was supposed to be comprehensive, including three approaches to revitalize downtowns. The first approach was physical improvement in which local government planned to provide facilities such as housing, parks, and roads. In addition, some municipalities assembled land for large-scale redevelopment projects.

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\(^{39}\) MLIT, 23.

\(^{40}\) Kinoshita, Interview with author, January 19, 2007.

\(^{41}\) Teijiro Teduka, *Bring Life Back to the Shopping Street*, (Tokyo: Mainichi Ones, 2006), 19

\(^{42}\) Masatomo Miyazawa translated this law as “Law Regarding Integrated Promotion of the Development and Improvement and Revitalization of Commerce in Central Urban Areas” and nicknamed it “Downtown Revitalization Law.”
The second was the business enhancement in which governments supported courting anchor retailers and promoting start-ups using subsidies and tax credits.\textsuperscript{43} The third was adaptation of district management in which the Central Government adapted the TMO model.\textsuperscript{44} TMOs were supposed to provide integrated management over the clusters of small shops in city centers through comprehensive activities such as market research, tenant mixing, parking management, capital improvements, open space management, promotion, and safety maintenance.

The TMOs, the first attempt to establish district management organizations legally, built up large expectation to play a significant role in revitalization efforts. The establishment of TMOs required two steps by the law: one was the proposition of the fundamental revitalization plan, and another was the framework for a TMO including its goal, action plan, and feasibility. Miyazawa lists types of organizations that are eligible for TMOs.\textsuperscript{45}

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shoko Kaigisho</td>
<td>chamber of commerce (mainly in large cities)</td>
</tr>
<tr>
<td>Shoko Kai</td>
<td>chamber of commerce (mainly in small cities and towns)</td>
</tr>
<tr>
<td>Specialized Company</td>
<td>joint stock company capitalized mainly by medium/small companies with more than 3% shared by local government</td>
</tr>
<tr>
<td>Foundation</td>
<td>funded more than 3% by local government</td>
</tr>
</tbody>
</table>

Resource: Miyazawa\textsuperscript{46}

In this way, revitalization efforts conducted by the Central Government were supposed to be comprehensive with these approaches and change the negative trend of the city centers. However, reviewers consider that the first City Center Invigoration Law did

\textsuperscript{44} Although Miyazawa writes the concept of TMO came from BID, many researchers write that TMO model was established replicating British Town Center Management (TCM) model.
\textsuperscript{45} Miyazawa, 26.
\textsuperscript{46} Miyazawa, 29.
little to address the issues facing city centers, and the law was revised by the Central Government in 2006. At this time, the former cross-ministry office was closed, and a new City Center Invigoration Task Force that was established in the Cabinet Office took over the role. One of the points for revision was to abolish TMOs that were not so effective as expected to revitalizing city centers. Table 4-2 shows the continued negative trend before and after the enactment of the first Law according to data published by the Management and Coordination Agency. The agency defines city center functions as residential, commercial, business, and analyzes these functions and conducted the survey to 138 cities and towns that proposed the revitalization plan in response to the old Invigoration Law. The “Number of Cities and Towns” column shows the number of municipalities that decreased their functions, and the number in “Percentage” column gives the ratio of this number in respect to whole, 138 municipalities. For example, in the “Population” row, eighty-four cities and towns lost population and these cities and towns are 69% of all municipalities involved in the survey.

Table 4-2 Change in City Center Function by Cities and Towns Before and After the City Center Invigoration Law Enactment in 1998

<table>
<thead>
<tr>
<th>Function</th>
<th>Before Year</th>
<th>After Year</th>
<th>Number of Cities and Towns</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1997</td>
<td>2003</td>
<td>-84</td>
<td>-69%</td>
</tr>
<tr>
<td>Retailers</td>
<td>1997</td>
<td>2002</td>
<td>-111</td>
<td>-93%</td>
</tr>
<tr>
<td>Annual Sales</td>
<td>1997</td>
<td>2002</td>
<td>-113</td>
<td>-94%</td>
</tr>
<tr>
<td>Offices</td>
<td>1996</td>
<td>2001</td>
<td>-112</td>
<td>-93%</td>
</tr>
<tr>
<td>Employee</td>
<td>1996</td>
<td>2001</td>
<td>-100</td>
<td>-83%</td>
</tr>
</tbody>
</table>

The major reason for this ineffectiveness of the first Invigoration Law is considered to be the low performance of TMOs. Miyazawa notes the reasons why TMOs did not work well in both planning and implementation stages. In the planning stage, the TMOs tended to

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47 MLIT, 20.
48 Kinoshita, The Strategy to Revitalize Local Town Management, 68.
The major reason for this ineffectiveness of the first Invigoration Law is considered to be the low performance of TMOs. Miyazawa notes the reasons why TMOs did not work well in both planning and implementation stages. In the planning stage, the TMOs tended to lack the coordination of concerns among different stakeholders because people who were involved in TMOs were mostly business owners and staff of Chambers of Commerce. This tendency also resulted in the people’s perception that the TMOs’ goal was to solely revitalize commercial functions in city centers. In the implementation stage, the TMOs faced funding difficulties and insufficient workforce. Therefore, in the new Invigoration Law, the Central Government defined the new organizations as combined institutions from both the commercial side and urban design side.

This new organization, the “City Center Partnership” is composed of two groups that have different sets of expertise. One group is composed of a capital improvements agency or a town management company whose activities are intended to create a comfortable physical environment. Another group is composed of Chambers of Commerce or a special company that promotes businesses. The role of this partnership is twofold; the first is to attend meetings in order to review revitalization plans created by municipalities, and the second is to revise the implementation plans created by private sectors. The new partnership does not include citizens directly.

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49 Miyazawa, 102
4.3 **RESPONSES BY LOCAL GOVERNMENTS TO THE NATIONAL POLICIES**

Although the Central Government has already revised the old Invigoration Law, the lessons learned from the first attempt are unclear. Therefore, this section focuses on the effect of the old law from the perspective of local governments. The responses by the local government to the first Law are summarized in two stages: the planning and the implementation stages. First, the planning stage of the revitalization projects is introduced and analyzed using the Main Street Four-Point-Approach. Second, the implementation stage of these revitalization projects is introduced and analyzed using the responses to the interviews conducted by the author.

*Introduction of the Planning Stage of the Revitalization Projects*

In response to the first Invigoration Law enacted in 1998, 690 cities and towns created plans to revitalize city centers. 690 municipalities occupy twenty-one percent of 3,232 cities and towns as of 1999.\(^50\) However, under the policy to reorganize cities and towns, the number of municipalities decreased to 1,822, increasing the ratio to thirty-eight percent as of 2006. This ratio could be considered as the ratio of cities and towns in need that decided to create plans to respond to this problem, since there was neither strict review nor subsidies distributed according to the plans.

Among 690 municipalities that submitted the revitalization plan, 262 or 38% of towns and cities submitted the revitalization project plans.\(^51\) Table 4-3 categorizes planned

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\(^51\) Number was counted by author according to the list of projects published by The Downtown Revitalization Office, The follow-up report of the City Invigoration Law in 1998,
projects by 262 cities and towns. The category uses the Main Street Four-Point-Approach, though the “Organization” approach did not exist and, instead, there are some projects that are categorized in “real estate development” or “transportation” projects. “Real estate development” includes development of shopping malls and readjustment of land. “Transportation” project includes improvement of public transportation and introduction of a community transit. Figure 4-1 shows percentage of these revitalization projects by category.

Table 4-3 Activities Planned for the First City Center Invigoration Law (N=262)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number</th>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Event</td>
<td>121</td>
<td>Promotion</td>
<td>215</td>
</tr>
<tr>
<td>2 Information System</td>
<td>34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Tourism</td>
<td>48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Enhancement of Amusement in Events</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Improvement of Townscape</td>
<td>65</td>
<td>Design</td>
<td>198</td>
</tr>
<tr>
<td>6 Improvement of commercial street’s Physical Environment</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Creation of Walkable Streets</td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Creation of Public Spaces</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Improvement of Parking</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 New Business, Entrepreneurship</td>
<td>45</td>
<td>Economic Reconstruction</td>
<td>233</td>
</tr>
<tr>
<td>11 Recruitment of Anchor, Tenant Mix</td>
<td>44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Shop Service Improvement</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 Culture, Education, and Community Facility in Vacant Shop</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 Welfare・Health Care Facility in Vacant Shop</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Public Transportation</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Land Readjustment・Redevelopment</td>
<td>19</td>
<td>Real Estate Development / Transportation</td>
<td>76</td>
</tr>
<tr>
<td>17 Improvement of Automobile Accessibility</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 Residential Development</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Other Public Function</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 Other</td>
<td>35</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

http://chushinshigaichi-go.jp/followup/H15/fu_index.htm
Chapter 4

Real Estate Development 12%

Other 5%

Economic Reconstruction 27%

Design 26%

Promotion 28%

Figure 4-1 Percentage of Categorized Activities in Revitalization Plans

Analysis of the Planning Stage of the Revitalization Projects

Table 4-3 and Figure 4-1 shows that each of Economic Reconstruction, Promotion, and Design divides almost one third of the revitalization activities in planning stage. Table 4-4 shows the number of municipalities that planned projects in each category.

Table 4-4 Number of Municipalities with Categorized Revitalization Projects for 1998 City Center Invigoration Law

<table>
<thead>
<tr>
<th>Promotion</th>
<th>Economic Reconstruction</th>
<th>Design</th>
<th>Real Estate Development/Planning</th>
<th>Organization</th>
<th>Average Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Soft”</td>
<td></td>
<td></td>
<td></td>
<td>140</td>
<td>144</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>117</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td>1.7</td>
</tr>
<tr>
<td>“Hard”</td>
<td></td>
<td></td>
<td></td>
<td>284</td>
<td>181</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td>1.7</td>
</tr>
<tr>
<td>Numbers are counted by the author using the project documents in the follow-up website by Downtown Revitalization Office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For example, "Promotion" column shows that 140 cities and towns planned promotional projects. Because municipality officials in Japan use two categories to divide projects, “hard” projects and “soft” projects, the table has “Hard” and “Soft” category. “Soft” projects

http://chushinshigaichi-go.jp/followup/H15/fu_list_torikumibunrui.htm

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include promoting events, improving marketing, and promotions, whereas "Hard" projects refer to improvement of the pedestrian zones, construction of arcades, management of parking, and real estate development. In table 4-4, it is understood that 284 or 60.4% of municipalities planned "soft" project, and 181 or 38.5% of them planned "hard" projects. The "Average Point" shows the averaging number of categories for planned project by municipalities. For example, if a city planned projects that covers four categories, the city gain four points. Thus, it is shown that a city covers 1.7 categories in average in planning stage.

In comparison with the Main Street Program's approach, there are major two findings from this stage concerning organization and comprehensiveness. First, projects categorized in real estate development and planning comprises 12% of all activities, while there are only five cities and towns or 1.1% planned to organize structured citizen committees or charette as projects. Otherwise municipalities appoint committee members from community leaders, powerful residents, and scholars for revitalization project committees. According to the interviews, the participation of volunteers happens sporadically. This fact illustrates big difference with the Main Street model; in order to organize volunteers as central member of revitalization activities, the model stresses Organization approach as much as other approaches such as Promotion, Design, and Economic Restructuring. This stress implies that organizing community members needs to be spent time and efforts and require maintenance to survive.

Second, "hard" and "soft" projects are not well balanced in percentages, and the average number of project coverage across categories, 1.7, is low; even if the projects lacks Organization, the number should still have 3.0. Table 4-5 shows number of municipalities
that planned projects across categories. While 129 or 49 % of municipalities planned projects in a single category (the “1” column), only 16 or 6% of them planned projects across four categories.

<table>
<thead>
<tr>
<th># of Category</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>SUM</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Municipality</td>
<td>129</td>
<td>74</td>
<td>43</td>
<td>16</td>
<td>262</td>
</tr>
<tr>
<td>Percentage</td>
<td>49%</td>
<td>28%</td>
<td>16%</td>
<td>6%</td>
<td>100%</td>
</tr>
</tbody>
</table>

This fact is consistent with the reason of TMOs’ low performance, a lack of coordination of concerns among different stakeholders. Miyazawa writes that capital improvements are less likely implemented among TMOs’ activities. 

From these findings, the absences of projects that establish and maintain organizations that involve citizens and the concept of the comprehensiveness in the planning stage are problematic and seem to be crucial in order to understand what was happening in the Japanese revitalization efforts. Therefore, the analysis of the implementation stage focuses on the maintenance of organizations and comprehensiveness in the implementation stage of the projects.

Introduction of the implementation stage of the revitalization plans

One of the criticisms of the first City Center Invigoration Law was that no agency appropriately provided technical assistance, monitoring, evaluation and revision of the projects. Therefore, information about what was done and what was not done is unclear.

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54. Miyazawa, 40.
55. MLIT, 21.
Thus, the author interviewed fifty-six municipality staffs who is in charge of the downtown revitalization.

The interviews were conducted in March, 2007. Samples were selected randomly from municipalities that submitted their planned projects under the 1998 Invigoration Law. These municipalities and planned projects were found on the website of the former Downtown Revitalization Office. The author called to certain divisions in the municipalities, such as revitalization task forces, TMOs, commerce and tourism divisions, and city planning divisions. The questions were as follows;

1) What kind of district management organization does the city / town have?
2) Is/are the district management organization/s maintained?
3) What are the major activities of the organization? Are they comprehensive?
4) What are the issues to be solved at this moment?
5) Does the city/town collaborate with any citizen groups?
6) Are there NPOs that work on district management?

Out of fifty-six municipalities, fifty-three cities and towns or 95% responded. Table 4-6 summarizes the responses to the interviews.

<table>
<thead>
<tr>
<th>Organization</th>
<th>TMO</th>
<th>Continuity Old Org.</th>
<th>TMOs Among Continuous Org</th>
<th>Comprehensiveness</th>
<th>Collaboration Civic Groups</th>
<th>Town Management NPO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Soft</td>
<td>Hard</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>33</td>
<td>42</td>
<td>31</td>
<td>45</td>
<td>17</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>89%</td>
<td>70%</td>
<td>79%</td>
</tr>
</tbody>
</table>

| 89%          | 70% | 79%                 | 78%                       | 85%              | 32%                       | 57%              |

Among fifty-three municipalities, forty-seven or 89% have district management organization (the "Organization" column). These district management organization includes 70% of TMOs (the "TMO" column). The "Continuity Old Org" column indicates that of all organizations, 79% have continued since their establishment. Among these organizations, 78% are TMOs. ("TMOs Among Continuous Org." column) The rest of continuing organizations include a community development company and the community organizations established before the first Law was enacted. The "Comprehensive" column show that 85% of sample municipalities implemented "Soft" projects, whereas 32% implemented "Hard" projects. The "Collaboration Civic Groups" column indicates that the 57% of cities and towns responded that they have collaborations with civic groups. 32% in the "Town Management NPO" column represent the positive answers to the question; whether or not there are NPOs that intended to engage in town management. Based on these observations and additional comments from the officials, following section discusses organization and comprehensiveness in the implementation stage of revitalization plans. Additionally, the concept of managers will be discussed in response to the many comments on expectations to managers.

Analysis of the implementation stage;
Maintenance of organizations and community involvement

In terms of maintenance of organizations, there are three findings from the responses. First, the continuing organizations are TMOs established in Chambers of Commerce, incorporated TMOs, or the organizations established before the enactment of the Law. Other planning committees were dissolved after the proposition of revitalization plans. Second,
although 70% of the continuing organizations are TMOs, many of respondents commented that they are solely dealing with a business such as the operation of parking and a shopping mall, and TMOs that have no such business are having difficulty to gain funding and workforce for their activities. Third, the organizations established before the enactment of the first Law include citizen groups to preserve historic buildings, a private company for commercial redevelopment established by a merchants association, and resident groups initiated by local governments. Those organizations are sustaining because they are originally established to solve the problem in their community and settled as a part of regular community activities.

As for community involvement, which is the significant concept of organization by Main Street Program’s definition, there are three findings from the interviews. First, more than half municipalities responded that citizen volunteers are collaborating with revitalization organizations, and particularly students in universities are active in revitalization projects. However, only 33% officials admitted the presence of NPOs despite of the fact that there are 12,064 NPOs qualified as the town and community development organizations by the Central Government at the end of 2006. As for a reason, an official commented that most of NPOs qualified as town and community development organizations are considered to be “cultural circles,” which have little skills to implement projects planned by the municipalities. These facts show that citizen organizations are not well organized in voluntary works, or citizen organizations have little capacity in general.

Second, there are always historic assets in the cities that have many active citizen groups, implying that historic asset could provoke community involvement. One exceptional city had an Olympic game in the past. These responses imply that either historic assets or
the big events have potential to trigger citizen participation. The third finding is that volunteers tend to work for soft projects and not for the hard projects. That is, events promoted by merchants are often supported by residents, whereas design improvement work was rarely implemented with the involvement of citizens. Only one city official commented that the city has “charette” process since the time before the Law was enacted.

Comprehensiveness in the implementation stage of the projects

There is a significant imbalance between “Soft” and “Hard” projects implemented. This finding is consistent with the Miyazawa’s finding that 80% of TMOs conducted events, and capital improvements are less likely implemented.57 Regarding the reasons for this phenomenon, Miyazawa analyses the impact of subsidies, using the fact that 72% of TMOs conducted events could obtain subsidies. On the other hand, though the Central Government subsidized 79% of TMOs for capital improvements, only 30% of TMOs conducted capital improvements. One reason seems to be that TMOs are reluctant to implement capital improvements because it is harder than “soft” projects. Another interpretation is that capital improvement projects are costly and it is hard to get the necessary subsidies or funds to undertake them and thus less are done. In addition, only 24% of TMOs that planned parking management could obtain subsidies, reflecting the government’s negative preference to support parking despite the high needs for parking in downtowns.58 These numbers show how subsidies affected the implementation of projects, and prevented revitalization efforts from being comprehensive.

57 Miyazawa, 40.
58 Miyazawa, 42.
Another finding is that plans categorized in real estate development/planning were rarely implemented, because these projects are large and they require time and cost to be implemented. Sometimes this approach resulted in failures. Some of these projects seem similar to a revitalization strategy in the United States, Commercial Real-Estate-Based strategies, which reported to be unsuccessful if they lack well ingrained tenant mixtures including local businesses. In addition, assembling of land is sometimes very risky; a resident in a municipality commented that because of assembling of land done by the city, “our commercial street has gone, because shop keepers obtain compensation for land and moved to suburbs.”

Adding to organizations and comprehensiveness, the rest of this section discusses the role of managers, because many officials commented on the need for good managers with strong leadership, without being asked about managers.

*A shortage of Managers*

Another interesting finding from the interviews is that 30% of city officials in charge of city center revitalization answered in open ended comments that the key to success is to have a manager who can lead community. Although the Organization for Small & Medium Enterprises and Regional Innovation (SMRJ) established the service to train managers, it seems that the numbers of managers are not sufficient. There were comments from some officials that “The town manager from SMRJ does not stay long enough to be effective in our community, because SMRJ limits the period in order to dispatch managers to more communities.” The other comments said that the officials in municipalities also cannot take

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59 Interview with a resident from a town, March 26, 2007.
the role of managers in many cases because their incumbent is too short to understand the necessary information for town management.

