

(Translation for reference*)

Basic Idea Regarding the Facility Management/Operation of the Ariake Arena



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**Bureau of Olympic and Paralympic Games
Tokyo 2020 Preparation**

Tokyo Metropolitan Government

* This English document has been translated for overseas. We will take priority in the Japanese version in case the description differs.

1. Position of “Basic idea”

The Ariake Arena which will be the venue for the Olympic and Paralympic Games Tokyo 2020 (hereafter “Tokyo 2020”) plans to conduct a “concession-type^{*1}” for public facility management/operation under the “Promotion of Private Finance Initiative Act” (hereafter “PFI Act”).

The summarized “Basic idea” shows the ideas of the Tokyo Metropolitan Government (hereafter “TMG”) regarding the facility management/operation of the Ariake Arena.

This “Basic idea” summarizes the current ideas to hear a wide range of opinions/suggestions by making full use of private sector vitality regarding the main items which will be included in the concession schemes for the facility management/operation under the PFI Act. The information may change upon the interview results of the private sector.

2. Facility operation purpose

(1) Vision of facility management/operation after the Tokyo 2020

After the Tokyo 2020, the Ariake Arena will target annual 1.4 million visitors as a new center for sports and culture in Tokyo by creating a movement toward active participation in sport by providing opportunities for watching in attendance international games and other world-class games, along with providing a stage for attractive entertainments including concerts.

(2) Three principle perspectives for facility management/operation

We will work to put the following three principles under “*Facility Management Plans for New Permanent Venues*” into effect regarding the facility management/operation of the Ariake Arena.

Based on the facility features, entrust private sectors with a public facility operating right (hereafter “concession right”) for a long period regarding the facility operation. And also target to maximize the benefits for the Tokyo residents including maximizing facility profitability and compensation, and also improving services for Tokyo residents, along with creating a worthy legacy for the Tokyo residents by conducting a “concession-type” for public facility management /operation which relies on the knowledge and ingenuity of the private sector to the fullest extent.

A. From the facility per se (point) to an ‘expansive’ community (area)

Contribute to create a vibrant and fun-filled atmosphere to the Ariake

^{* 1} Concession-type : This scheme allows the public body to grant concession rights to private operators for them to operate facilities (public assets) where service fees are collect from the users, while asset ownership remains with the public authority.

Legacy Area^{*2} and surrounding area by incorporating with the surrounding facilities and as a core facility to stage sports games and entertainment events etc.

B. From “sunk cost” to investment in the future

As a facility that many will use after the Tokyo 2020, and enhance the facility operation cost to future investment by creating a worthy legacy for both sport and culture.

C. From public administration to private sector initiatives

Performing efficient and effective facility management while relying on the energy and wisdom of the private sector to the fullest extent.

3. Facility management/operation description

(1) Name of the facility in question

Ariake Arena (Ariake 1-9, Koto Ward, Tokyo)

(2) Venue description

A. Overview of the building

Lot area	Approx. 36,600 m ²
Floor area	Approx.47,200 m ²
Building structure	Reinforced-Concrete, partially SRC/S
Number of floors, height	Approx. 40 m, five floors above ground

B. Venue overview

Main Arena	Size	Approx. 4,100 m ²
	Spectator seating	Approx.15,000 seats (incl. temporary seats) About 1 % of the seats ensured for wheelchair users (with companion seating).
	Others	<ul style="list-style-type: none"> ▪ Concrete floors ▪ Secure adequate ceiling height and ceiling suspended load ▪ Related rooms, VIP lounge/booth
Sub Arena	Area	Approx. 1,400 m ²
	Others	<ul style="list-style-type: none"> ▪ Wooden floors ▪ Layout taking into account its link to the main arena as well as use on its own merits.