The presence of managers cannot be considered separately from the establishment of organization and the concept of comprehensiveness. As reviewed in the Chapter 2, the first thing that NTHP did for the pilot projects was hiring a full-time Main Street program manager for each community. The program managers’ roles were to coordinate project activities and to convince merchants, property owners, and city officials to spend their time and money that would create long-term benefits. Therefore, it is also said that a manager is the person who, as a coordinator, can watch comprehensiveness of the activities and, as an organizer, persuade merchants and residents to be involved in revitalization efforts simultaneously. In this means, the presence of manager have certain impact on establishing organizations and implementation of comprehensive projects.

Related to the shortage of town managers, there was also insufficient technical support for struggling cities and towns, and no mechanisms existed to promote the exchange of experience and ideas. Some researchers attribute these shortcomings to an excessive workload on the part of officials working for the City Center Invigoration Task Force. They were engaged in the task force as well as main ministries, resulting in too much workload. Therefore, the officials were always running out of time. In fact, the author found that there were efforts to organize information on revitalization plans and results based on the 1998 Law, but it seems that the effort was not completed. The author also found the officials are working too much; for example, an official was working until 4am the day before an interview. It seems to be necessary to have a central support system in the private sector outside of the Central Government.
From these findings above, a fact is understood that forging strong organizations, creating and implementing more comprehensive plans, developing managers, and establishing a central support system are the set of issues that should be dealt with in the next step of the revitalization effort in Japan.

4.4 IMPLICATIONS OF THE MAIN STREET PROGRAM TO THE JAPANESE SOCIETY

From findings in the previous sections, the following factors are considered to be the characteristic of Japanese city center revitalization efforts in comparison with the Main Street Program:

1. Japan has been less successful at maintaining organization and involving citizens
2. The concept of comprehensiveness in both of planning and implementation stages is not emphasized in Japan
3. A shortage of managers and they are not recognized as central to success
4. A strong nationwide support system for local revitalization efforts does not exist in Japan

The first factor refers to less success in maintaining organizations that can embrace different concerned groups including citizens, resulting from little attention to establish sustainable organization in Japanese revitalization efforts. Although the community involvement mostly refers to voluntary work in events, according to some comments, it could be expanded to establishment of a design committee and fundraising as in the Main Street Program. It is also notable that the Main Street model’s committee system in which
each of Four-Point-Approach has an independent committee provides a way to embrace
different concerned groups and expand community involvement.

The second factor describes a lack of comprehensiveness in the planning stage and
implementation stage in Japanese revitalization efforts. This causes from three factors; first
is an absence of managers as a coordinator, the second is an organization with imbalanced
stakeholders, and third is unfeasible plans including commercial real estate development and
merger of land. In particular, with respect to the focus on real estate development, the Main
Street Program’s incremental approach contends that “Built it and they will come” is not a
good advice.  

60 The small “hard” projects such as facade renovation, clean-up of street,
banners, street furniture, and plants could be more emphasized in revitalization efforts in
Japan like in the Main Street Program. At the same time, subsidies that have large impact on
implementation of plans could be reconsidered.

The third factor concerns little attention to the role of managers. Although there are a
few famous leaders of revitalization efforts in Japan, they are stand alone and the number of
them is not increasing. The main reason for this situation is that a few district management
organizations can afford salary for a manager. Additionally, because there is a tradition in
which strong elder merchants or residents lead the communities, the idea of hiring
professional manager is new to the Japanese society. Therefore, budget from governments
and communities are not established for many communities to hire professional managers.

The fourth point deals with an absence of a nationwide support system, such as the
NMSC, by which local organizations are able to be connected and are supported by
structured revitalization steps and precedents from all over the country. This seems related
to the absence of managers as there is not a system to train and prepare people to be

60 Robertson, 64.
effective revitalization managers. This nationwide support system also works to gather voices of communities through managers and bridge the needs of communities to the government. In these ways, the niches in Japanese revitalization efforts could be filled by the Main Street model, which could change a way of thinking about revitalization process, as well. That is, revitalization efforts need the community-driven strategy to complement the government-driven strategy. This change is also consistent with the broader trends of national policy reform illustrated in Chapter 3.

Concerning the public recognition of the Main Street Program in Japan, the first step was taken in the last year: a Japanese literature that introduces the program was published for the first time in 2006. The literature’s author, Masanori Adachi, describes that the program’s principle is “to revitalize communities in downtowns” emphasizing that the program serves not only for commercial people, but also for residents and visitors. He continues that the goal of the program is to improve a quality of life as a whole, and it could only be accomplished by holistic way such as the Main Street Program. The responses from the readers of the book and attendees in lectures are positive, however, people tend to say, “But I don’t know how to start it.” Therefore, it is crucial to find the way to start the model in Japanese society. As the Main Street Program have accomplishments in the variety of communities with its capacity for change, and the program is still evolving to encompass a wider range of struggling communities, a way to adapt the program into Japanese society would be found. The next chapter discusses initial development and the dissemination of the Main Street model through perspective of a person who pioneered the pilot projects of the Main Street project in the 1970s.

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62 Interview with Shunji Suzuki, January 15, 2007
CHAPTER 5

THE INITIAL DEVELOPMENT AND DISSEMINATION

OF THE MAIN STREET PROGRAM

From previous chapters, it is understood that the Main Street model is likely to remedy the limitations of the Japanese government-driven approach. The program could provide a way to establish and maintain an organization that maximizes citizen participation in local communities, maintains comprehensiveness in both the planning and implementation stages, pursues a strategy that values hiring managers, and establishes and uses a nation wide support system. A nationwide support system is particularly important in order to consult with communities, provide technical support, monitor activities, analyze cases, and communicate with other organizations nationally and internationally. However, the combination of being systematic and community-driven is counterintuitive those who think that systematic public activities are initiated by the Central Government and community’s activities are stand-alone. Therefore, the latter half of this study is devoted to looking at a way to develop and disseminate community-driven revitalization efforts in a systematic manner. Particularly, Chapter 5 focuses on establishment of a nationwide system, and Chapter 6 and Chapter 7 discuss a model that works at the community level. (Figure 5-1)
With findings from the previous chapter, it seems necessary for a nationwide support system need to be established by a private sector. However, private activities for revitalizing city centers in Japan are limited, and there is no group that encompasses the whole nation, according to Kinoshita. The examples of private organizations that are related to downtown revitalization are the National Federation of Shopping Center Promotion Associations (NFSCPA) and a few NPOs. The NFSCPA includes smaller merchants unions at the municipality level, which is also includes various kinds of merchants associations at the local level. There are 13,095 shopping streets associations and merchants associations that are connected by this system, according to the Shopping Street Survey in 2005. Although these shopping streets associations are corporations regulated by the law to promote shopping street unions, they are weak in terms of financial basis, and 76% of associations do not have full-time staff. Basic financial resources are memberships, revenue from parking business, and fees from reward card businesses. Main projects are improvement of the arcades and street paving that happens once in the decades, and merchants associations rarely work on improving businesses. Although this system was regulated by a law enacted in 1963, the system mainly has worked for receiving subsidies and does not correct tax for the regular improvement of the commercial environment, unlike the system of BID in the United States.63

As for a few NPOs, according to Kinoshita, there are two nationwide NPOs that related to public safety and street maintenance instead of direct town management organizations. One of them is the Guardian Angels Japan, which is a branch of Guardian Angels in the United States that promote public safety, established in 1979.64 Guardian

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64 Guardian Angels, http://www.guardianangels.org/history_full.html
Angels Japan has twenty-nine branches all over Japan and the NPO is the largest NPO in Japan. Another NPO is called Green Bird that clean-up streets in seven areas in Tokyo, Kanagawa, and Kyusyu. These are the only NPOs that contribute to town management and that structure local organizations with a centralized system.

Figure 5-2 shows a diagram of the idea that the combination of being systematic and community-driven is counterintuitive and indicates the state of discrepancy between the Main Street Program and Japanese revitalization efforts. The Main Street Program is a community-driven approach and systematic at the same time, making the program totally different from conventional Japanese revitalization efforts. This characteristic seems important for establishing a model, distributing information, and including more communities.

![Diagram of the idea that the combination of being systematic and community-driven is counterintuitive and indicates the state of discrepancy between the Main Street Program and Japanese revitalization efforts.](image)

Figure 5-2 Coordinate Axis of Structure and Initiative in Revitalization Effort

Figure 5-3 and Figure 5-4 compare the concepts of systematization of revitalization efforts in both the Japanese government system and the Main Street projects from the

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information in previous chapters. In the Japanese system, the Central Government directly connects numerous cities and towns from the beginning (Figure 5-3), while the Main Street projects show that the activity started from a small office of a non-profit organization and grew as the program obtained know-how (Figure 5-4). This mechanism is reasonable, because the initial development can be implemented with smaller resources and risks. That said, why this mechanism can be driven by a private organization for non-profit is a big question; it should be supported by strong motivation, funding and human resources. Thus, the following sections delve into the reason why a private organization for non-profit could establish the systematic community-driven approach, looking at first, the differences in the social environment of the United States in the 1970s and Japan today, and second, initial development and horizontal deployment of the Main Street Program.
Although there is a great deal of literature about the history of the Main Street Program, neither the underlying motivation of the people and organizations involved in the pilot project, nor politics undertaken by the NTHP have been examined yet. Although there might be many perspectives about motivations to realize the Main Street projects, this study introduces the perspective of the central person, Mary Means, who was working as a director for the NTHP from 1977 to 1984. Her perspective is considered to be central, because she was the person who came up with the idea to systematize downtown revitalization efforts, raised funding, and hired managers, connecting her perspective with all actors. Additionally, people who know more than official information are rare even in the NMSC today. The questions to her are categorized in four areas: 1) the social environment, 2) target communities, 3) the funding resource, and 4) the concept of hiring managers, including their relationship with existing civic associations. These four questions were asked to Means by e-mail in order to clarify the social environment in the United States in the 1970s and initial development of the Main Street Program.

1) Social environment

- What are the factors of social environment that related to the development of the Main Street Program?

2) Target communities

- Why was the program started from the small towns with a population of less than 50,000 rather than mid-size towns?
- What were the criteria for the selection of the pilot-project communities in the first pilot project in 1977 and in the second project in 1980?
- Why did communities apply for these projects?
Chapter 5

3) The funding resource

- How much did the National Trust for Historic Preservation spend on each project?
- What did motivations the founders have?

4) Concept of hiring managers and their relationship with existing civic associations

- What were the relationships between the new Main Street managers and the already existing civic associations such as merchants associations and neighborhood associations?
- Why did communities with the already existing associations apply for the Program?

Figure 5-4 shows the framework of this chapter. The goal of this chapter is to describe the picture of initial development of the Main Street model and identify obstacles for the development of the revitalization model in Japan.

Figure5-5 Framework for Chapter5
5.1 THE SOCIAL ENVIRONMENT FOR THE MAIN STREET PROGRAM

This section summarizes social environment of the United States in the 1970s, drawing upon comments from Means. She writes eight factors that created the environment in which the Main Street Program was developed: 1) isolation of small communities, 2) commercial trends related to the Federal Government’s policy, 3) approaches to revitalize downtowns, 4) incentives by the Federal tax code, 5) the nature of Chambers of Commerce, 6) the nature of merchant associations, 7) the roots of civic leadership and investment, and 8) revitalization models for historic downtown commercial areas. Interestingly, these factors seem more or less relevant to Today’s Japanese environment, and there is no emphasis on the factor related high crime rate, as some urban designers in Japan think as the strong motivation of citizen’s solidarity in the United States.

1) Isolation of Small Communities

There was no internet in the 1970s. Therefore, it was difficult for communities to access information in order to learn from other communities. According to Means, “word of mouth” and “occasional media coverage of a place” were the major way for people to learn about revitalization efforts in other communities. The perceptions of isolation in small towns are much stronger than they are today, and small towns believed that they were unique.

2) Commercial Trends Related to the Federal Government’s Policy

Commerce was pulling businesses from the historic Main Streets and downtown centers, and moving to suburban shopping malls. According to Means, at that time, “the strip shopping centers and the enclosed regional shopping centers were popping up like
mushrooms after a rain,” following the suburban residential development. Residential
development was sprawling to suburban areas, accelerated by the Federal transportation
programs and subsidized home mortgages.

3) Approaches to Revitalizing Downtowns

Means suggested that “large-scale urban redevelopment” and “bootstrap paint-up
and fix up theming efforts” were the approaches for downtown revitalization efforts.
According to her, “large-scale urban redevelopment” referred to the creation of pedestrian
malls and the demolition of traditional commercial blocks in order to build cookie-cutter
shopping centers without appropriate shopping center management. “Bootstrap paint-up and
fix up theming efforts” were represented by quaint themes such as “Swiss Town,” “Czech
Village,” “Victorian Town,” and “Colonial Village.”

Means believes that these approaches eliminated traditional buildings, provoked
scale conflict in smaller cities, and lacked sustainability. Scale conflict resulted from the fact
that these redevelopment approaches started from large urban areas and were copied to
smaller towns without considerations on the difference in block size. Unsustainable
development occurred based on the misperception of the time: “Build it and they will
come.”

4) Incentives by the Federal Tax Code

According to Means, the Federal tax code was promoting new building, and
developers took advantage of this code, resulted in excessive development of regional
shopping centers in the 1970s. On the other hand, because the Federal tax incentives for the

67 Field of Dreams, quoted in the response from Means and Robertson, 64.
historic preservation were not established until 1976, the reuse of old buildings was too risky for developers and architects.

5) The Nature of Chambers of Commerce

Means also notes that the nature of Chambers of Commerce was changing in the 1970s, from downtown advocate to more complicated organizations that involved wider stakeholders including suburban businesses. Thus, Chambers of Commerce could not focus on downtown revitalization.

6) The Nature of Merchant Associations

Merchants associations lacked the capacity to implement more promotional activities than several sales events in a year and Christmas lighting. The reason why is that shopkeepers were independent and a shop keeper had to take care of one’s shop all day long. Adding to it, local governments did not have complex revitalization strategies and could not deal with a decrease of tax revenue that resulted from downtown decline, according to Means.

7) The Roots of Civic Leadership and Investment

Means notes that local banks and department stores, which were more locally owned in the 1970s, attracted people and generated customer traffic, contributing the sales of small retailers. Moreover, the owners of these large local businesses had political power and led the community. However, local banks have been merged with national banks, while local department stores have been relocated to the shopping centers or taken over by companies.
operated in other places. Because these national banks and remotely operated companies are not interested in contributing to local communities, local downtowns lost leadership and investment.

8) Revitalization models for historic downtown commercial areas

According to Means, there were no models for revitalizing historic preservation of downtowns in the 1970s. Even some of the most historically important buildings were abandoned or about to be torn down by inconsiderate development.

5.2 THE INITIAL DEVELOPMENT AND PILOT PROJECT OF THE MAIN STREET PROGRAM MODEL

Under these conditions that are very different from the current social environment stated above, Means was hired by the NTHP to be the director of the second regional office, the mid-west office in 1977. With a strong interest in the “social and community-building role” of old downtowns, she dealt with the historic preservation and found patterns in the crisis in old downtowns along with the crisis in historic buildings. From these findings, she felt that the NTHP needed to take a more systematic approach on historic preservation for downtowns. The approach in her mind included making research on strategies for preservation, recording these strategies, and promoting them using a book and film. It was for this research that the NTHP conducted a demonstration project and planned to end the project in three years. The following section summarizes the initial development and piloting of the Main Street Program model according to an interview with Means.
Target Communities

The demonstration program started from small towns with a population of less than 50,000 rather than mid-size towns, because the NTHP did not have a strategy to deal with complicated environment, including economics and policy, in mid-sized communities, according to Means. The NTHP considered that the small communities were more manageable than the larger communities. Additionally, since the mid-sized towns were not struggling with out-migration of businesses as much as the small communities, the NTHP decided to reach out to the small communities first.

For the criteria used to select pilot-project communities to demonstrate the program in 1977 and 1980, Means stated that NTHP checked four points and balanced them: the character of historic buildings, the presence of possible organization, the ability of the community to get something done, and an economy that is not in complete shambles. It is interesting that the NTHP looked at the possibility of recovery first, because the Trust needed “success stories” to increase the number of communities involved. The members of the NTHP visited 10 finalist communities out of 70 communities that applied, and chose three communities. Those three communities were selected because of differences in their geography and size.

The reasons that communities applied for these demonstration projects were that the communities wanted to be recognized in order to receive assistance and to show the ability of the community to revitalize. Means notes that the key was the “competitive spirit,” in which community members think really hard to identify their problems, ideal solutions, and resources to realize solutions in order to win the support.

68 A Community with population of less than 50,000 is defined as a small community by the Federal Government, according to Ms. Means.
Funding Resources

Means writes that the amount of money that the NTHP spent on each project was about $25,000- $30,000, including design services, studying market, and coaching for each community. In order to have communities commit to the projects seriously, the NTHP required them to pay about $10,000 to $12,000.

Concerning to the motivations of Main Street pilot project founders, a donator, Bird & Sons, funded a grant program for the United States Bicentennial in 1976 and obtained advertising in exchange for the financial support. Moreover, the company’s market, materials used in renovating old building would benefit from successful historic renovations; it offered $500,000 to the Main Street project with a condition to make the film first.

The concept of hiring managers and their relationships with existing civic associations

With regard to the concept of hiring a manager, Means inspired by a downtown revitalization project in Corning, NY that was funded by a large glass manufacturer headquartered in the town. Means visited Corning to see a major downtown revitalization program that had been successful and observed the role of an architect who was working as the manager of the project and who was out on the street most of the time. Means realized that a professional manager was essential for the program, identifying the importance of a manager for quality control and dynamics to recover the physical environment of a downtown. She looks back at the pilot project and concludes that to have manager was “a

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69 The amount of money is in 1976. It is $89,410 to $107,293 in 2007, according to the Inflation Calculator provided by the U.S. Department of Labor Bureau of Labor Statistics. (http://data.bls.gov/cgi-bin/cpicalc.pl)

70 In the same way as above, the amount of money is $35,764 to $42,917 in 2007.

71 In the same way as above, the amount of money is $1,804,499 in 2007.
critical factor in success: our work demonstrated conclusively the key role of a talented professional.”

The relationships between the new Main Street project managers and existing civic associations differed by the community. It is notable that the managers were all new to the communities. In Galesburg, the manager spent the first year getting to know everyone, construct relationships, and renewing the existing downtown organization, which was operated by a conservative elderly director and was abandoned by talented people. The Main Street manager had to find younger business people and property owners and persuade them to take over the old organization. In Madison, Indiana, the NTHP had an office in the existing preservation group, Historic Madison Inc. The Main Street manager was looking for younger persons who could be potential leaders, and encouraged them to work together in an existing organization or to form a new organization.

The reason why communities with already existing associations applied for the pilot projects is because the communities know that their existing organizations were struggling and did not have the capacity to deal with the downtown revitalization. Figure 5-6 summarizes the first pilot project.

![Figure 5-6 Mechanism of the First Main Street Pilot Project in 1977](image_url)
Chapter 5

The second demonstration project

The second demonstration project was implemented, because the film that was released in 1979 and broadcasted on the PBS triggered great attention from the media and numerous communities. Means recalls that “Hundreds of towns were calling, writing the NTHP wanting help,” although there were only six people who knew the projects in depth to support other communities. The six people were herself, a coordinator, a writer, and three managers for the pilot projects. However, the NTHP neither had a plan to develop the project further nor funding resources for another project. Therefore, Means started fundraising to keep the activity going. The International Downtown Association (IDA) helped to connect Means to the White House and HUD, because the association’s members included small towns as well as big cities that were their main focus. The connection worked well, because the revitalization of the domestic economy was a priority for the Carter Administration, which witnessed the several failures of several economic policies and the oil crisis in 1979. Politicians perceived that the Main Street Program could be a method to control the relentless development of areas outside of cities (now the controlled development is called the “Smart Growth”) and encompassed downtown revitalization, transportation, economic development, and small businesses. Therefore, more than nine federal agencies agreed to the Main Street project and supported another three year demonstration and establishment of the NMSC.

This second demonstration project in 1980 involved state governments, because one of the findings from the first pilot projects was that a supportive platform was vital for managers to deal with the frustrating revitalization work that required daily conversation with Means. However, it was obvious that the NMSC would not be able to provide enough
support to towns directly, because towns were too numerous, and they had different conditions according to their geographic areas. Therefore, the NMSC with the White House and other Federal agencies created a logical framework, an intermediary platform operated by state governments, and the White House invited states to another competition. The criteria for the competition were tougher and required the states to hire at least one full time manager, provide half of the cost for hiring Main Street managers in five towns, and gather agencies into a group that created a sustainable state program. Thirty-eight states applied for the competition and six states were chosen.

**Means’ views on the current condition of the Main Street Program**

With respect to the current condition of the Main Street Program, Means comments that the program has not changed in response to the change of society over time. She also points out that the program has still employed the training material that she and her colleagues developed in 1980 for the managers involved in the second demonstration project. However, she argues that the Four-Point-Approach still works as an “integrated conceptual framework” for downtown revitalization. In addition, she thinks that today’s information technology will greatly help the smaller towns and that the environment to make revitalization efforts is better now.

**5.3 COMPARISON OF THE SOCIAL ENVIRONMENT IN BOTH SOCIETIES**

Table 5.1 shows a summary and comparison of the social environment in the United States in the 1970s and in today’s Japan. This comparison also introduces the motivations of citizens that supported the Main Street Program, because it is considered that the negative
conditions for downtown in the United States in the 1970s created needs for development of the Program. Although the social environment in today’s Japan is different from that, the table shows that still there are reasons to develop a community-driven revitalization model.

Table 5-1 Summary of Similarities and Differences in Social Environment

<table>
<thead>
<tr>
<th>Social Aspects</th>
<th>United States in the 1970s (Negative factors for downtown)</th>
<th>Today’s Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Differences (Positive for downtown)</td>
<td>Similarities (Negative for downtown)</td>
</tr>
</tbody>
</table>
| 1 Information Technology (IT) and Isolation of Small Communities | • No information Technology (IT)  
• Small Communities were isolated | • IT is well developed  
• Isolation of small communities  
• Absence of younger people with IT skills in small communities |
| 2 Commercial Trends Related to the Federal Government’s Policy | • Businesses were moving to suburbs  
• Residential development was sprawling  
• Federal Government’s Policy prompted suburban transportation development and subsidized housing mortgages | • A law restricted development outside of urban area  
• Businesses were moving to suburbs  
• Residential development was sprawling  
• Large mass retailers cannot open shops in downtown due to small lots of land |
| 3 Approaches to Revitalize Downtowns | • "Large-scale urban development" and "bootstrap paint-up / fix up theming efforts" were the approaches for downtown revitalization efforts. | • There are some examples of old building reuse in new development  
• Large urban development, high-rise multi residential buildings, shopping centers |
| 4 Incentives by the Federal Tax Code | • The Federal Tax Code promoted new building and resulted in excessive development of regional shopping centers  
• The reuse of old buildings was risky for developers and architects | • The central government’s subsidies and tax incentives for downtown revitalization  
• Tax incentives are more friendly to larger cities |
| 5 The Nature of Chambers of Commerce (C.C.) | • C.C.s served for wider stakeholders than downtown commerce | • Because of TMO activities, there are many C.C.s that focus on the downtown revitalization  
• C.C.s served for wider stakeholders than downtown commerce  
• Staff cannot stay in one position for a long time |
1) Information Technology (IT) and Isolation of Small Communities

There are two negative factors in Japan’s column, though the progress of IT is a large advantage compared to the United States in the 1970s.

One negative trend is an absence of younger generations and another is an isolation of small communities. An absence of younger people implies needs for a younger manager who brings new skills and ideas to a community and who finds other talents in the community as in the Main Street Model. The reason for another negative trend, isolation of small communities might be the pride of the old families that have lived in the same area through multiple generations. These families tend to believe in their uniqueness and build an invisible barrier to new comers who try to bring new ideas and skills. Although it is valuable to believe in their uniqueness, and pride is essential for revitalization as Means suggests, the
barrier to new ideas is an obstacle to changing the environment. This situation could form demand for connection to other communities through managers and a support system.


As in the United States, there has been the same commercial trend in Japanese city centers since the 1970s, as explained in Chapter 4. That is, residential development focused on suburbs and shopping malls and public facilities followed housing. However, today's Japanese Government has revised the policy and has already limited the development of facilities that attract large crowds outside of cities. This condition creates the demand from mass retailers for innovative way to open shops in downtown areas. The cities that expect large retailers to increase tax revenues are also need solution for this condition. In response, the new revitalization model could offer solutions such as the corrective use of dispersed shops that are owned by multiple owners. A precedent for this solution exists in the United Kingdom: Boots, a mass drag retailer, initiated the town center management to revitalize a town center in Falkirk, Scotland in 1988. 72 This move ended up in the large social movement and the creation of a nation wide association of town center management. Another precedent for this solution exists in Japan as well: a large department store in Kyoto has established a strategy to open independent shops on streets by renting small shops around its building in order to attract customers to the city center.

72 E-mail from Simon Quin, the Chief Executive of Association of Town Center Management in the United Kingdom, April 2007.
3) Approaches to Revitalizing Downtowns in Japan

Similar to the United States in the 1970s, approaches to Revitalize Downtowns are composed of large urban development, construction of high-rise multi residential buildings and shopping centers on the assembled land. Those approaches are perceived as negative by people who value urban settings with a human-scale, scholars who support traditional street lives, and communities that value traditional relationship with neighbors. These groups of people are possible supporters to disseminate the new revitalization model.

Although there are some renovation projects that use old housing, warehouses, and bank buildings, demolition of old buildings continues at the same time. Thus, the extent to which the old buildings exist is unclear. Additionally, it is often difficult to see values in the buildings built after 1960s, because many buildings were built in the cheapest manner or fake-something-style using cheap materials.

4) Incentives by the Federal Tax Code in Japan

According to the Central Government and the All Japan Real Estate Federation, not only the regulation of suburban development of the large retailers, but the New City Center Invigoration Law also provides subsidies and several tax incentives for downtown revitalization. There are four categories of subsidies and tax incentives for downtown revitalization: a) capital improvement, b) increase of housing units in city centers, and c) activation of businesses and commerce in city centers. Some examples of these incentives follow.

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a) As for capital improvements, there have been subsidies called “machi-dukuuri kofu-kin” (downtown development subsidy for capital improvements) since 2002, and the subsidy remained after the new Invigoration Law. It is unique as Japanese subsidies because it does not specify the kind of projects it should be used for: the subsidy allows the local governments to decide projects to use the money on, including reusing of vacant shops, operating community transits, laying power lines underground, improving open spaces and street furniture, and creating open pedestrian malls.

b) Concerning the increase of housing units in city centers, two tax incentives were enacted. First is a preferential measure of tax incentive for residential developers who construct appropriate housing in the city centers. The city centers are defined by the new revitalization plans to which the Central Government gives accreditations, and two plans were certified as of April, 2007. The second is a Tax incentive for property owners who sell their properties inside of city centers to residential developers who provide appropriate housing, including mixed use.

c) With respect to activation of businesses and commerce in city centers, the government created a tax incentive for business owners who sell commercial property in suburban areas and then purchase new property in city centers. The government also expanded the geographic areas where land exchange for new development can utilize tax incentives in order to reorganize town blocks for certified businesses. That is, the geographic area for this tax incentive used to be limited in the cities with a population of more than 100,000, and the new incentive added city centers defined by new revitalization plans.
In this way, unlike the United States in the 1970s in which governments promoted suburban development with tax incentives, the subsidy and tax environment in Japan today is friendly to downtown revitalization. However, some subsidies and tax incentives are more friendly to larger cities because the area is limited to city centers defined by new revitalization plans that are difficult for smaller cities to gain accreditation by the Central Government. One reason for this situation is that the new town management organization, the City Center Partnership, is difficult for smaller cities with population of less than 100,000 to realize because of a lack of human resources. Table 5-2 shows current state of establishment of City Center Partnership by size of cities. Larger cities are preparing such organization, whereas small cities with a population of less than 50,000 are slow or giving up on organizing them. The cities that already have certified plans were Toyama (population: 421,156) and Aomori (population: 311,492). Therefore, Japan’s current situation in terms of tax incentives is considered to be friendly to downtown revitalization in larger cities, and smaller communities are more likely need the systematic community-driven revitalization model than larger communities.

<table>
<thead>
<tr>
<th>City Size</th>
<th>Established</th>
<th>Establishing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cities (pop&gt;500,000)</td>
<td>20% (1)</td>
<td>20% (1)</td>
</tr>
<tr>
<td>Med-size Cities (500,000&gt;pop&gt;50,000)</td>
<td>8% (3)</td>
<td>45% (16)</td>
</tr>
<tr>
<td>Small Cities &amp; Towns (50,000&gt;pop)</td>
<td>0% (0)</td>
<td>7% (1)</td>
</tr>
</tbody>
</table>

Resource: Interviews, March 2007

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74 "Machi-dukuri kyogikai" in Japanese
75 Interview with a city official, March, 2007.
5) The nature of Chambers of Commerce in Japan

Like Chambers of Commerce in the United States, the Japanese Chambers of Commerce need to encompass wider businesses including suburban shopping centers. However, TMOs that were largely created by the Chambers of Commerce under the old Invigoration Laws enhanced their focus on downtowns. Some of the staff in Chambers of Commerce is enthusiastic to deal with city center revitalization, taking the role of town managers. However, like the government employees, they need to move to other division occasionally and cannot build long-term relationships with communities in revitalization activities officially.

6) The Nature of Existing Merchant Associations in Japan

The Nature of Existing Merchant Associations is in a similar condition with those of the US 1970s: members on these associations are aging. Although this condition is not necessarily negative because there are a few communities known for senior merchants who lead the regeneration of old shopping streets such as Sugamo Jizo Shopping Street, most of communities are outdated. In many places, community residents are feeling that such an old shopping street does not meet their needs of daily lives. This creates the demand to renew the old shopping street and draw younger shopkeepers.

7) The roots of civic leadership and investment in Japan

Unlike the American traditional leadership situation before the 1970s in which the local banks contributed to community development, Japanese local banks have been, so to

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76 Sugamo Shotengai in Japanese. The shopping street is located in Tokyo.
say, “the branches of the Central Bank.”

Therefore, they did not have the idea to contribute to local areas unless the Central Government and Bank made the policy that promoted local contribution. Additionally, most of the Japanese local banks of today still do not have capacities to examine small businesses and start-ups business conditions through their cash flows, and they use fixed assets and the past business records to measure the businesses’ ability, making it difficult for the new businesses to borrow money from the local banks.

However, there are a few emerging community banks that gather money from citizens and provide funding to social oriented businesses, including NPOs. These banks are expected to grow and take a role of the “Community Development Finance Institution.” If the new revitalization model could offer the self-sustain financial tool or pool of funding using these new types of banks, it may create strong demand.

As for the local department stores in Japan, they had leadership in local commercial districts, and many of them merged with national chains as well as in the United States. However, even as a store in a large group, some of them have leadership on the commercial district in current Japan. Rather, today, the large anchor store’s trend of pulling businesses from the city centers is considered to be a problem.

8) Revitalization Models for Historic Downtown Commercial Areas in Japan

In Japan, there are some revitalization cases using historic assets, however, the models from these projects have not yet been established. Although exchanging ideas and visiting model projects occurs often among involved organizations, a model that is adapted to numerous communities does not exist. A merchants from a successful downtown

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77 Comment from a consultant, March 2007.
78 Interview with a researcher, March 2007.
79 Kinoshita’s blog, http://blog.revitalization.jp/?eid=471235
commented that “many groups come to see our project and say this is very unique and different from our case.”

An absence of a revitalization model leads an inefficient learning process. For example, communities often visit other successful communities only to increase voluntary work in the part of the successful communities and see only superficial parts of the cases. Successful communities often face difficulty by increasing workload to attend other communities. Therefore, there are needs for a nationwide system as an appropriate distributor of a revitalization model and tools from not only struggling communities, but also successful communities that provide know-how.

This comparison above focuses on negative factors. On the other hands, positive factors might be considered to be reasons that weaken the demands for a new revitalization model. However, these elements should be utilized as advantages for establishment of the new model. For example, more efficient advertisement of pilot project could be realized by using IT, including manager’s blogs, mailing lists that enhance communications, and management of small shops. TMO experience in the Chambers of Commerce could be utilized in new organizations. For example, some staff in Chambers of Commerce could work as new town managers.

As seen in the above comparison, there seem to be motivations for undertaking community-driven downtown revitalization efforts in the smaller communities, mass retailers, cities, community members, scholars, small businesses, and civic organizations, because they are impacted negatively by today’s social trends in Japan. In addition, with

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80 An comment from a merchants in Kawagoe, January 2007.
81 Interview with Kinoshita, January, 2007.
some enhancement and adjustment to the Main Street model, a new revitalization model seems to be able to discover communities’ wants in today’s Japan.

Moreover, there are three advantages in organizing community-driven approaches systematically in a private sector: 1) communities with smaller resource can start revitalization activities, 2) communities can be connected through a central support system, exchange information efficiently, and reduce not only burden for successful communities and also feeling of being isolated, 3) the central support system’s staff who are in charge of revitalization effort can stay in the same position for long time unlike government officials.

The next section discusses the difference in system in the Main Street Program and Japanese revitalization efforts and a way and obstacles to develop a nationwide system for downtown revitalization in the form of a private organization.

5.4 OBSTACLES IN THE INITIAL DEVELOPMENT OF THE REVITALIZATION PROGRAM IN JAPAN

This section first compares the systems of community network in the Main Street Program and Japanese existing systems. Following that, this chapter summarizes obstacles in initial development of the revitalization program drawing upon the experience of Kinoshita, who has been researching shopping street revitalization as well as practicing it as a consultant for several shopping streets all over Japan. Although his expertise is business and he is developing a corrective management model of shopping streets, his attempt to establish a nationwide support system of shopping streets has many lessens for a district management model. This section first compares the Main Street Program and Japanese systems and discusses the strengths and weaknesses of both structures. Second, Kinoshita’s
model is introduced with obstacles that he experienced in the course of initial development of a nationwide support system.

**Comparison of Community Network Systems**

Figure 5-7 shows the mechanism of the first Main Street pilot projects in 1977 and in 1980, and Figure 5-8 shows the current state of relationship among communities concerning downtown revitalization in Japan. In the case of the Main Street model, a manager stayed in a community and had an office in the community. The pilot projects were documented and broadcasted through the PBS, in order to 1) show pilot projects to local communities, 2) advertise founders to the public. However, the pilot projects' ultimate goal is to develop a revitalization model.
On the other hand, as shown in Figure 5-8, in the Japanese current system, communities attempt to learn from successful communities either directly or through documentation by the government, but the attempts are not always successful, because sometimes communities learn about the superficial parts of efforts such as events. In addition, as stated in the previous section, attending to an increasing number of visitors who want to learn successful cases and requests from the government to document success cases has become a burden to successful communities, because often these learning activities are done without compensation. Successful cases are also vulnerable because they cannot get constant financial and technical support from the outside.

![Diagram](Figure 5-8 Current System of Connecting the Revitalization Cases in Japan)

Figure 5-9 shows the first attempt to establish a nationwide support system for shopping streets in the form of a private organization, called the “Shotengai (Shopping Street) Network” led by Kinoshita from 2000. The Shopping Street Network is co-founded
by twenty shopping street associations\textsuperscript{82} and has nine board members, including five regional representatives, two managing directors, and two operating officers. These shopping streets are connected directly to the central office and obtained services such as mutual aid disaster insurance and experimental projects initiated by the Ministry of Economy, Trade, and Industry (METI).

\textbf{Figure 5-9} System of the \textit{Shotengai} Network

\textsuperscript{82} These shopping streets associations are corporations regulated by the law to promote shopping street unions, as described in page 71.
Three Obstacles

Although the Shotengai Network's businesses are conducted well, Kinoshita finds three obstacles to expand this system and service domains as a private organization: 1) fundraising, 2) specific issues to each community, and 3) a shortage of workforce.

1) First, he realizes that fundraising is extremely difficult from government, communities, and private sectors. Kinoshita notes that governments are still slow to utilize private sectors, because there still remains a conventional skepticism among officials towards private sectors and tendency to believe that only government could implement projects that benefit for public. Although Kinoshita admits that recently the Central Government is promoting NPOs, as stated in Chapter 4, he does not think that there is an approach from the Central Government to utilize a NPO to establish a nationwide support system for downtown revitalization, and also there is no such organization that has capacity to take on the role.

In the communities' part, communities tend to rely on the Central Government's "free" provision of knowledge in successful cases, according to Kinoshita. For example, the Waseda shopping street, for which Kinoshita worked as a consultant, developed a tool named the "eco-station" that utilizes vacant shops to connect community members using the can and paper recycling system. The "eco-station" is a big hit, because this recycling system is combined with a lottery game in which customers can win discount coupons for the shops.
in the shopping street. The Central Government made informational document about the system for free and provided subsidy of \( \frac{2}{3} \) of the cost for the same projects. As a result, eighty shopping streets employed the system. However, the *Waseda* shopping street did not receive any money for the system. In this way, it is difficult for an organization to establish a business model using a revitalization tool, and at the same time, other communities do not have custom to pay for the revitalization ideas. Or communities do no pay until they see the clear effects, making it hard to raise funds before projects realized.\(^8\)\(^3\)

In the private companies' part, first, because the market related to community development is still small, there are little businesses that related to this field. Second, donation is rarely happen, because there is no tax incentive for private companies to donate for public projects, and community organizations lacks skills to gather donations and return benefits to founder in some forms, according to Kinoshita.

2) The second obstacle Kinoshita finds is that, though communities have similar issues, the structure of concerns is specific in each community, making it difficult to solve the problems with a common model. For example, motivation of involved people, the way owners own properties (concentrated of dispersed), and status of a key person are different, requiring very different approaches for each community. Additionally, the levels of the issues are different too; some communities are more severely struggling than other communities.

3) Related to the second point, the third obstacle Kinoshita finds is that it is hard for the *Shotengai* Network to deal with communities remotely. In other words, other than the staff in the central office, the organization needs to hire local staff who has ability to consult businesses and promote projects, which is difficult without large financial support.

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\(^{83}\) Interview with Kinoshita, January, 2007.
With these findings, Kinoshita is trying a new business model in which he limits the communities to support: communities need resources to receive consulting by Kinoshita. He also asks consulting fee from gap between the past operation cost and new corrective operation cost that Kinoshita provides the technique. He intends to deploy the model if he could succeed to run the model in a few communities.