^{*2} Ariake Legacy Area : Please refer to page 7 on the “*Facility Management Plans for New Permanent Venues*”
<http://www.2020games.metro.tokyo.jp/taikaijunbi/torikumi/riyou/uneikeikaku/index.html>

Others	<ul style="list-style-type: none"> ▪ Secure a changing room for the wheelchair athletes. ▪ Food/drink merchandise stores (a block each on the main arena side and the meeting square side) ▪ Gym/Studios ▪ The meeting square
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(3) Overall facility management/operation period

The overall facility management/operation period will be as follows. [See below]

A. Preparation period

From contract day for the operation (scheduled to be on Mar. 2019) to facility completion date (scheduled to be on Dec. 2019)

B. Facility management period

From the appointed day by the TMG after the completion of the facility to the completed construction date by the TMG after the Tokyo 2020.

C. Facility operation period

Approximately 25 years from the appoint date by the TMG since the post termination of the construction after the Tokyo 2020. (Operation starting date based on the facility operation contract)

(4) Facility operation description and procedures

Operate as follows based on the period as provided above in (3) A. to C.

A. Preparation period

After signing the facility operation contract, the public facility operator (hereafter “facility operator”) may begin preoperating operations based on the facility operation contract including attracting and accepting orders from sports games and entertainment events.

B. Facility management period

Facility operator may conduct facility management operations along with the preoperating operations (as provided in A.).

C. Operation period

Facility operator will conduct the whole facility operation including attracting sports games and entertainment events, facility management through a “concession-type” for the public facility management/operation under the “PFI Act”.

(5) Operation date of termination

The concession right granted to the facility operator will dissolve on the operation date of termination. The concession right will be not be extended in principle.

4. Paying by way of compensation and others

As a general rule, the facility operator should pay by way of compensation to the TMG the required amount through the defined means provided in the contract once the operation period starts. [See 3. (3) C.]

The compensation will be paid separately over the operation period, which consists from the fixed portion that generally has a fixed amount of money during the operation period and fluctuation portion that links with the benefit of the facility operator.

5. Facility operation scope

(1) Operation tasks conducted by the facility operator

Facility operator will conduct the following works during the period of time determined as provided above in 3. (3) A. to C.

A. Preparation period

(A) Attracting and coordinating orders

Attracting, and coordinating orders sports games and entertainment events and so on.

Furthermore, the facility operator will be responsible for any cost incurred from the operation.

B. Facility management period

(A) Attracting and coordinating orders

Attracting, and coordinating orders sports games and entertainment events and so on.

Furthermore, the facility operator will be responsible for any cost incurred from the operation.

(B) Facility management and small-scale repair works

The facility operator will conduct the facility management under the operation specification provided by the TMG. On the occasion of facility management, work together with the Tokyo Organising Committee of the Olympic and Paralympic Games under the TMG instructions to create a smooth operation of the Tokyo 2020.

Furthermore, any expense incurred from the operation tasks paid by the TMG due to the operation tasks and responsibility during the facility management period will be reviewed.

C. Operation period

The facility operator will conduct the following facility management /operation [see (A) to (D) below] through a “concession-type” under the “PFI Act”

These operation tasks will work to increase profitability through efficient management, creativity and ingenuity, active promotion and so on.

(A) Facility operation utilizing the facility

Facility operation by providing the facility for sports games and entertainment events and collecting user fees

a. Attracting and coordinating orders

Attracting and coordinating orders sports games and entertainment events and so on

b. Providing the facility and collecting user fees

Providing to a third party, and collecting user fees

c. Marketing and promoting

Marketing, public relations, advertising and so on to promote the facility use

d. Subsidiary operation

Operation of food/drink merchandise stores within the facility

(B) Facility management

Facility management and repair work etc.

Furthermore, the facility operator could be responsible for any cost incurred from the facility service improvement, additional investments and repair work contributing to profitability improvement after further discussions with the TMG.

(C) General management works

General management and accounting relating to the facility

(D) Others

Other facility management/operation

(2) Operation tasks conducted by the TMG

A. Large scale repair works

The TMG will be responsible for any cost incurred from large scale repair works dealing with the dilapidated building frame and equipment of the facility and retrieving the degraded facilities to the initial level.