From Kinoshita’s experience, it is understood that the largest obstacle for establishment of a nationwide support system is to raise funding from government, private companies, and communities. Particularly, it is crucial to 1) change the way of government’s “free” sharing of know-how and models in order to foster the basis to raise funding by innovation and dispersion of successful models. Kinoshita’s experience also shows that 2) hiring staff who works in local communities is important and budget for the salary of managers is necessary. Additionally, as the Main Street model, it is feasible to 3) start from a few communities. Although Kinoshita focuses on economic reconstruction for shopping streets and not on offering historic preservation nor district management as the Main Street Program, the obstacles he found seems to be common in initial development of private nationwide support systems for downtown revitalization.

With these findings, the next chapter discusses factors in the local success if the revitalization efforts and dissemination of a revitalization model.
CHAPTER 6

FACTORS IN THE LOCAL SUCCESS AND DISSEMINATION
OF THE MAIN STREET PROGRAM

In the previous chapter, the social environment that created the ground for the Main Street Program and that reasons to seek such a program in today’s Japan is explained. The chapter also introduces the Main Street Program’s initial development process and potential obstacles in the course of establishing a nationwide support system in Japan. In the following chapters, factors that lead community’s revitalization efforts success are discussed, in order to find a way to develop a revitalization model. In particular, this chapter first summarizes the factors in local success in the Main Street Program, and the next chapter looks at grassroots downtown revitalization cases in Japan. Using these cases, the next chapter discusses relevancy of the Main Street model to Japan and a way to create a model that best fit to Japanese society, referring the factors of the Main Street’s local success.

6.1 FACTORS IN THE LOCAL SUCCESS AND DISSEMINATION
OF THE MAIN STREET PROGRAM

This section summarizes factors of local success according to an interview with Means, the NMSC’s website, and literature reviews. From these resources twelve points seem to comprise the Main Street Program’s local success: 1) understandability of the concept of the “Four Point Approach,” 2) role of the Main Street Manager, 3) local pride and the role of the historic downtown as the heart of the community, 4) grassroots and bootstrap approach, 5) measuring the economic impact, 6) branding, “the Main Street Project”, 7) the
Main Street film created before the projects were finished, 8) incremental approach, 9) the significance of the Main Street for wide society, 10) partnerships with both the public and private sectors, 11) identifying and capitalizing on existing assets, and 12) capacity for change in mind and practice.

1) Understandability of the concept of the “Four Point Approach”

The first factor is understandability of the concept of the “Four Point Approach,” which works as a conceptual frame that has capacity to drive numerous activities to address the issues facing downtowns. Means and colleagues strategically crafted this “Four Point Approach,” extracting the essential factors to categorize approaches, and posting the relevant issues and actions under them. (Photo 5-1) A great deal of literature and comments attest the impact of this approach. Robertson, a researcher of the Main Street Four-Point Approach, notes that “Countless other communities not officially affiliated with NMSC have adopted this approach as well.”

Hillary Greenberg, a downtown consultant, says that this approach “is almost a religion for some of these towns.”

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84 Robertson “The Main Street Approach to Downtown Development: An Examination of the Four-Point Program,” 56.
Additionally, Means notes that she would add the fifth point that is “sustainable funding,” because the most local Main Street programs have difficulty after their third year because there are community members who do not pay membership but enjoy benefits. The Main Street Organizations that are supported by Business Improvement District tend to be more stabilized, according to Means.

2) Role of the Main Street Project Manager

The second factor of the local success is the role of the Main Street project manager, by Means’ definition. She and colleagues strategically made the case for the value of having a person who deals with the downtown revitalization full-time. The significance of managers can be seen in the fact that the Main Street Program’s accreditation requires to have “a paid, professional executive director.” (Currently the NMSC calls a manager as a “director.”) The NMSC website defines skills necessary to be managers as follows.

Coordinating a successful Main Street Program requires a trained, professional staff person. While Main Street directors come from a broad range of academic and professional backgrounds, the most successful executive directors are those who are good communicators; who can motivate volunteers; and who have good project management skills, being able to keep the revitalization program's many activities moving forward on schedule and within budget.\(^\text{86}\)

The role of the manager includes quality control. This aspect is emphasized in the NMSC’s website, being applied to all elements of the process, storefront designs, promotional campaigns, and educational programs. The NMSC alerts that low cost and "cut and paste"

\(^{86}\)“The National Main Street Program Accreditation: The 10 Standards of Performance,”
http://www.mainstreet.org/content.aspx?page=2121#7
efforts increase a negative image of the commercial district and recommend to “concentrate on quality projects over quantity”.

In addition, Means notes that it makes great difference to have a coordinator who watch the whole picture of projects, structure fracturing processes, and keep track of all the steps taken by managers. The role of the manager and coordinator also includes measuring the impact of the program.

3) Local pride and the role of the historic downtown as the heart of the community

The third factor is local pride and the role of the historic downtown as the heart of the community, because people cannot accept that the identity may be dying. Means noted that for a smaller community, the identity of the place is more important factor for the successful revitalization efforts than tax base, retail sales, or jobs. Douglas A. Loescher reports in the *Main Street Success Stories* that successful Main Street programs have capitalized on the existing unique assets that give the community a sense of belonging and pride. He defines unique assets as “distinctive buildings, neighborly shop owners, and a human scale that can’t be copied out on the strip.” He also quotes a manager’s comment, saying “We view ourselves as one seat at the table shaping the future of Franklin.”87 This manager was working for the Main Street Program in Franklin, Tennessee and succeeded to drawing attention to a downtown’s old building, which was protected by historic zoning ordinances and activated in long-term plans as a result.

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4) Grassroots and bootstrap approach

Means defines the fourth factor in the local success is the grassroots and bootstrap approach of the Main Street Program that does not depend on government action. The importance of this approach is mentioned as an essential factor for successful revitalization efforts by many people the author met. In addition, the NMSC website announces “self-help” is a “time-tested” factor to be successful, emphasizing that local leaders have to mobilize local resources and talent and convince residents and business owners to participate in the activities for themselves. 88

5) Measuring the economic impact

The NMSC announces Reinvestment Statistics of the Main Street Program from 1980 to date. It says that “the cumulative success of the Main Street Approach and Main Street programs on the local level has earned a reputation as one of the most powerful economic development tools in the nation.” The NMSC collects statistical information on economic impact in local Main Street programs nationwide every year. 89

According to Means, she and colleagues instinctively decided to measure economic impact of the first pilot projects. Three indicators are used to measure the impact of pilot projects: 1) the number of vacant buildings, 2) the average rent per square foot, and 3) the number of businesses that were started and closed. Furthermore, they took pictures of every building to record the conditions of “before” and “after.” This data was collected every year and demonstrated the value of the Main Street approach. She also notes that this

measurement activity became the Main Street indicator system and has evolved into one of the largest and the best sources of information about revitalization efforts in the United States, consequently.

6) Branding, "the Main Street Project"

Loescher writes that "Main Street...the name conjures up rich images of Saturday nights, trips to the department store, 'scooping the loop,' neon, independence Day parades, hot coffee, Ward and June Cleaver, city hall, the past, and the American Dream." 90

According to Means, the names, "the Main Street Project" and "the National Main Street Center," provoked strong emotional responses in people and communities in the United States. She also notes if the name was "the Downtown Revitalization Project," only experts and seriously involved people would be interested in the project, ending the project in three years. The naming became a brand that told a message, "The Main Street is in trouble and decline. You can do something about it. You don’t have to wait for outside help, for big government renewal programs. There are things that you and your community can do."

In addition, a Main Street manager commented that the brand of “Main Street” guarantee good environment for small businesses, making business recruitment easier. As "Main Street Program" recognized by wider society, the shopkeepers came to know that there are advantages in “Main Street,” such as improved physical environment, corrective promotions, consulting services by managers, and attention from neighbors. 91

90 Loescher, 1.
91 Comment by a Main Street Manager, August,2006.
7) The Main Street film created before the projects were finished

As described in Chapter 5, the first Main Street pilot project was recorded in a film in order to broadcast to all over the nation. According to Means, the film described the reason of the Main Street Program; why it was important to resume the Main Street and did not show the entire process of the revitalization strategy, making numerous communities eager to obtain the know-how. As the demand for the know-how was building toward the peak, the pilot project team crafted the methodology and the training programs. Additionally, the second project attracted wider public interest because the second demonstration project involved states. As a result, thirty eight states applied for the six seats for the second demonstration program. Even the other states funded the NTHP to establish national network.

8) Incremental Approach

Means and the NMSC also emphasizes that an incremental approach makes the program successful and different from a mega-project base revitalization strategy such as a pedestrian-mall-main-street, bulldoze redevelopment, and construction of a new convention center. The Main Street Project takes many small steps, reducing the risk of losing money. More importantly, the damage to the community’s confidence is less.

The Main Street Success Story attests this factor, showing the age of successful Main Street Communities. The averaging age of forty-four communities is nine years. Loescher mentions “Basic, simple activities lead to a more sophisticated understanding of the
revitalization process and help members of the community develop skills to tackle more complex problems and ambitions projects."\textsuperscript{92}

This concept also includes the notion of “implementation” that is noted by the NMSC as a factor of success. This notion refers to the act of showing visible results that can only come from completing projects and reminding people that revitalization efforts are going on. By implementing small feasible activities in the beginning, the program paves the way to larger activities by itself.

9) The significance of the Main Street for wide society

Meant first thought that continued relevance of the program happened because of the good memories of Main Street that most American people had. However, the following fact changed her mind; that is many younger American people like Main Street even if they do not share the memories. This fact was drawn from the situation in which the retailers and commercial developers create new “free-standing life-style centers,” influenced by the concept of the Main Street. She also suggests the influence of Main Street in “mixed use activity centers” emerged in Atlanta, Pittsburgh, Columbus OH, and Boston. A research that compares the Main Street Project driven by the communities and the private developers also illustrates the same phenomenon.\textsuperscript{93}

\textsuperscript{92} Loescher, 6.
In addition, Kennedy Smith, the director of the NMSC during 1991-2004, writes the emergence of the Main Street type shopping centers in *The Road Ahead*, the article written when he left the NMSC in July, 2004.⁹⁴

Shopping mall developers and mall management companies have figured out that Americans like Main Streets. As a result, new “town centers” are rapidly popping up all over the country… Most of the new town centers are an interesting amalgam of the historic Main Street’s physical form and the suburban shopping mall’s development process and management style.

Smith notes that these shopping centers are potential competitors to the old Main Streets.

Furthermore, Means notes that the Main Street concept falls line with the concept of “smart growth” and “transit oriented development.” These concepts are supported by families with new life styles: no-kids families and non-traditional households. The housing market is no longer dominated by traditional single family housing for a nuclear family with two kids. People living new life styles prefer the Main Street on which they can enjoy cafés, walk dogs, and run into friends. This new trend is also promoted by technology that offers businesses more options on location. Therefore, Means concludes that many cities and towns that have commercial areas with certain architectural characters are able to capitalize on Main Streets.

10) Partnerships with both the public and private sectors

The NMSC, Means and current managers, whom the author met in the Conference, suggests that partnerships with the public and private are crucial to achieve common goals.

of Main Street's revitalization. The reason is that there are strength and limitations in each sector, and they can play complemental roles by understanding each other’s characteristics.

11) Identifying and capitalizing on existing assets

According to the NMSC, business districts have to find unique assets in the district and capitalize on them. Uniqueness exists in distinctive buildings and human scale that give people a sense of belonging. Not only historical assets, but human scale is recommended to be re-defined as significant local assets in this statement.95

12) Capacity for change in mind and practice

According to the NMSC website, changes in people’s minds and practices are necessary for the Program’s success, because there are always skeptics on regeneration of the Main Street. The NMSC notes that almost no one believes Main Street can really turn around from the beginning. Changes in mind, attitude, and practice happen among concerned groups and spaces in tandem. The sustainable revitalization efforts could be promised by a long term vision and plan that includes the shift of public perceptions and practices. 96

95 The NMSC website, http://www.mainstreet.org/content.aspx?page=2358&section=2
96 Ibid.
6.2 **LISTS OF MAIN STREET MODEL’S LOCAL SUCCESS**

Table 6-1 is a list that includes the factors of local success and continued relevance in the Main Street Program in the United States according to the previous section.

**Table 6-1 Main Street model’s Factors in Local Success and Continued Relevance**

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<td>3</td>
<td>Local pride and the role of the historic downtown as the heart of the community</td>
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<td>11</td>
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<td>12</td>
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CHAPTER 7

DEVELOPMENT OF JAPANESE

DOWNTOWN REVITALIZATION MODEL

This chapter examines factors in local success of grassroots downtown revitalization in Japan in order to discuss relevancy of the Main Street model to Japan and look at a way to create a revitalization model that best fit for the Japanese society. In the course of this examination, three questions are also addressed; to what extent Japanese “successful” cases are successful in the Main Street standards, whether the Main Street model could address the challenges involved in the efforts, and what uniqueness Japanese effort have in their activities. In order to find answers to these questions, the listed factors of local success of the Main Street model crafted in the Chapter 6 is used.

This chapter first introduces Japanese cases and extracts factors of success. After the each case, this study compares the factors of success in the Main Street model and the Japanese example and discusses relevance of the model, using the list (Table 6-1). In the course of comparison, some comments from people who are currently involved in the Main Street are used. Finally, this chapter suggests how to effectively introduce the Main Street model into the Japanese society.

The two examples, Japanese grassroots revitalization efforts in Kawagoe and Nagahama, are selected for this study, because these cases are well known for their success to revitalize commercial districts. Although definition of “success” is not established in Japan, these cities are considered to be successful because the areas enjoy an increasing number of visitors and stable value of land. A great deal of literature illustrates these
examples as “success stories.” From this literature, three facts are understood: both cases are
dealing with district management that involves several shopping streets, utilize historic
architecture, and are driven by citizens. Additionally, these cases vary in geography, size,
and relationship to metropolitan area. For example, Kawagoe is a mid-size city with a
population of 330,000 and a commuter suburb of Tokyo metropolitan area, while Nagahama
is a relatively small city with a population of 60,000 located in the middle of Japan’s
mainland.

7.1 JAPANESE CASE 1 - KAWAGOE

This section discusses a grassroots revitalization effort in an old downtown in the
city of Kawagoe in which the citizen's movement to preserve historic architecture developed
to be a town management. The commercial regeneration projects using historic architecture
are seen in local cities such as Otaru in Hokkaido prefecture, Murakami in Niigata
prefecture, and Nagano in Nagano prefecture. Kawagoe’s case is considered to be well
organized and the leading effort, among these revitalization efforts.

Drawing on literature review and interviews with merchants, residents, and city
officials who were involved in the Kawagoe revitalization effort, the following sections
describes the background, the history of revitalization efforts, and the current state of the
Kawagoe case. Also, the section continues to compare factors in local success in the Main
Street model and the Kawagoe case.
7.2 BACKGROUND OF KAWAGOE

Kawagoe, a city in Saitama prefecture, is located in twenty miles or thirty minutes by train northwest of central Tokyo (shown in figure 7-1). The city has a population of 330,000, with an area of forty-five square miles. The city has a high level of agricultural, industrial, and commercial production, and it serves as a commuter suburb for Tokyo. Although Kawagoe is currently known for traditional Japanese commercial streets that retain the architectural culture of Edo, premodern Tokyo, in old downtown, the value of old culture used to be abandoned. The first organization to revitalize these commercial streets is called Kura-no-kai 97, which emerged in order to preserve the traditional streetscape in Kawagoe, part of which is the original hundred-and-some-year old commercial strip from the Edo era 98. Although the Kura-no-kai was established in 1983, the revitalization effort in Kawagoe occurred in 1975, almost the same time as the National Main Street Center first started the pioneer projects for the Main Street Program.

97 "Kura" is a type of architecture. "Kai" refers to a group and "no" is "of".
98 In 1457, a warrior family, Ota-family, constructed the Kawagoe castle, and the town was developed as one of the castle towns in feudal society.
7.3 HISTORY OF KAWAGOE

Kawagoe’s fame comes from *Kura-tsukuri*\(^99\) architecture, which is the Edo-style fire-proof architecture made with structural wood, thick earth wall, and roof tiles. This kind of architecture was first constructed in the late 1800's, after a great fire in 1893 put catastrophic damage on the old center of Kawagoe city, and destroyed more than 1300 houses. At the time, Kawagoe was very prosperous as the largest commercial distribution hub in Saitama prefecture based on a river that reached Edo, in which more than a million people were living and which was established as an enormous consumer of foods, textiles, and woods. After the disastrous great fire, Kawagoe merchants constructed stores with *Kura-tsukuri*, and the buildings of this style created the unique streetscape of Kawagoe old downtown.

After World War II, the center of the Kawagoe commercial area shifted from the old downtown in north to the south, where the city built railway stations connecting Kawagoe with other local cities. Also, the south was closer to an artery road that connects central Tokyo and the major cities in a circle, seventeen miles from Tokyo. As more people came to use trains and automobiles, the economic gravity of Kawagoe city moved to other places within the city and the old downtown was left behind.\(^{100}\)

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\(^{99}\) "Kura-tsukuri" is a style of fire proof architecture invented in Edo, and prevailed in Kanto region. Until Meiji era (1868-1912), the style was the important component of streetscape in Tokyo. However, in Tokyo, the style had disappeared through the Kanto Great Fire in 1923, the Second World War II, and rapid economic growth from 1950 to 1970.

7.4 **HISTORY OF THE REVITALIZATION EFFORT**

As described above, the old downtown was left behind because of development of railways and an artery road. However, the revitalization project in Kawagoe was not intended to regenerate commercial function in old downtown. Rather, the effort derived from the movement to preserve traditional buildings. The revitalization project had occurred in roughly three stages and took decades to shape form. The first stage was a civic movement in the trend of national trust, and an architectural movement that recognized the value of historic structures as architectural assets. Those groups of people tried to convince governments to protect traditional buildings.

The second stage was characterized by a conflict between merchants and the city that had already perceived the value of traditional buildings in Kawagoe. The merchants believed that their economic recovery and historic preservation were incompatible. The concept of historic preservation had to be largely changed before the merchants agreed to retain their old properties.

In the third stage, various intentions of citizens, scholars, the city, and merchants converged to form a town management group. This stage accomplished cooperation, not compromise, through which these groups of people recognized that historic preservation and economic revitalization have a synergistic effect; healthy economic activity in historic buildings would generate the economic foundation for those buildings to be maintained. Conversely, historic buildings add unique characteristics to the commercial streets, which attract shoppers, tenants, and even second-to-fourth generation shop-keepers who continue to operate their family’s stores. The following section describes each stage in detail according to a literature written by Sumikazu Aramaki, an architecture historian as well as
Kawagoe city official at the same time. He has been involved in the revitalization effort since the 1970’s, when he was working on his Master thesis about historic architecture in Kawagoe.

1) The first stage (1970-74) – Civic Movement on Historic Preservation

In 1971, one of the Kura-tsukuri buildings in old downtown Kawagoe was designated as a nationally important cultural asset. This event triggered a rise of people’s attention to the Kura-tsukuri architecture. Subsequently, a civic movement pushed the city to purchase another Kura-tsukuri structure that was about to be sold by its owner. The Kawagoe Junior Chamber also highlighted the preservation of the streetscape with Kura-tsukuri architecture at the time in response to the national trend to preserve townscapes.

Following that, in 1974, the Architectural Institute of Japan held a competition in which architects and urban designers were asked to approach the historic preservation in a way that different from conventional historic preservation; at that time, the concept of historic preservation was considered to be only an art and culture issue, but not an economic issue. This competition made two significant steps that were inherited by the second stage. First, the competition exposed historic preservation issue in Kawagoe to experts in architecture and urban design, and constructed relationships with some prominent scholars. Second, the competition claimed a need to explore a new way to preserve historic commercial buildings, and sowed the seed for a change in the approach to preservation.
2) The second stage (1975-1982) – Conflict between the city and merchants

After the Kawagoe city accepted the community’s request to protect historical buildings in the old downtown, the intentions of the city and its merchants were brought into sharp contrast. In 1975, when the city conducted an architectural survey for an application for the national historic district designation\textsuperscript{101}, modern Kawagoe merchants disagreed with the city about historic preservation. The city failed to convince the merchants to apply for the accreditation, because they did not consider their stores to be culturally important\textsuperscript{102}. They believed that the designation of a historic district would enforce strict regulations on their buildings that would prevent them from making necessary alterations to their stores.

The street having the most Kura-tsukuri buildings, a main street in the old downtown, especially opposed the city’s move toward preservation because the street was a neighborhood commercial street, and the merchants did not expect tourists to visit there. Instead, the merchants concluded that it was more important to serve a neighborhood than the tourist.

About the same time, the citizens of Kawagoe were making an effort to prevent construction of a high-rise apartment on a plot that was adjacent to a traditional structure along the main street. When the efforts could not stop construction of this building, the city of Kawagoe was strongly criticized by its citizens. In order to handle the situation, the city asked a consulting firm to study ways to create a good townscape that met the peoples’ need. Together with the scholars who had been involved in Kawagoe since the competition in 1974, the consulting firm and the city issued a report on design codes in 1982. The report

\textsuperscript{101} The Japanese government enacted the historic preservation district system in 1975. The system was ruled by the Law for the Protection of Cultural Properties.

\textsuperscript{102} The merchants in the traditional commercial streets consider their buildings were outdated and inconvenience. They tend to hide their buildings, using big sign boards.
suggested that the creation of a townscape should not be done only by a regulation; “rather it should be done by re-organizations of town blocks, and collaborations between residents, the city, and scholars.” 103

Re-organization of town blocks referred to preserving traditional structure along the main street and setting slightly higher density with moderate-height buildings in blocks that had some distance from the main street. Collaborations suggested that the community should define issues and solve the problems amongst themselves with the involvement of the city and scholars. This report, however, did not change anything, because citizens were skeptical about the private consulting firm.104 Fortunately, however, the third stage inherited the basic idea from this report.

3) The third stage (1983— ) – Formation of a town management group

In the third stage, efforts of citizens, merchants, the city, and scholars converged in the formation of a vehicle to combine all efforts. Although the tension between citizens and the city was still high, some city officials anonymously cooperated to organize a town management group. When these officials received extra revenue from a documentary-film-award given to a Kura-Tsukuri architecture film created by one of officials, they used the money for the establishment of Kura-no-kai. In this way, members of the group represented a wide range of backgrounds: younger store owners, ex-members of the Kawagoe Junior Chamber, local architects, the city officials, and scholars. Younger store owners were seeking a way to regenerate struggling stores, while ex-members of the Kawagoe Junior

103 http://www.kawagoe.com/ichibangai/story/story_02.html
104 It was not because of the quality of the report, but because of the traditional Japanese culture in which people tend not to believe private sectors, according to a city official who has been involved in Kura-no-kai since its establishment.
Chamber had been keeping their attention on the preservation issue since they were the members of the chamber, and had grown to form the backbone of the business society in Kawagoe. Local architects were recognizing the necessity of designing architecture that reflected local characteristics, while young city officials had been studying preservation of Kura for their own personal interests. More importantly, the scholars carried all the ideas that had evolved over time into Kura-no-kai, having been involved in the competition in 1974 and the report on design code in 1982. Kura-no-kai worked as a hub that connected these people with different interests and encouraged discussion among them. In this way, the revitalization efforts in Kawagoe appear to required 10 to 15 years to resolve conflicts and take hold.

Figure 7-3 Oldest Commercial Street in Kawagoe; Before (left) and After (right)

Photo: Kawagoe Kura-no-kai

7.5 CURRENT CONDITION OF THE REVITALIZATION EFFORT

As stated above, Kura-no-kai was created with involvement of citizens, merchants, city officials and scholars in order to address the issues of both historic preservation and

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economic regeneration. The following section explains its current condition in six areas: manager, organization, principals, activities, accomplishments, and challenges.

Manager

In Kura-no-kai, city officials and scholars of urban design have played the role of a manager before the structure of the organization was established. The role includes creating the organization, and helping merchants and residents to plan projects, and implementing them. Currently, the director of the oldest merchants association serves as the director of the Kura-no-kai as well, and manages meetings, lectures, and paperwork with the assistance of a part-time secretary.

Organization

Incorporated as a nonprofit organization in 2002, the Kura-no-kai has an administrative board with a representative director, two deputy directors, chiefs of four divisions and an assistant chief of one division, three counselors, and two officers. All these positions are volunteers. Four divisions are project, promotion, design, and accounting.

The project division plans and runs events. Only this division has a chief and an assistant heads. The promotion division is responsible for publishing a local magazine and networking among members. The design division, in which many architects participate, does design consulting.

Currently, the Kura-no-kai has approximately 200 members including shop keepers and residents in both old and new downtowns, architects, city planners, scholars, officials from the Saitama prefecture and the Kawago city, and citizens. Twenty percent of these
members are not living nor working in Kawagoe but they are just fan of Kawagoe townscape.

**Principles**

The *Kura-no-kai* has three principles: to drive activities by community, to preserve historic assets actively, and to have a self-sustaining economy.

First, to drive activities by community is to manage the town by neighborhood. From the beginning, the group believed that town management should be undertaken by residents and merchants, and it should be residents and merchants who are responsible for the town’s future. It is also notable that the *Kura-no-kai* decided to push for cooperation with governments through requesting their needs rather than to depending on or pressuring governments. This approach was different from the average citizen group in the 1980’s in Japan that tended to protest against governments.

Second, to preserve historic assets actively is to preserve traditional streetscapes by economic reconstruction of the commercial streets; conventionally, historic preservation of towns emphasized creation of tourist destinations as cultural spots. Unlike this strategy, the *Kura-no-kai* stressed the role of commercial streets as the distributors of daily goods and the gathering spots of neighborhoods. In order to implement this concept as well as historic preservation, the *Kura-no-kai* also helped the oldest merchants association to create design guidelines. The first design guideline created in 1988 consists of sixty-seven items from *A Pattern Language* by Christopher Alexander. The guideline can be seen in the whole concept of Kawagoe city from the concept of commercial streets to designs of single
buildings to designs of sign boards. All items are written by simple phrases that indicate goals, instead of rules and standards.

Finally, to sustain economy by itself is to establish funding in order to preserve historic buildings; it was obvious that maintenance of those buildings was extremely difficult if a district was solely depending on its economic activities in the 1980s. Therefore, the group studied a few possible ways to subsidize the costs of maintenance, such as establishing a financial group or operating an investment trust fund. These systems were, however, not implemented, because the Kura-no-kai could not generate sufficient revenue from their small economic activities to raise enough funding. Thus, projects such as the façade and street improvements, events and research utilize several government subsidies.

Activities

Aramaki divides the Kura-no-kai’s activities into three categories: 1) town management support for other groups and citizens, 2) invigoration projects planned initiated by Kura-no-kai, and 3) enlightenment of citizens. The following section describes activities in each category.

1) Town management support for other groups and citizens

The menu to support other organizations in terms of town management includes design advice to community members, support for the government including Kawagoe TMO, research on historic buildings, event support, hosting of other organizations, and lectures. The design division plays a major role in design advice, offering design consulting
services for commercial streets and residences, because the number of private carpenters\textsuperscript{106} is decreasing from the town, increasing the number of community members who have problem with their houses. When a client needs further assistance to solve a problem, such as implementation of additional construction to the house, an architect-member takes on the work as business. Furthermore, the \textit{Kura-no-kai} conducts building surveys that are offered and paid by the government.

Support for other organizations also includes support for the government and TMO. The city of Kawagoe and Kawagoe TMO ask the \textit{Kura-no-kai} to participate in various divisions and taskforces, because of the \textit{Kura-no-kai}'s accomplishments. In particular, Kawagoe TMO established in 1999 asked the \textit{Kura-no-kai} to join some divisions.

As for involvement in research, the group not only accepts research projects on historic preservation from government, it also provides support to scholars and students who researches historic buildings. Sometimes university students exhibit architectural projects of Kawagoe in downtown Kawagoe with support of the \textit{Kura-no-kai}, which thinks that these exhibitions not only encourage students but also provide neighbors with new perspectives to think about their towns.

\textit{Kura-no-kai} also supports an event held by an old temple to create a new tradition that uses traditional culture. Finally, the \textit{Kura-no-kai} offers guided tours for other local communities, holding lectures, and publishing books that explain their experiences.

\textsuperscript{106} Traditionally, each family had a personal carpenter who consults everything about a house from its construction to maintenance. However, as the number of traditional house decreased, so did the number of carpenters.
2) The invigoration projects initiated by Kura-no-kai

While “town management support for other groups and citizens” refers to activities in which the Kura-no-kai acts as a consultant, “the invigoration projects initiated by the Kura-no-kai” includes three major activities in which the Kura-no-kai plays a central role.

One project is to apply for the Area Revitalization Model Project conducted by the Central Government. The Kura-no-kai advocated to the city to apply for the project with a plan to develop a downtown revitalization model focusing on artisans and their traditional Japanese craftsmanship.

The other project is a tea ceremony held by female members. According to Aramaki, unlike citizen groups in the United States, activities of Japanese citizen groups are operated mostly by male members. Thus, this project offers female members an opportunity to take an initiative in the citizen group. A ticket for this ceremony includes a pass to small galleries in the old downtown.

The group also entertains people who are involved in town management in Kawagoe during the biggest festival in the area. The Kawagoe Festival is very traditional, started in the 1600s, and held once in a year in October. While a shrine in old downtown Kawagoe has been responsible for the festival, the Kura-no-kai is responsible to host visitors who are involved in town management in Kawagoe and helps to foster better understanding of Kawagoe’s history.

3) Enlightenment of citizens

Enlightening refers to promoting a way of thinking that values traditional culture. For example, the Kura-no-kai introduces its activities through a local television program, an
architecture design award, and the publication of magazines. The television program is created by a local cable television company, and the *Kura-no-kai* offers topics on architecture and events to the program.

The architecture design award started in 1987. The judges of the award are design division members. The only criterion of this award is good impact on townscape, and various kinds of awards are created according to the characteristic of architecture and places that the judges favor in a year. For example, the *Kura-no-kai* awarded a prize to a property owner who paid for a wall to hide a parking lot from the main street in old downtown.

Additionally, the group holds an event called “the bell event” at the end of the year. Using the bell tower that was designated as a cultural asset by the City of Kawagoe, the *Kura-no-kai* manages the event creating an opportunity for people to toll the bell by their hands. Only at the end of every year, a hundred and eight people who reached the tower first can toll the bell.

**Accomplishments**

As for accomplishments from these activities, the *Kura-no-kai* does not measure its impact on sales, the number of visitors, rent levels, or the number of vacant buildings. However, according to the city, the number of tourists increased sharply from 3.75 million people in 1995 to 4.95 million people in 2005. Additionally, the price of the land stayed the same in these years despite the fact that other local mid-size cities have experienced a

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107 The tower was originally constructed in Edo era or 1600s, and burned in the Great Fire, 1893. The current bell tower was constructed in 1894, a year after the Great Fire and has been the symbol of the old downtown.

108 108 is a meaningful number in Buddhism. It is said to be the number of earthly desires by human beings. To toll a bell at the end of a year implies to erase there desires from an old year, and start a new year with clean soul.

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decline in the land prices. Although most of the *Kura-no-kai*’s expertise falls in architecture and urban design, the positive impact to economic activity is obvious. Moreover, unlike other typical commercial streets, the old commercial streets in Kawagoe have younger shopkeepers who inherited their parent’s shops. An NPO organized by younger residents is also supporting the activity of the old commercial streets and the *Kura-no-kai*. The former director of the *Kura-no-kai* commented that one of the key to revitalization success is to pass the torch to younger generations before you get too old.

**Challenges to regeneration**

According to the former director of the *Kura-no-kai*, the issues includes vacant land and closing storefronts, application of consistent design to new buildings, maintenance of pedestrian zones, an absence of a full-time manager, and imbalanced tenant mix.

Regarding closing storefronts, there are two reasons for this phenomenon; one is the presence of housing with small shops along commercial streets. The former director and a city official claim that housing along commercial streets is allowed in Japan because zoning does not strictly limit the use of the property along the naturally emerged commercial streets such as Kawagoe’s. As a result, if a resident in a house along the street is not interested in running a small business, the storefronts looks closed, though for the resident the structure is no longer a “storefront.” Another reason for closing storefronts is that housing with small shops along commercial streets usually is not separated from shops. Therefore, the structures neither have separated entrances nor bathrooms, making it difficult for residents to share the structure with tenants. These reasons seem to be common in Japanese old downtowns.
Application of consistent design is difficult, because Japanese traditional architecture was built with wood and burns easily. Thus, the old downtown is designated as a Disaster Prevention District that requires the district to prepare water storage tanks and fire hydrants in order to meet the conditions needed to relax the Building Standards. Moreover, since the design committee and the design guidelines have no legislative power, sometimes it is difficult to persuade property owners to cooperate with design management.

Concerning maintenance of the pedestrian zone, the road running through the commercial street is too narrow to accept two car lanes and a pedestrian zone, because the road was created before the car era. Thus, there have been no pedestrian zones for a long time. Though there has been a big debate over whether this road should be one-way or a car-prohibited zone, both of the ideas are difficult to implement since the road is a corridor that connects north downtown to south downtown which is closer to railways and the ring road. However, currently the main street is creating pedestrian zones making a distinction between car lanes and pedestrian zones, which are very narrow. This problem is common in Japanese old downtowns, because old roads were constructed before automobiles emerged, and usually these roads have a width of less than thirty-two feet.

Regarding a full-time manager, the director and board members have taken on the role of manager as volunteers with a part-time assistant. However, as the director is also a shopkeeper, it is not easy to pursue the role, and the group hopes to have a full-time manager, if the group can find funding for it.

With respect to an imbalanced tenant mix, the Kura-no-kai is not active in the recruitment of new businesses. Thus, the old commercial streets do not have enough variety of businesses to serve the neighbors, though the old streets are targeting niche markets to
distinguish themselves from the new shopping street. In addition, the old commercial streets are in need of shops that serve the increasing number of tourists. Because they have never intended to create a tourist destination, currently the shops do not provide enough goods to satisfy these tourists.

Adding to these issues, the pride of old merchants, which tends to create barriers to newcomers, and the presence of uncooperative property owners are considered obstacles for the revitalization effort. More importantly, a shortage of funding in order to hire a full-time manager is becoming an urgent issue, because merchants have to deal with the increasing number of tourists, visitors from other communities, and paperwork to keep the organization going. Therefore, the group is currently seeking a strategy to develop a self-sustaining funding mechanism that was discussed in the beginning of the organization in Principle.

7.6 FACTORS IN KAWAGOE'S SUCCESS

Although the former director of the Kura-no-kai comments that their case is still not successful and there is a long way to go, this section summarizes the factors in Kawagoe’s success through perspective of involved people.

Kazuo Kani, the chief of design committee of the oldest shopping street and a fourth generation shopkeeper, cites four factors in Kawagoe’s successes. The first is the presence of authentic historic architecture.\(^{109}\) Second, Kawagoe benefits from the combined efforts of three independent groups; the Kura-no-kai that accepts outsiders, new ideas, and opinions through discussions; merchants’ associations that implement projects step by step; and the design committees in shopping streets that checks the activities and provide technical

support backed by expertise. The third factor is having good colleagues. The fourth factor is that the oldest shopping street targeted adults to differentiate itself from younger customers in new shopping centers.\textsuperscript{110}

Tomoyuki Hara, the current director of the \textit{Kura-no-kai}, suggests the importance of listening to young people’s opinions.\textsuperscript{111} Yoshibumi Fukuda, the project division chief, writes that the reason for the sustainability of \textit{Kura-no-kai} is communication with two-hundred members through a mailing list and annual reports, disclosing any activities, though only twenty people actually work.\textsuperscript{112}

Additionally, the revitalization efforts gained exposure through media coverage in television, architecture magazines, commercial magazines, and tourist magazines. Particularly, in 1989, an old temple near the old downtown was used to shoot a period drama broadcasted by the national television network, increasing attention from tourists to Kawagoe. Moreover, the name “Kawagoe” is associated with the history of Edo in the Japanese mind and provokes images of a thriving Japanese era and unique cultures.

In sum, the factors in Kawagoe’s success are summarized as follows:

1) a presence of authentic historic architecture;
2) \textit{Kura-no-kai} that accepts outsiders, new ideas, and opinions through discussions and creates consensus;
3) merchants’ associations that implement feasible activities;
4) the design committee that provides technical support and check activities;

\textsuperscript{110} Kazuo Kani, quoted by Akifumi Yamamoto in “The reason why Kawagoe Ichibangai is fine,” \textit{Shogyokai}, February 2007, 46.

\textsuperscript{111} Tomoyuki Hara, quoted by Akifumi Yamamoto in “The reason why Kawagoe Ichibangai is fine,” \textit{Shogyokai}, February 2007, 47.

5) having good colleagues;
6) a marketing strategy that targets a niche market;
7) the involvement of younger people;
8) frequent communication with members; and
9) exposure to media.