The TMG plans to conduct large scale repair works during the operation period. However, there will be no compensation for business towards the facility operator even if there will be closed periods due to the large scale repair works.

6. Prerequisites regarding the facility use

(1) For sports use

A. Main arena

(A) Sports use period

Set up the sports use period for at least two months annually in total, and install a temporary wooden floor during this period as a general rule. The sports use mentioned here includes sports for the disabled and sports with or without the entrance fee income and for both professional and amateur sports.

The sports use period is not necessarily limited to a consecutive period and the facility operator may decide the period based on the will of the groups using the facility and the facility management vision.

As a general rule, the facility operator will be responsible for any cost incurred from the installation and removal of the temporary wooden floor. However, the details will be reviewed by taking into consideration the presence or absence of the entrance fee income, professional and amateur division and so on.

(B) Major sports games

The facility operator will target to hold at least 10 major sports games annually regardless of the sports use period.

Furthermore, (A) and (B) provided above is possible to achieve within an average of four years rather than a single-year basis.

B. Sub Arena

Give consideration to the sports use for the Tokyo residents.

(2) User fees

The facility operator will set up by discussing with the TMG based on the proposal.

Furthermore, the following points must be considered when setting up.

A. Main Arena/Sub Arena

For sports use, the user fees will be based also on amateur sports use taking into consideration the presence and absence of the entrance fee income, and the professional and amateur division.

B. Equipment for sports use (incl. temporary wooden floor, games equipment)

User fees will be based on the standard level of other similar facilities.

C. Gym/Studios

User fees will be based on other similar facilities that a wide range of Tokyo residents can use.

(3) Equipment

The TMG will be responsible for any cost for other equipment necessary for the general equipment and facilities related to sport use. And the facility operator will be responsible for updating not including the ones designated by

the TMG.

(4) Provide a fair facility

When providing the facility, keep in mind to ensure fair usage including preventing some private sectors of representative firms and members of the facility operator and subcontractors and others to exclusively use at a low price.

Furthermore, on the occasion of facility use by representative firms and members of the facility operator, subcontractors and host facility operations (facility operation where the facility operator hosts events including entertainment events) keep in mind not to impair profitability.

(5) Others

Specific functions of the gym/studios are based on the proposal. (It is possible to have proposals such as only using the studios.)

7. Monitoring

The TMG will continuously conduct a performance evaluation to make sure that the facility operator conducts the operation tasks appropriately and meets the requirements of the TMG

8. Discussions related to facility use and others

Consider to set up opportunities for discussions with the facility operator and the TMG including the facility use after a certain period of time from operation.

9. Facility operator selection procedures

(1) Selection process

Select the facility operator upon the screening process by the selection board.

(2) Selection schedule (plan)

Formulation of the ordinance for the facility management/operation Announcement of the concession schemes	Dec. 2017
Announcement of recruitment	May 2018
Accept proposal	Sep. 2018
Decision on the position of the facility operator	Nov. 2018
Conclusion of a preliminary agreement	Jan. 2019
Decision by the Tokyo Metropolitan Assembly Conclusion of the facility operation contract	Mar. 2019

(3) Prerequisites for applicants

A juridical person or a group of such persons who has a track record of having experience in the facility management/operation would be considered.

10. Contract procedures

The TMG will sign the contract through the SPC (Special Purpose Company) established by investments from a single juridical person or a group of such persons who has been selected as the facility operator and comply with the requirements stated above [See 9. (3)].

Furthermore, the TMG has no plans for investments or sending officials towards the SPC.

11. Others

(1) Naming rights

Apart from this operation tasks, the TMG plans to set naming rights to the Ariake Arena. Details will be indicated on the application guideline during the open recruitment for the facility operator.

(2) Language used

All the procedures regarding the selection and contract procedures for the facility operator will be done in Japanese.

All enquiries to:

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