Table 7-1 compares the Main Street Program’s factors of local success with that of the factors in Kawagoe’s success using the factors listed above. In the table, the “Main Street Program” column shows the factors in local success in the Main Street Program, while the “Kawagoe” column includes the observations from the Kawagoe case. Roughly, the shared and different factors divide the whole lists into half. Different factors are related to a systematizing and dissemination of the program, whereas shared factors are related to local activities. The explanations for each factor are as follows.
### Table 7-1 Factors in Local Success: The Main Street Program and Kawagoe

<table>
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<tr>
<th>No.</th>
<th>The Main Street Program</th>
<th>Kawagoe</th>
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<tbody>
<tr>
<td>a 1</td>
<td>Understandability of the concept of &quot;Four-Point-Approach.&quot;</td>
<td>&quot;Three principles&quot; are similar to the four point approach, but not catch-phrased.</td>
</tr>
<tr>
<td>b 2</td>
<td>Emphasis on the role of talented managers</td>
<td>An absence of full-time manager is an issue</td>
</tr>
<tr>
<td>c 2-2</td>
<td>The presence of coordinators at state level</td>
<td>There is no coordinator, but scholars and architects provide technical support</td>
</tr>
<tr>
<td>d 5</td>
<td>Measuring the economic impact</td>
<td>Building facades are photographed, but no business measure</td>
</tr>
<tr>
<td>e 9</td>
<td>Significance of the Main Street for the wide society</td>
<td><em>Kura-tsukuri</em> is significant for the wide community, but not so many communities retain this kind of architecture</td>
</tr>
<tr>
<td>f 6</td>
<td>Branding, &quot;The Main Street&quot;</td>
<td>There is no brand for revitalization efforts, though &quot;Kawagoe&quot; makes a brand for the community.</td>
</tr>
<tr>
<td>g 3</td>
<td>Local pride and the role of the historic downtown as the heart of the community</td>
<td>The old downtown community has a strong pride and has been central to revitalization</td>
</tr>
<tr>
<td>h 4</td>
<td>Grassroots and bootstrap approach</td>
<td>Grassroots and bootstrap approach</td>
</tr>
<tr>
<td>i 7</td>
<td>Exposure to outside (film, conference, book)</td>
<td>A period drama, TV show, newspapers, journals and magazines</td>
</tr>
<tr>
<td>j 8</td>
<td>Incremental approach</td>
<td>It took 10 to 15 years to this revitalization effort to resolve conflicts and take hold.</td>
</tr>
<tr>
<td>k 10</td>
<td>Partnerships with both the public and private sectors</td>
<td><em>Kura-no-kai</em> works in collaboration with the city, the Chambers of Commerce, and merchants.</td>
</tr>
<tr>
<td>l 11</td>
<td>Identifying and capitalizing on existing assets</td>
<td>Kawagoe capitalized on the historic assets.</td>
</tr>
<tr>
<td>m 12</td>
<td>Capacity for change in mind and practice</td>
<td><em>Kura-no-kai</em> accepts outsiders with new ideas and opinions. People learned and changed. Involvement of younger people also implies changes.</td>
</tr>
<tr>
<td>n K1</td>
<td>Current economic strategy in the Main Street Program emphasizes targeting niche market.</td>
<td>A marketing strategy that targets niche market.</td>
</tr>
</tbody>
</table>

*The numbers in the "No." column refers to the numbers in the list of factors (Table 6-1) in local success in Chapter 6.*
a) Factor 1 is an understandability of the concept of “Four-Point Approach.” This is crucial for disseminate the model to communities. Interestingly, some similarities are seen between the Main Street Program’s approach and Kawagoe’s principles. In Kawagoe’s case, *Kura-no-kai* does not define its approach, though it has three principles that imply approaches. To drive activities by community can be restated as the Organization approach, to preserve historic assets actively can be included in the Design approach, and to have a self-sustaining economy can be included in Economic Reconstruction. Additionally, though the rest of Four-Point-Approach, Promotion, is not claimed as a principle or an approach in Kawagoe’s case, there are many activities that could be categorized in Promotion. Although understandability seemed not so important for Kawagoe, as *Kura-no-kai* is led by scholars, officials, and highly educated merchants, in order to establish a model that can be adopted by numerous communities, understandability seems to be necessary, and Four-Point-Approach of the Main Street model seems applicable as it is.

b) Factor 2 is a role of talented managers. In the Kawagoe case, talented merchants, scholars, and officials play the role of managers as volunteers. However, because an absence of full-time manager is a current issue, adaptation of manager system will help the community a lot. Nonetheless, it is unclear if a manger could be a new comer as in the Main Street model, because traditionally, territorial connection is highly valued in Japanese society and it may take many years to build trustful relationships between a new manager and community members. Kawagoe’s experience suggests some communities may be able to achieve revitalization without a full-time manager when talented local leaders can play this role. However, a lack of the compensation for the work of manager is still an issue.
c) Factor 2-2 is a coordinator at the state level in the United States. Although there are prefectures that are intermediate administration units in between the Central Government and the cities in Japan, it seems that prefectures are not often engaged in city center issues. Rather, they are expected to provide subsidy or coordinate economic and urban policy issues among cities. As described in the Japanese policy trend, currently cities are expected to create master plans with community involvement. Therefore, one way to adapt the role of coordinator could be to ask the Japanese cities to take the role. Boston, MA is the good example to see the case of city initiated the Main Street Program. Another way is to look at scholars and urban practitioners to serve as coordinators, as seen in Kawagoe case, in which the technical assistance and guidance needed for regeneration was provided by scholars rather than a government. This seems more promising than the other options, considering the government employees’ short period of incumbency.

d) Factor 5 is measuring the economic impact in which the Main Street model uses the number of vacant buildings, average rent per square foot, the number of businesses that were started and closed, and photographed images of before and after of building facades. Neither of Kura-no-kai nor merchants associations keeps tracks on these numbers, although they keep photographs of the buildings. Additionally, as a government does not have boundary for commercial district, change of tax revenue cannot be seen neither. Thus, “success” is always illustrated in a descriptive manner even in an official document. In order to establish standards of “success” and use it to persuade other communities to employ the revitalization model, it is no doubt that establishment of the concept and tool of measuring is necessary in Japan, and the Main Street’s way seems to work in Japan, too.
e) Factor 9 is significance of the Main Street for wider society. Although in the Kawagoe’s case the significance of *Kuratsukuri-architecture* is admitted by wider society, this kind of architecture is not retained in so many communities. Therefore, it seems necessary to find the concept that can be embraced by more communities or to offer options of concepts that could be chosen by communities according to each communities’ conditions.

f) Factor 6 is branding. Although the “Main Street Program” is a brand for the model, while “Kawagoe” is a brand for the downtown, both shares the strong impact of branding. As the Main Street community uses double branding such as “Berkeley Main Street” or “Allston Main Street”, the use of brands for model and area could work in Japan, too.

g) Factor 3 is a local pride and the role of the historic downtown at the heart of the community. Although nobody that was interviewed claimed local pride as a factor in the success in Kawagoe, the presence of strong pride can be seen in a comment saying “there is a barrier to new comers.” Additionally, having the history and tradition of Kawagoe, it is no wonder that merchants have strong pride on their culture. Therefore, Factor 3 is considered to be shared factor with the Main Street model. h) Factor 4, grassroots and bootstrap approach, is also shared, having observed the history of Kawagoe revitalization efforts.

i) Factor 7 is exposure to the outside. Both of the US Main Street model and the Kawagoe case share the value of exposure through television and journals and obtaining wider support for the efforts.

j) Factor 8 is an incremental approach that is shared by the Main Street model and the Kawagoe case, which started from the 1970s and took many small steps.
k) Factor 10 is partnerships with both the public and private sectors and the factor is shared. As seen in the history of the Kawagoe’s revitalization effort, members of the *Kura-no-kai* represented a wide range of backgrounds: younger store owners, ex-members of the Kawagoe Junior Chamber, local architects, the city officials, and scholars.

l) Factor 11, identifying and capitalizing on existing assets, is shared too. Kawagoe utilizes old structures that are once used to be hidden by signboards and create strong unique image of the townscape that attract not only residents, but also tourists.

m) Factor 12 is a capacity for change in mind and practice. Through discussion in the *Kura-no-kai* and involvement of scholars and younger merchants, there is a constant learning and refreshment of knowledge and thinking among the members of the *Kura-no-kai* and merchants associations. Thus, this factor is shared.

n) Ki is added from factors in Kawagoe’s success. This factor, a marketing strategy that targets niche markets, is not found from literature reviews and the interview with Means. However, the factor was heard from the current managers in the Main Street Conference in 2007\textsuperscript{113} and Seidman as a variation of economic restructuring. Therefore, these two factors are indicated as (c) a factor that needs modification to be adopted in Japan. In the US Main Street Program, a “niche” target seems to include an upscale market and specific ethnic targeting market. However, there is little difference in income and ethnicity in Japan. Therefore, distinction from others needs to be crafted to best fit in Japan or the community.

As seen in this comparison, a lack of concept of systematization in the part of the Japanese revitalization efforts reflects in some different factors. Particularly, it seems that Kawagoe happens to have managers and coordinators in their own way, enabling Kawagoe

\textsuperscript{113} Comments by a MS director from Arkansas, a staff in the city hall, and a private consultant who had a lecture named “Find Your Niche in the Gen Y Marketplace.”
to be successful. Other than that, communities’ successes seem to be promised by the common factors in both situations. Therefore, it seems that the Main Street model is effective to revitalize Japanese communities, and the Japanese model could be established using Kawagoe’s experience, borrowing the way of the Main Street Program that structure elements into a simple model for use of more communities.

As for the number of communities that can utilize the model with historic preservation strategy, many city centers in Japan are castle towns like Kawagoe and might have the components or stories of the history with or without old structures. Shopping streets also derive from the natural accumulation of shops in castle towns, temple towns, port towns, and old post stations and should have interesting stories. Although local prides in communities were strong in Japan because people tended to live in the same place for a long time in the past, such a pride is hard to expect to the next generation because lifestyles are changing. However, it could be nurtured with revitalization activities by involving younger people and utilizing their creativities.

Related to younger people, the commute time to large cities have impacts on the selection of living places. Kawagoe is located in thirty minute by trains from the Central Tokyo, and the fact is considered to be a large advantage for Kawagoe to keep younger residents. However, the Japanese railway system is developed through the whole nation and almost all the city centers have train stations, connecting numerous cities with larger cities. Therefore, the issue seems less severe than the United States, where some cities are completely lost its railway connections to large cities because of motorization. Other solution might be the creation of new industry. The next case, Nagahama, is successful with this strategy.
7.7 JAPANESE CASE 2 _NAGAHAMA

The previous section discusses the revitalization efforts derived from a citizen movement for historic preservation. The revitalization effort, the Kawagoe case, is largely lead by scholars in architecture and urban design and has structured organization to build consensus among different interest groups. This chapter introduces the other Japanese case, the revitalization effort in Nagahama, which is known for a successful revitalization effort with a unique joint-public-private company called the “Kurokabe” Company, established in 1988. Although the Nagahama case utilizes historic assets as the Kawagoe case, the Nagahama case is largely lead by business owners who established this company. Perhaps, because of this character, there are a few notions that compare this case with the revitalization models in the United States. For example, Yuichi Fukukawa, a professor at Chiba University, analyses that the “Kurokabe” Company is a counterpart of the concept of Community Development Company in the United States. 114

Regarding the reuse of old structures, the city of Nagahama and Chambers of Commerce created a plan named the “Museum City Plan” in 1984 under a vision to reform the city in a manner that utilizes traditional culture in today’s lifestyle and has attractive things and events like a museum.115 The vision was reflected in the citizen’s activities related to downtown revitalization, and particularly, the contributions by the “Kurokabe” Company helped to realize the vision. The company started from a renovation project that reused a historic building constructed in 1900, then spread the business to the area in order to create a commercial district that has the sense of historic place and attractive shops.

Using texts written by Fukukawa and other people and an interview with a representative from the Nagahama Chambers of Commerce, this chapter illustrates the Nagahama’s case. The following sections describe the background, the history of revitalization efforts, and the current state of the Nagahama’s case focusing on the company’s operation. This chapter then introduces the factors in Nagahama’s success and compares them with that of the Main Street Program.

7.8 BACKGROUND OF NAGAHAMA

Nagahama is a city in Shiga prefecture that is located in the middle of Japan’s mainland and sixty-two miles from Osaka, the second largest city in Japan. (Figure 7-4) The city has a population of 85,000 as of 2006, with an area of about thirty square miles.\(^{116}\) Adjacent to the Biwa-lake and Ibuki-yama Mountain, this city is surrounded by the scenery of nature. In addition, the city has been a castle town since the age of provincial wars in the fifteen century and has retained its historical assets. Located amongst three large economic regions; Osaka, Nagano, and Kanazawa; Nagahama benefits from convenient transportation networks such as national artery roads and railways.

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With the location and transportation networks, Nagahama is the urban core in the region that has a population of 170,000. The sales index per person is the largest of the six cities in Shiga prefecture, and this factor indicates that Nagahama is a highly independent city with little reliance on the largest cities. These conditions contributed to the unique character of the city and support the quest to explore an original way to develop the community.117

### 7.9 CITY CENTER OF NAGAHAMA

The city center of Nagahama spread around a small core that has many traditional structures. In 1575, Hideyoshi Toyotomi, one of the three strongest warrior lords who dominated the whole country from 1590 to 1598, constructed the Nagahama castle in the core. The spot is now a park, lying along Biwa-Lake. This castle was reconstructed in 1983, through a large donation from the citizens. The city has been a castle town which had flourished as a commercial city at the same time. As for commerce, the city was known for traditional silk fabric, called "Hama chilimen," and currently, many manufacturing firms are located there. Additionally, the city has a large temple, adding the element of a temple town to the city.118

The city continued to develop inward through the development of a street and four roads. The first street is the oldest street in the city created during the Edo era and the street penetrates the city core that is located along the lake. The second road is a national artery road constructed at the edge of interior side of the city by 1953. The third road is a bypass, a road to reduce the amount of traffic in the previous two roads, constructed in further to the city.

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118 Fukukawa, 219.
interior side on farm land in 1969. The fourth road is a highway developed in further in the interior in 1980. With these developments of a street and roads, the urban area also spread and road-side shopping centers have been built along the roads, especially along the bypass constructed in 1969. In this process, the city center of Nagahama was declining in population in the 1980s.119

The city center has nine commercial streets in which there were many vacant shops. For example, two of these commercial streets had a 40% vacancy rate as of 1994.120 Although the oldest street in the city did not have many shops and could not organize a commercial association, the first shop that the company managed was located along the old street.

7.10 HISTORY OF THE REVITALIZATION EFFORT

The revitalization effort in Nagahama initiated by the City and Chambers of Commerce that created the 1984’s “Museum City Plan.” However, the big move started from a renovation project of an old bank building, called “Kurokabe” (Figure 7-5) by the Kurokabe Company established in 1988. The Japanese word “Kurokabe” refers to black walls in English, because the building has black walls. The building was built for a bank and used by a church, which repainted the walls white, after the bank moved. In 1987, the church moved and the

119 Fukukawa, 220.
120 The Nagahama Chambers of Commerce, The survey of vacancy rate, April, 2007
owner changed. When the new owner planned to demolish the old building, the citizen movement for preservation began. After a series of events, citizen volunteers (from eight private companies) and the city raised funding, established a joint-private-public-venture company with capital funds of $1,100,000, and purchased the land and building.  

In the building, the company opened a glassware shop, the “Kurokabe glassware shop,” in which a variety of glassware from all over the world was sold. Table 7-2 shows the annual sales and visitors to the Kurokabe glassware shop. The increasing numbers indicate the success of the shop. As a result, the city center of Nagahama was again filled with people walking around, and the value of land that had been very low began to recover.  

The joint-public-private company, named the “Kurokabe Company,” started from a single shop and increased in number by acquiring vacant shops in the same area. Initially, the Kurokabe Company filled vacant shops located outside of the shopping streets with a glass factory and craft shops that carried glassware supplies. Then, as the success of Kurokabe glassware shops became obvious, property owners along the shopping streets began to ask the Kurokabe Company to rent their shops. Currently, the company operates thirty shops in the city core, and because the company’s revitalization activities have been so successful,

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Million)</th>
<th>Visitor (1000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>20.4</td>
<td>170,000</td>
</tr>
<tr>
<td>1990</td>
<td>27.4</td>
<td>228,333</td>
</tr>
<tr>
<td>1991</td>
<td>123</td>
<td>1,025,000</td>
</tr>
<tr>
<td>1992</td>
<td>190</td>
<td>1,583,333</td>
</tr>
<tr>
<td>1993</td>
<td>300</td>
<td>2,500,000</td>
</tr>
<tr>
<td>1994</td>
<td>304</td>
<td>2,533,333</td>
</tr>
<tr>
<td>1995</td>
<td>410</td>
<td>3,416,667</td>
</tr>
<tr>
<td>1996</td>
<td>478</td>
<td>3,983,333</td>
</tr>
<tr>
<td>1997</td>
<td>589</td>
<td>4,908,333</td>
</tr>
<tr>
<td>1998</td>
<td>667</td>
<td>5,558,333</td>
</tr>
</tbody>
</table>

Resource: Fukukawa

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121 In Japan, land and a building are sold separately. So, sometimes owners of land and a building are different.
122 Fukukawa, 222.
the *Kurokabe* Company is considered to be more than the catalyst of downtown Nagahama.\(^{123}\)

In addition, there are ten active citizen groups and corporations related to community development in the same area, showing how citizens in Nagahama have high concern on the city center issues. Furthermore, these organizations are funded by citizens in order to establish vehicles that contribute to revitalization by operation of businesses. Fukukawa writes it is a unique phenomenon that other communities seldom have.\(^{124}\) Some researchers contend that this phenomenon is the result of the presence of *Kurokabe* Company.

### 7.11 CURRENT CONDITION OF THE NAGAHAMA’S DOWNTOWN REVITALIZATION

This section explains the Nagahama’s current condition from the view point of manager, organization, principals, activities, and accomplishments.

*Manager*

In the case of Nagahama, the executive director of the Chambers of Commerce, who has been engaged in revitalization since the 1980s is considered to be a leader. He has been in charge of coordinating revitalization projects between the city and business owners and the implementation of projects with commercial associations and civic associations. The board members of the *Kurokabe* Company also provide strong leadership, developing the commercial district in collaboration with the city. However, Nagahama does not have the

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\(^{123}\) Fukukawa, 223-224.

\(^{124}\) Fukukawa, 228.
system through which a wide variety of stakeholders built consensus as Kawagoe’s *Kura-no-kai*, according to Fukukawa.  

*Organizations*

As far as organization is concerned, the city and the Nagahama Chambers of Commerce coordinate nine commercial associations and ten citizen groups. They form “a loose coalition,” according to the representative of the Chambers of Commerce. The *Kurokabe* Company plays a role in between the government and civic groups and has a strong organization with ten board members and about 100 employees. Because the company is the only organization that deals with the district management other than the government, the following section delve deeper into the company.  

The *Kurokabe* Company is a joint-public-private-company which is defined as a company that receives more than 25% of its funding from the government. Although there has been much criticism to this type of company as described in Chapter 3, the framework has been adopted by numerous companies, because joint-public-private-companies are able to meet the shortcomings of both public and private sectors. In the case of the *Kurokabe* Company, the eight private companies first decided to fund the Company with $760,000 and asked the city to provide a supplement of $337,000. The breakdown of the funding from private sectors is: two provided $84,000 and six provided $126,000. Although the general opinion of the joint-public-private company is very skeptical, the *Kurokabe*  

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125 Fukukawa, 230.  
126 90 million yen  
127 40 million yen  
128 10 million yen  
129 15 million yen.
Company has been successful in keeping the operation independent from the government, according to Fukukawa.

The first project of the Kurokabe Company was to open the glassware shop, in which the company spent $842,000 for acquisition of land and the building, and the company also spent $1,684,000 for renovation of the building. The first project, which opened in 1988, included a glassware shop, a French restaurant that uses the glassware, a glass factory, and a small park offered to public.

Fukukawa writes that people who play a right central role of the Kurokabe Company’s operation have studied the concept of town and community development since 1965. They had been waiting for the time to practice their study, and in that sense, Nagahama has seemed an ideal location in which to develop the revitalization project. Interestingly, these people are not shopkeepers as one would imagine, but the owners of industrial enterprises such as textile wholesales, warehouses, construction companies, and manufacturers. Because of this fact, Fukukawa suggests that the current government subsidy that mostly supports shopkeepers should be reconsidered.

Another notable characteristic of the company is that with the exception of the board members, most of employees are women, which increases the opportunity for women to work. These female employees are in charge of preparing for the opening shops, purchasing stock, selecting goods, and sales. In addition, the company utilizes women who studied fine arts in college but could not use their skills if the Kurokabe Company did not exist in the community.

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130 100 million yen
131 200 million yen
The idea to use glassware initiated from the discussions of board members. Although glassware is not Nagahama’s traditional industry, residents in Nagahama like craft works and there has been a big successful art event in the past. Thus, utilizing glassware as an industry hit the right note with the board members.

Principles

According to the “Museum City Plan”, the broad principle for Nagahama city center is to utilize traditional culture and have attractive things and events like a museum. On the other hand, the Kurokabe Company defines its principle; not to stick to the traditional industry, not to press the local businesses, and explore businesses that are looked at from other places all over the country. The company also put forth the three business concepts; to value history, to include culture and arts, and to open to outside of Japan.

Activities

The city of Nagahama and the Nagahama Chambers of Commerce are in charge of capital improvements including façade renovations, parking improvements, and development of civic facilities. These two institutions, commercial associations and other civic organizations together hold events and operate community shops. The Kurokabe Company develops properties and operates shops related to glassware. Activities of the Kurokabe Company and two citizen organizations follow.

As for the activities of the Kurokabe Company, the board members of the Company did not solely intend to preserve the black wall building, but they intended to use the
building as an anchor shop to revitalize whole area from the outset. The following several projects illustrate how the *Kurokabe* Company has dealt with area development.

In 1990, an antique shop and a restaurant featuring local cuisine were opened by a person who was operating a business in another place in the same area. In the course of development, the *Kurokabe* Company worked as the developer. That is, 1) the company acquired land and a vacant building, renovated the building, and constructed a new building that had consistent design with old one, 2) found a shopkeeper who wanted to move the shop there from other shop outside the area. In this way, the *Kurokabe* Company developed and produced the new shop in a manner that utilized historical assets. Fukukawa contends that although this work is the same as that of a developer, it is important to note that there is a distinction from private developer’s projects: the development was conducted under the premise of contribution to whole area utilizing the historical assets of the area, and the tenant was selected to be suitable with other shops produced by *Kurokabe*.

Another notable project is a construction of an art museum featuring glassware created in a traditional structure. The *Kurokabe* Company first purchased the traditional building owned by an absent owner, and that was used for a warehouse. Then the company started to raise funding, targeting young owners of enterprises and gathered $1,684,000 from thirty-eight enterprises and four individuals. Additionally, the city supported the projects with an additional $842,000. Although this glassware museum is not profit-making business, the project is considered to be crucial, because it is a cultural facility to enhance the concept of “the Museum City.” Therefore, the Company raised funds from the community without paying interest and purchased the property at low price with the permission of the former owner.
Most of the other projects have been converted into leased shops. In this form, the Kurokabe Company rents buildings, renovates both the interior and exterior, and uses shops or sublets them to other shop owners. In some cases, small local shops use the name of “Kurokabe” as a branding tool.

Regarding civic organizations, this section introduces “Ohana-kan” and “Platinum Plaza” out of the ten organizations in Nagahama city center drawing on Fukukawa’s text.

“Ohana-kan” is the first trial among the Nagahama’s projects that establishes businesses to fill vacant shops by cooperation of citizens. Initiative was taken by a commercial street that is different from the street along which the Kurokabe glassware shop is located. This shopping street is the main approach to the temple and called “Omotesando,” a typical name used for temple’s main approaches in temple towns that exist numerous in Japan. Beside the Kurokabe Company, this shopping street’s merchants association has been dealing with revitalization efforts since the 1980s. In 1987, the physical condition of the street changed drastically when a decayed arcade that was covering the street was removed, and traditional awnings were added to every storefront. By this project, the physical environment of the street improved a lot, however, one shop remained vacant and the merchants association could not find a tenant to fill the shop. Thus, the merchants association, the tourism and specialty association in Nagahama, and the restaurant association in Nagahama raised funding to establish the business. The business provides tourist with information and sells goods and foods that are special in the region.

“Platinum plaza,” which is located along the shopping street that has most vacant shops, was established in 1997 by a citizen group to offer elderly people a place to run

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132 Fukukawa, 228.
businesses and gather to meet. Here, elderly people run four shops, including a farmer’s market, a café, a recycle shop, and a deli. As for the fundraising for establishment of the shopping plaza, a citizen organization that supports this shopping plaza gathered $420 dollars per an elderly person. Additionally, subsidies from the prefecture and the city were used for renovation of the existing vacant shop,

Accomplishments

Accomplishments in Nagahama case are measured by the number of visitors to the Kurokabe glassware shop (Table 7-2), vacancy rate of six shopping streets (Table 7-3), and the new shops opened. Although the Nagahama Chambers of Commerce conducts a survey on the numbers of visitors in city centers as well, the impact of the revitalization efforts is unclear because the data start from 2004 and the numbers are influenced by weather. On the other hand, vacancy rate is decreased dramatically in four shopping streets as shown in Table 7-3, and about fifty vacant shops have been reused since 1987 (including thirty shops operated by the Kurokabe Company), according to the Nagahama Chambers of Commerce. Moreover, sixteen companies including the Kurokabe Company raised funding of $42,000 each and established the new community real estate company in 1996. The new company took over the real estate projects from the Kurokabe Company. As a result, 180 shops out of 400 in the districts have been renewed since the establishment of the Kurokabe Company.

\[134\] 50,000 yen

149
Table 7-3 Change in Vacancy Rate: Six Shopping Street in Nagahama Downtown

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td># of Vacant Shops</td>
<td>N/A</td>
<td>28</td>
<td>25</td>
<td>11</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td># of Shops in Total</td>
<td>67</td>
<td>62</td>
<td>62</td>
<td>62</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>62</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>N/A</td>
<td>45.2%</td>
<td>40.3%</td>
<td>17.7%</td>
<td>8.3%</td>
<td>3.3%</td>
<td>8.3%</td>
<td>8.1%</td>
</tr>
<tr>
<td># of Vacant Shops</td>
<td>N/A</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td># of Total Shops</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>35</td>
<td>38</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>N/A</td>
<td>15.2%</td>
<td>9.1%</td>
<td>9.1%</td>
<td>11.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td># of Vacant Shops</td>
<td>N/A</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td># of Total Shops</td>
<td>31</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>N/A</td>
<td>3.7%</td>
<td>7.4%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>11.1%</td>
<td>7.4%</td>
<td>11.5%</td>
</tr>
<tr>
<td># of Vacant Shops</td>
<td>N/A</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td># of Shops in Total</td>
<td>33</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>N/A</td>
<td>28.0%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>12.0%</td>
<td>12.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td># of Vacant Shops</td>
<td>N/A</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td># of Total Shops</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>85</td>
<td>85</td>
<td>85</td>
<td>85</td>
<td>78</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>N/A</td>
<td>9.8%</td>
<td>11.5%</td>
<td>3.5%</td>
<td>4.7%</td>
<td>7.1%</td>
<td>7.1%</td>
<td>9.0%</td>
</tr>
<tr>
<td># of Vacant Shops</td>
<td>N/A</td>
<td>17</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td># of Total Shops</td>
<td>45</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>36</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>N/A</td>
<td>42.5%</td>
<td>12.5%</td>
<td>10.0%</td>
<td>5.1%</td>
<td>5.1%</td>
<td>2.6%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

*There is no data on the # of total shops in 1994 and 1996. Thus, the smaller number between 1984 and 1994 are used to calculate the vacancy rates.

Resource: The Nagahama Chambers of Commerce
Challenge to regeneration

There are a few perspectives to identify issues facing Nagahama.

From the perspective of the Kurokabe Company, Takashi Nakazawa reports that the company is operating at a loss profit because the company started to support other regions with funding and technical assistance. Offering technical assistance to other communities and the expansion of its business domain also resulted in the lack of a core work force for the Kurokabe Company. Nakazawa suggests that a lack of human resources is happening in every community in Japan, and it is natural for an experienced person to move to other region to share the experience and knowledge of revitalization efforts, but it is difficult for the community left to replace this person. 137

From the perspective of the Nagahama Chambers of Commerce, a decrease of residents and citizen function is the largest issue. This issue cuts two ways. On one hand, the Nagahama Chambers of Commerce values the accomplishments of the Kurokabe Company: it attracts tourists, increases the number of people who walk around the city center, fills vacant shops, and develops consistent design over the shopping area. Nevertheless, the Chambers of Commerce worries that the city center of Nagahama is losing its functions for residents because the area is rapidly becoming to be a tourist destination. 138 Currently, there is no way to manage new businesses that are attracted by the success of Nagahama as a tourist destination. Thus, the Chambers of Commerce put emphasis on the importance of planning and managing a tenants mix that balances services to tourist and neighbors in the long term.

7.12 FACTORS IN THE NAGAHAMA’S SUCCESS

Nagahama’s success is considered to be the result of synergetic efforts by the city, the Chambers of Commerce, the Kurokabe Company, and other civic associations. This section describes factors in the success of Nagahama’s overall revitalization efforts and the Kurokabe Company’s businesses, because the company’s contribution is particularly large.

According to Shigeto Yoshii, who is the executive director of Nagahama Chambers of Commerce and who has been involved in revitalization projects since the 1980s, there are six factors in Nagahama’s success; 1) utilizing skills and funding from citizens, 2) involvement of citizens as volunteers, 3) having a vision ("the Museum City Plan"), 4) revising the plans under the vision occasionally, 5) locating among large cities, 6) having a direct railway and a rapid train from a metropolitan area, Osaka.

With respect to the success of the Kurokabe Company, Fukukawa suggests independence from the government and mobility of the company that enables it to make fast and responsible decisions that are necessary to realize development. According to him, if an organization has to devote too much effort to building consensus, the organization could not realize projects. 139

These factors in Nagahama’s success are summarized as follows;

1) utilizing skills and funding from citizens (particularly Nagahama had large funding from citizens at the initial stage);
2) involvement of citizens as volunteers;
3) having a vision ("the Museum City Plan");
4) revising the plans under the vision occasionally;

139 Fukukawa, 229-231.
5) locating among large cities;
6) having a direct railway and a rapid train from one of the largest city (Osaka); and
7) being assisted by the city and Chambers of Commerce with independence of
administration from the government, vision and capacity of the town development
company.

As in the case of Kawagoe, Table 7-4 compares the Main Street Program’s factors of
local success with that of the factors in Nagahama’s success. The “Main Street Program”
column shows the factors in local success in the Main Street Program part. “Nagahama”
column includes the observations from the Nagahama case.
Table 7-4 Factors in Local Success: The Main Street Program and Nagahama

<table>
<thead>
<tr>
<th>No.</th>
<th>The Main Street Program</th>
<th>Nagahama</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Understandability of the concept of &quot;Four Point Approach.&quot;</td>
<td>There is no catch-phrased approach. Implementations of projects show the approach.</td>
</tr>
<tr>
<td>b</td>
<td>Role of talented managers</td>
<td>The staff of the Chambers of Commerce and the board members of the Kurokabe Company are considered to be managers.</td>
</tr>
<tr>
<td>c</td>
<td>Coordinators at state level</td>
<td>The city and the Chambers of Commerce work as coordinators.</td>
</tr>
<tr>
<td>d</td>
<td>Measuring the economic impact</td>
<td>The numbers of new and renewed shops, the number of vacant shops, no photos of before and after.</td>
</tr>
<tr>
<td>e</td>
<td>Branding, &quot;The Main Street&quot;</td>
<td>There is no brand for the model, but &quot;Nagahama&quot; or &quot;Kurokabe&quot; is a brand for the community.</td>
</tr>
<tr>
<td>f</td>
<td>Incremental approach</td>
<td>The Kurokabe Company's projects are much larger investments and real estate development than the typical Main Street activity.</td>
</tr>
<tr>
<td>g</td>
<td>Local pride and the role of the historic downtown as the heart of the community</td>
<td>The community has strong prides backed by history.</td>
</tr>
<tr>
<td>h</td>
<td>Grassroots and bootstrap approach /Self-help</td>
<td>The Kurokabe company and other civic organizations were initiated by citizens and have implemented projects.</td>
</tr>
<tr>
<td>i</td>
<td>Exposure to outside (film, conference, book)</td>
<td>TV shows, books, news papers, journals and magazines</td>
</tr>
<tr>
<td>j</td>
<td>Significance of the Main Street for the wide society</td>
<td>Supports from wider communities for preservation of old structures</td>
</tr>
<tr>
<td>k</td>
<td>Partnerships with both the public and private sectors</td>
<td>The city is highly supportive to the citizen's efforts, keeping the independency of the citizen organizations.</td>
</tr>
<tr>
<td>l</td>
<td>Identifying and capitalizing on existing assets</td>
<td>Capitalized on the historic structures but introduced new industry.</td>
</tr>
<tr>
<td>m</td>
<td>Capacity for change in mind and practice</td>
<td>Revisions of the master plan are occasionally occurred.</td>
</tr>
</tbody>
</table>

*The numbers in the "No." column refers to the numbers in the list of factors in local success (Table 6-1) in Chapter 6.*
a) Factor 1 is the understandability of the approach. In the Nagahama case, neither the city nor the Kurokabe Company defines their approaches, though they have visions. In particular, the Kurokabe Company did not need this understanding to explain the company’s approach in a way that move volunteers because workforce is provided according to the contract of employment, though the company announces its principles to public. However, the approaches have been visualized vigorously through the Kurokabe Company’s activities; establishing the organization, providing good design that utilizes old buildings, operating retail that targets niches, and promoting commerce as well as the shopping district. Therefore, other shopkeepers and citizens can understand the approach and are encouraged to follow the activities.

b) Factor 2 is the role of talented managers. In the Nagahama case, the Kurokabe Company’s board members and staff of the Chambers of Commerce played the role of managers. c) Factor 2-2 is a coordinator. The city of Nagahama and the Nagahama Chambers of Commerce coordinate the activities of many organizations in the city center.

d) Factor 5 is measuring the economic impact in which the Main Street model uses the number of vacant buildings, average rent per square foot, the number of businesses that were started and closed, and photographed images of before and after of building facades. As stated in “Accomplishment,” Nagahama’s accomplishments are measured by the number of visitors to the Kurokabe glassware shop (Table 7-2), the number of shops opened and closed, and the vacancy rate of six shopping streets. Additionally, number of shops renewed since the establishment of the Kurokabe Company shows its accomplishment. Unlike Kawagoe’s case, because Nagahama revitalization prioritizes the business than architecture,
measurement is more business like. This point is similar to the Main Street model than the Kawagoe case.

e) Factor 6 is a branding. Like Kawagoe case, the name of the city “Nagahama” and the company “Kurokabe” became a brand as the tourist destination. This phenomenon could be considered that the Nagahama case also shares the strong impact of branding.

f) Factor 8 is an incremental approach that is different from the Main Street model. The Nagahama “Museum City” project, which started from the 1980s and took many small steps, could not earn the fame of “success” case to the current extent. Although the Kurokabe Company started from a single building, the large scale investments and real estate development have played a major role in Nagahama’s success. This situation is different than the most Main Street Programs, according to Seidman.

g) Factor 3 is a local pride and the role of the historic downtown at the heart of the community. Yoshii commented that there is a “Nagahama-ism,” in which people in Nagahama are proud of the history of Nagahama. However, at the same time, they are characterized as being open to new things, and do not hesitate to explore them by general opinions.

h) Factor 4, grassroots and bootstrap approach, is also shared, having observed the history of Nagahama revitalization efforts. The Kurokabe Company, established by citizens in 1984, started from a renovation of a building and increased the number of projects step by step. Local citizens and firms also made significant investments in the Kurokabe Company.

i) Factor 7 is outside exposure. Like Kawagoe case, both the Main Street model and Nagahama case share the value of exposure to wider community through TV programs and magazines.
j) Factor 9 is the significance of the Main Street for wider society. In the Nagahama’s case, the significance of old downtown has been recognized by the city, Chambers of Commerce, and business owners who established the Kurokabe Company. Related to the significance of the downtown, the importance of history is also recognized by a great number of citizens. For example, when the Nagahama Castle was reconstructed in 1983 over 8,000 citizens donated about $3,600,000 of total construction cost of $8,356,000.\(^{140}\) This event shows an enormous deal of concern to history by citizens. The number of the tourist also shows the strong attraction of the Nagahama’s historic assets.

k) Factor 10 is considered to be shared, because both the Main Street local organizations and Nagahama case need partnerships with public and private sectors, keeping independency from, particularly, government. As for the Main Street Program, even if the states coordinators or cities are involved in the program, the administrative independency of local Main Street organizations is secured. This seems the key to build capacity in the part of communities, the capacity to find the problem and solve them by themselves.

l), m) are also shared; both the Main Street and Nagahama capitalize on existing assets and have visions and revisions of them.

Although Yoshii suggests regional transportation connectivity (No6 in the list on page 153), this is not seen in the Main Street’ success factors. The reason is considered to be that transportation can be obtained by advocacy; a resident in Iowa, whom the author met in the Main Street Conference, commented that his community is organizing a Main Street Program to organize residents for advocacy of a train network to Chicago and a light rail

way in downtown.\textsuperscript{141} This possibility to obtain transit connection by advocacy can be expected in Japan as well; because Nagahama’s direct connection from Osaka was also the result of citizen movement.\textsuperscript{142} Therefore, this factor is not necessarily for being a successful community.

Like the Kawagoe case, shared components are related to how the communities are involved in revitalization efforts, while different factors are related to systematization of the efforts. However, the Nagahama case introduces new strategy that directly controls town assets. Seidman writes that “the emphasis on real estate development and introduction of new glass making businesses seems very different that most Main Streets—it involves creating the capacity to more directly control real estate and business activity.” This experience provokes consideration for the development of an optional revitalization model.

7.13 \textbf{SUMMARY OF DEVELOPMENT OF JAPANESE MODEL}

The previous comparisons show that the essences of revitalization are likely to be shared between the Main Street Program and Japanese grassroots revitalization efforts. At the same time, these comparisons show that there is a sharp contrast in the factors related to systematization (i.e. an understandable set of approaches, measurement tools) and actors (i.e. managers and coordinators). Japanese local efforts have not established these elements because Japanese cases have not intended to replicate the model unlike the Main Street model. A lack of these elements may pose an obstacle to establish a revitalization model that is applied to many communities. The following sections focus on developing the

\textsuperscript{141} An interview to a residents in Iowa, the Main Street Conference, March 26, 2007.
\textsuperscript{142} An interview to the executive director of the Nagahama Chambers of Commerce, April 19, 2007.
frameworks of managers and coordinators, measurement tools, and the understandable approach.

**Managers and Coordinators**

Although in the Main Street pilot project, managers are all new to the communities, still there are discussions whether the longtime residents or newcomers are more likely successful to commit to the downtown revitalization. This discussion can be observed even in the United States. Moreover, what kinds of background are ideal to be managers in Japan is needed to be further discussed. As for coordinators, scholars, and professional associations could take the role, as stated above. The situation could make it easier for the cities to reach to communities because community will be organized with a board, a manager and several committees if the community employed the concept of organization that is similar to the Main Street model. On the other hand, as the government employees do not stay in a position for a long time, scholars and professional associations could work better as managers as observed in the Kawagoe case.

**Measurement of impacts**

Concerning the extent to which Kawagoe and Nagahama cases are successful in the Main Street standards, these cases seem successful. However, the standardized measurement of impacts does not exist, and this situation causes difficulty to define “success.” Researchers say that shopkeepers do not want to open rent, because it influences relationships with neighbors. Additionally, impacts on tax revenues are hard to see because there are no administrative boundaries for commercial districts. These shortcomings should

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143 A comment by a city official in Boston, March 2007.
be remedied in order to develop the model to Japan; change in mind of merchants and change in tax system are necessary.

Understandable Approach

The Main Street Four-Point approach seems effective in Kawagoe and Nagahama, because the components of the approach (organization, design, promotion, and economic reconstruction) are necessary for both communities. The Main Street approach might also be able to complement shortcomings in tenant mixes (Kawagoe, Nagahama) and organization (Nagahama).

Implication to other communities in Japan

Finally, this section discusses how many communities have conditions to be adaptable and successful using the revitalization model. Basically, the potential is nurtured by a trial and error approach, so there is no rigid answer for this question. However, there may be numerous communities that have potential to be successful communities using the revitalization model. For example, many municipalities already have the involvement of volunteers as shown in the interviews in Chapter 4, regarding the ability to involve volunteers. Although the involvements are still weak, the state could be enhanced by organizing citizens using the Main Street approach.

With respect to the framework of managers, the capacity of the Chambers of Commerce in other cities differs in every community. However, as a lack of workforce are discussed as an issue in the TMO experience that are largely established in the Chambers of Commerce, it seems to be necessary to seek potential managers from wider society and
develop the skills. In addition, if Chambers of Commerce could take the role of managers, it
seems that that they need to look at design improvement as well as businesses. The presence
of local prides and historic assets in communities is unclear, because there are not so many
old buildings in Japan, because the Wars destroyed many cities, and also many remaining
buildings were rebuilt when Japan was experiencing the rapid economic growth. One way
to deal with this situation is to expand the definition of historical assets; Japanese
commercial streets have variety of origins; some of them are shops collected by feudal lord
in pre-modern era, shops gathered in front of traditional temples and shrines, shops herded
near fish ports, and shops emerged to sell things illegally after the World War II. Although
the commercial streets are such interesting places in terms of history and culture, the general
perception towards commercial streets is negative, and there are many “shutter street” in
local cities. Among 3455 commercial associations that attended the national commercial
association survey, 53.4% answered as “stagnated” and 43.2% answered as “decaying”,
while 2.3% answered “prosperous.”\footnote{144} The vacancy rate in the cities with population of
more than a million is 4.94%, whereas that of the cities with population less than 50,000 is
10.10%.\footnote{145} This vacancy rate seems to be lower than actual situation, because this rate is
calculated by vacant shops divided by the number of shops, and the vacant land and housing
that also affecting the commercial streets are not counted. These numbers show that there
are numerous commercial streets that have potential to discover historical values and
capitalize on them for regeneration.

\footnote{144} The National Union of Commercial Associations, \textit{The Shopping Street Survey 2003}, (Tokyo: Ministry of
Economy, Trade and Industry, 2004), 32.
\footnote{145} The National Union of Commercial Associations, 20.
Another way is to find the regional resource or characteristics other than history. For example, nature, old and new industry, traditional or new craft works, sports, and anything that can build identity of the community would work. The expression of identity could be realized in not only buildings, but also banners, street furniture, and awnings as the Main Street communities do in the United States. More importantly, local pride could be nurtured through revitalization activities.

With these findings, the next chapter summarizes the whole study and proposes the initial development of Japanese version of community-driven revitalization model.
CHAPTER 8

CONCLUSIONS AND RECOMMENDATIONS

The research question of this study is twofold: one is whether the US Main Street model is likely to be an effective approach to addressing city center issues in Japan, and another is how the Japanese society can start the model. The previous chapters show the implications of the US Main Street model as a strategy to revitalize Japanese city centers differences in developing and disseminating revitalization program. With the observations from previous chapters, this chapter first summarizes the reasons why the US Main Street model is likely to be an effective approach to addressing city center issues in Japan.

Following that, this chapter offers recommendations on how to improve Japanese downtown revitalization efforts using the experience of the Main Street approach.

8.1 THE MAIN STREET MODEL’S EFFECTIVENESS FOR ADDRESSING CITY CENTER ISSUES IN JAPAN

There are two major reasons why the Main Street model is likely to be an effective approach to addressing city center issues in Japan. The first is that the model is different from any other approach for downtown revitalization in both United States and Japan: the model is community-driven and involves the widest variety of stakeholders. The second reason is that the model is likely to remedy the limitations of current revitalization efforts initiated by the Japanese government.
The Main Street model’s distinction from other approaches for downtown revitalization

The first reason mentioned above was established in Chapter 2 by looking at the Main Street Program itself and comparing the program with other revitalization approaches in the United States, drawing on Seidman’s review. Categorized as a District Management strategy, what makes this program different from other revitalization efforts comprises four factors: grassroots community effort, incremental approach, fewer resources needed for start-up, and a focus on volunteers. With these factors, the Main Street Program has become the most widely used revitalization strategy in the United States, and also promises to be a totally different strategy for Japanese city center regeneration.

More importantly, this distinction from other approaches seems to be in line with the Japanese political reform that was introduced in Chapter 3 with discussion of the current emphasis on two concepts for Japan’s economic and urban policy: public-private partnership and city planning at the local level with civic participation. Therefore, the Main Street model’s philosophy, which is grassroots and community-driven, seems to be accepted by the Japanese institutional environment that is reforming from “top-down” to “bottom-up.”

The Main Street model’s implication for city center issues in Japan.

The second reason for the Main Street’s promising effectiveness for the Japanese society is found from Chapter 4’s analysis of the actions by the Central Government and the local government in response to city center issues. The findings suggest that 1) Japan’s policies have been less successful than the Main Street model at maintaining organization and involving citizens, 2) the concept of comprehensiveness in both planning and implementation stages has not been emphasized in Japan, 3) managers have not been
recognized as central to success, and 4) a strong nationwide support system for local revitalization efforts does not exist in Japan. The Main Street model is likely to remedy these four limitations of current revitalization efforts initiated by the government in Japan with its emphasis on the Four-Point-Approach and technical support.

Moreover, through the case studies of Japanese efforts, the strengths of the Main Street Program are supported by the experiences for downtown revitalization in Japan. The next section introduces how to improve Japanese downtown revitalization efforts using the findings about this framework from both the national system and community levels.

8.2 MOVING FORWARD WITH JAPANESE REVITALIZATION EFFORTS

Although both Japanese downtown revitalization efforts and the Main Street Program show the significance of being citizen-driven, and the length of time necessary for measurable improvement is from ten to twenty years, there is a sharp contrast between two experiences in terms of its systematization. The following sections show how to improve Japanese downtown revitalization activities through systematization at the national level and through establishing a model at the community level.

Strengths of a Systematized Community-driven Approach and the Roles of Coordinators and Managers

In Japan, government-driven approaches are systematized, whereas community-driven approaches emerged naturally in a non-structured way. Although the Kawagoe and Nagahama cases are successful in collaborating with municipalities who coordinate some citizen organizations, generally, citizen participations are not established in an organized
way in many municipalities as stated in the City Center Issues chapter (Chapter 4). On the other hand, in the Main Street Program, communities are organized by the National Main Street Center, a private non-profit organization, showing the strengths of systematizing community-driven revitalization efforts: the system makes it possible for the program to increase the number of involved communities, to maximize efficiency of providing support as well as to mitigate the burden of successful communities, and to reduce the feeling of isolation of communities.

More importantly, the Main Street model successfully re-connects municipalities and communities, defining the role of municipalities as coordinators, technical providers as managers, and residents as board members and volunteers. This structure can be partially seen in Nagahama in which the city of Nagahama and the Nagahama Chambers of Commerce play the role of a coordinator, and the Nagahama Chambers of Commerce and the Kurokabe Company undertake the role of a manager. In the Kawagoe case, urban design scholars and city officials play the role of coordinators and managers, providing technical support, and sharing the role with merchants.

Having observed that, it is considered that the capacity of the communities as actors in downtown revitalization can be nurtured by the presence of coordinators and managers. A coordinator sees the whole picture of activities and coordinates multiple organizations, while a manager provides technical support and helps to foster revitalization actors as well. Thus, it is crucial to consider who can take the role of the coordinators and managers in designing the revitalization system for the Japanese society.

Concerning the role of coordinators, either municipalities, the Chambers of Commerce, or scholars could take the role of coordinators as being seen in the Main Street
Chapter 8

Program, Nagahama, and Kawagoe. The role of a coordinator is to create a vision of the city center and to revise it occasionally with the involvement of other organizations. With this vision, the coordinator literally coordinates organizations.

With respect to the managers who bring technical support, experiences from the Kawagoe, Nagahama, and Waseda cases show that ideas and technical support can be provided by successful communities through real experiences. Moreover, these ideas and techniques need to be tailored to best suit each community. Therefore, it seems that the conditions for being a manager are both having accessibility to lessons learned from experiences and understanding of the community, which is obtained by spending time on the site at the same time. In Nagahama and Kawagoe, fortunately, communities have had the scholars, the city officials and the business owners who had been studying urban design, historic preservation, or revitalization efforts since the 1960s. They happened to meet the above conditions, having both accessibility to the knowledge of revitalization and the understanding of the communities. Nevertheless, not many communities have the human resources that meet the conditions for managers. It seems that this is one reason why the Japanese revitalization environment lacks managers.

Current Mechanism of Knowledge Sharing and its Limitation

Figure 8-1, which is a part of Figure 5-8, shows the current mechanism of knowledge sharing in Japan. This mechanism is not sustainable because of three limitations: the limited number of communities that a successful community can deal with, the limited use of information in successful communities, and limited human and financial resources to improve the existing successful revitalization effort.
A successful community can only deal with the limited number of communities because the main actors of the revitalization efforts are merchants, business owners, scholars, and government employees who use their private time. Thus, it is not easy for them to spare time to deal with consulting services for other struggling communities. For example, Community A in Figure 8-1 will have trouble with the increasing workload.

Regarding the limited use of information that is gathered through the consulting process, revitalization actors other than scholars are not trained to gather statistics and to make reports. The time of actors is also limited. Thus, if a successful community engages in the revitalization effort as a technical support provider, the community needs to hire additional staff to organize and analyze the information. However, as the government provides information for “free,” the successful community cannot obtain funding for hiring staff by selling their knowledge.

Related to the previous factor, the limited human and financial resource to improve a successful community’s own revitalization effort refers to the situation in which such a community does not obtain compensation for their efforts and knowledge sharing. This
situation results in the fact that the successful community can hardly move forward from the current success and cannot sustain it in some cases.

Proposal for the Japanese Community-Driven Revitalization System

Given these three limitations, it seems crucial for communities to have an intermediate institution to reform this mechanism. The intermediate institution should be established by a private sector, because the staff needs to stay in a position for a long time (unlike government employees) in order to keep track of revitalization efforts that form shape in the long-term. In addition, because the staff in the institution needs experience on the street or needs to be close to the information from communities, it is better to separate the role of the government and the institution. Moreover, as staff needs to know how to deal with information, trained practitioners and scholars will fit in the position.

The intermediate institution will 1) increase the number of citizen-driven efforts and 2) improve the techniques to be successful. The knowledge gathered from efforts and studied techniques in the institution can be brought by publication, conferences, and managers through a manager training system in exchange for membership fees. In addition, the training system makes it possible to activate underutilized skills in communities: community members such as women who stay in communities raising children, retired businesspeople, and younger residents who want to stay in the community could be trained. These people are highly likely to have certain skills without using them, and not to prioritize the amount of salary, but time to spend with families or to pursue life-styles of one’s own.

Figure 8-2 shows the diagram of the system in which an intermediate institution has a pool of knowledge and provides it to communities.
At the initial stage, a few communities at different stages of the revitalization process are connected to the intermediate institution, which gathers lessons and ideas from participants and makes records for documentations and publications. The reason why the system needs communities at the different stages is that the institution needs already existing successful experiences to serve struggling communities, and new successful stories created by the system are necessary for promotion. However, the strengths of incentives for communities to participate in the system are not the same, according to the situation of the communities. Thus, the intermediate institution needs to design different rewards or fees for each community. For example, the institution needs to reward successful communities rather than request fees, while the institution can request larger fees from struggling communities.
with stronger needs. However, because it is difficult for struggling communities to pay expensive fees, communities may need financial support from the outside.

Regarding the rewards for the already successful community (Community A), the institution could provide a manager without compensation. The manager helps the already successful community to remedy shortcomings, as well as organizes information including measuring economic index for use by other communities. For the less successful communities (Community B and C), the ratio of salary for which the institution is responsible could change, e.g. half of the salary could be paid by the institution and another half come from the community B, whereas Community C might be responsible for all the manager’s salary.

However, as seen in the Chapter 5, initial investment for the intermediate institution is not a small amount of money. In 1977, the National Trust for Historic Preservation spent from $89,410 to $107,293 for each pilot project, including the cost for hiring a manager, and Bird & Son sponsored with $1,804,499 (the amount of money calculated in the value of 2007). Hiring practitioners who work for the institution and developing new managers also require large investment at the initial stage. Therefore, the institution needs to seek wider support from the government and private sectors. The institution will be able to offer information and advice for the government for the compensation of financial support. In order to provide financial support, the government could cut the cost of free-information-sharing and subsidies. The institution could also seek support from private sectors, whose business would be benefited from the downtown revitalization: construction companies, construction material companies, and businesses that look at the downtown, such as café businesses.
The institution also could seek affiliations with community banks that are emerging in current Japan, information technology companies (technology of wireless internet, parking information, and mapping), and rewards card companies. Furthermore, collaborations with new type of networks of commercial associations such as the Shotengai Network will be vital. Particularly, Kinoshita’s new model that cut the cost of shops by operating them correctively seems to be useful to the district management model.

Revitalization Model at the Community Level

With respect to the revitalization model at the community level that is to be provided by the institution, several options could be offered. The reason for not pursuing a single model is that 1) Japanese cities are less likely to have historic assets, and heavy reliance on the meaning of historic preservation is risky, 2) as seen in the Kawagoe case and the Nagahama case, there are at least two approaches to achieving successful revitalization communities: Kawagoe accomplished this successful state with emphasis on a citizen organization that is intended to preserve historic architecture, while Nagahama realized its success with a large investment for a new industry funded by citizens and the city.

Although these options to be studied and organized in detail, it seems to be promising to see the resources of communities in terms of assets and economy. The resource in terms of assets refers to the uniqueness of the community in which the community members can admit cultural significance and on which the community can capitalize. Examples are nature, universities, tendencies in demographics (young people, elderly people, and families), and industries. (Figure 8-3, Figure 8-4)
The resource in terms of economy includes the scale of funding that the community can raise. As seen in the Kawagoe and Nagahama case, the economic involvement that each community can gather is different. Although Nagahama is a smaller city with a population of 85,000, the business owners succeeded to provide funding for the establishment of the Kurokabe Company with $760,000\textsuperscript{146} and to win financial supports of $337,000\textsuperscript{147} from the city. On the other hand, although Kawagoe is a city with population of 330,000, the citizen organization, the Kura-no-kai is funded by memberships and the economic scale is small. A reason for this discrepancy might be the difference in the size of district on which the organizations have impacts: The Kurokabe Company is dealing with a larger commercial district with nine shopping streets, while the Kura-no-kai is dealing with a smaller district with three shopping streets. Another reason might be the characteristic of the economy: Nagahama is highly independent with manufacturing industries, whereas Kawagoe is a commuter suburb for Tokyo.

\textsuperscript{146} 90 million yen
\textsuperscript{147} 40 million yen
In this way, the revitalization model at the community level needs to have options according to at least two kinds of communities’ resources: assets and economy. Figure 8-3 shows the concept of these options in the revitalization model and criteria for the selection of an option. For example, the Kawagoe case can be considered as an example of the revitalization model based upon historical assets and a small funding resource. In this case, organizing citizens is more important than undertaking community development activities. On the other hand, the Nagahama case can also be seen as an example of the revitalization model based upon the combinational assets of historical assets and industry plus a large funding resource. In this case, undertaking community development activities is more effective than organizing citizens.

<table>
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<tr>
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<td>• Historical Spots</td>
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<td>• Nature</td>
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<td>• Tendencies in demographics</td>
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<td>people, and families)</td>
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<table>
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<th>Revitalization Model</th>
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Comprehensiveness

**Figure 8-5 Revitalization Models**
However, in both cases, comprehensiveness seems to be important, because Kawagoe hopes to undertake development of vacant land and shops, whereas Nagahama needs to enhance the aspect of the community for the residents. In this sense, the Main Street Program’s Four-Point-Approach is likely to be effective for any model as the foundation of models, because the approach encompasses organizing neighborhood and reconstructing economy, including community development. In addition, the remaining four points, promotion and design, seem to be included inevitably in both the Kawagoe and Nagahama cases and are necessary in any other revitalization efforts.

It is also notable that although the Main Street Program can provide the conceptual framework of comprehensiveness, the government needs to revise subsidies because it have significant impacts on the implementation of the revitalization projects as seen in “Analysis of the Implementation Stage” in Chapter 4.

Having considered both the vehicles and the models of downtown revitalization, Table 8-1 shows recommended actions for the intermediate institution, the government, and the communities.
<table>
<thead>
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<th>Table 8-1 Recommended Actions</th>
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<tr>
<td><strong>The Intermediate Institution (I.I.)</strong></td>
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</table>
| **Selection of Target Communities** | - hold a competition for pilot projects and select a few communities  
- create the framework of coordinator | - organize a board and committees  
- apply for the competition  
- identify problems and goals | - create the framework of coordinator in collaboration with I.I. |
| **Provision of Technical Support** | - establish several revitalization models  
- establish membership structure and the network  
- spread knowledge by publication  
- organize conferences | - be a member of the Institution  
- use conferences for knowledge exchange and learning opportunities | - transfer the role of knowledge-sharing-center to the Institution  
- use conferences as explanatory sessions of revitalization information |
| **Development of Managers** | - establish the profession of town managers and the methods of training  
- train managers | - find potential managers and have them trained  
- raise funding for hiring managers | - transfer the role of town-manager-appointment to the Institution |
| **Monitoring of Revitalization Activities** | - develop measuring tools  
- have communities implement them | - keep measurement of vacancy rate, rent, visitors, and visual images | - transfer the role of monitoring of revitalization activities  
- create administrative boundaries to measure economic activities of commercial district |
| **Raising Fund** | - find donation from private sector  
- affiliate with community banks and other organizations | - spread membership  
- expand inclusion  
- seek donation from businesses | - revise subsidies  
- fund the Institution  
- promote tax incentives for donation |
| **Promotion of Downtown Revitalization** | - project conferences  
- use a variety of media for promotion | - identify the motivation of different groups of people | - collaborate with I.I. and support promotional activities |
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LIST OF INTERVIEWS

Carol MacLaughlin, Design Service Manager, Boston Main Street
Emily Haber, Program Director, Boston Main Street
Hitoshi Kinoshita, Research Associate: Tokyo Foundation, kino@shoutengai.co.jp
Jennifer Rose, Executive Director, Allston Village Main Streets, Boston
Joshua J. Bloom, Principal, Clue Group
Kazuo Kani, Chief of Design Committee, Watch Store Owner in Kawagoe
Kelly Tynan, Executive Director, West Roxbury Main Streets, Boston
Kenji Fujiwara, Japan Ministry of Land, Infrastructure and Transportation
Mary C. Means, President, Mary Means & Associates, Inc.
Midori Nakano, resident in Kawagoe, Director, Playground (NPO)
Noboru Moriyama, Noboru Moriyama Architect & Assoc, Architect
Shigeki Nambu, President, Urban Structure Research Center inc., Architect, Town Manager
Shigeto Yoshii, Nagahama Chambers of Commerce
Shunji Suzuki, Hearts Environmental Design, Urban Planner
Simon Quin, Chief Executive, Association of Town Centre Management
Stephen Gilman, Neighborhood Business manager, Boston Main Street
Sumikazu Aramaki, The City of Kawagoe
Tokuichi Ono, resident in Sendai
Tomoyuki Hara, Director of Kura-no-kai, Ceramic Store Owner in Kawagoe

Fifty-three Japanese municipality and Chambers of Commerce staffs
## APPENDIX

Table A-1 Survey District Management Organizations

<table>
<thead>
<tr>
<th></th>
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