



June 4, 2018  
National Treasury  
The Republic of South Africa

# Ogal Project

## Utilizing Town-Owned Land Through PPP



Saori Howard  
Shiwa Town Hall

What does Ogal mean?

“grow” (ogaru) + “station” (gare)



Sustainable growth in Shiwa

What’s behind the Ogal logo?

[Red] human vitality

[Yellow] the earth

[Blue] water and the sky

[Green] green space

# What is Ogal?

## Redevelopment

- Shiwa's redevelopment project
- The new town center



## Connection

- To connect our urban and rural communities
- Environmentally conscious and aesthetically pleasing

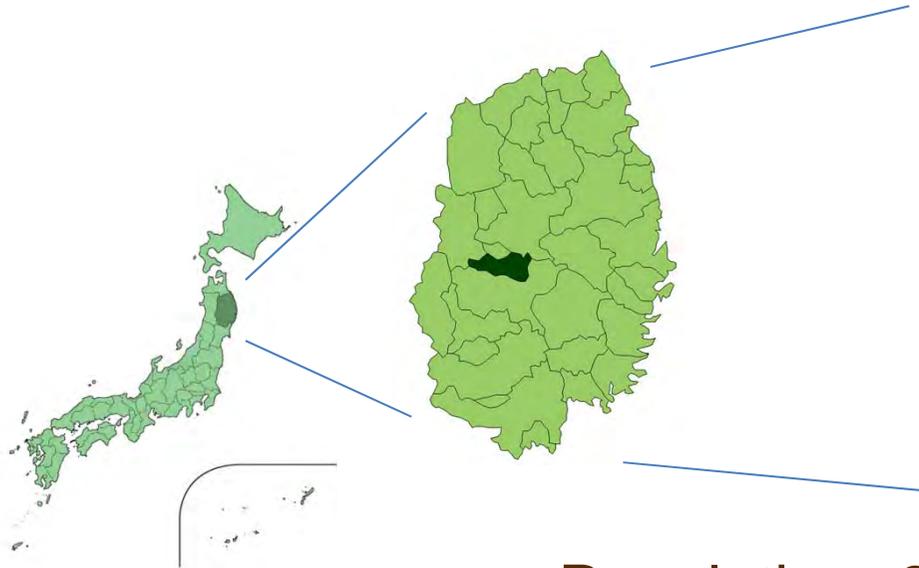


## “Only in Shiwa” Lifestyle

- Create a place where everyone can live, work, relax, learn, and try something new.



# Shiwa at a Glance



Population 33,204

Households 11,955

Area 238.98m<sup>2</sup>

Expenditure 13.2 billion yen [FY2016]



- 20-minute train ride to Morioka, Iwate's capital city
- A bedroom community
- Agriculture is the major industry

# Circulation Policy (since 2001)

Preserve and nurture our environment and pass it on to our children in 100 years

1. Organic resources circulation
2. Forest resources circulation
3. Inorganic resources circulation

Also... efforts to reduce CO2 emissions, ecotourism, etc.

Shiwa Chuo Station



Day Care Center



Elementary School



Music Room



Pellet Boiler for Heating



# Co-production Policy (since 2008)

## 1. Citizen-led autonomy building

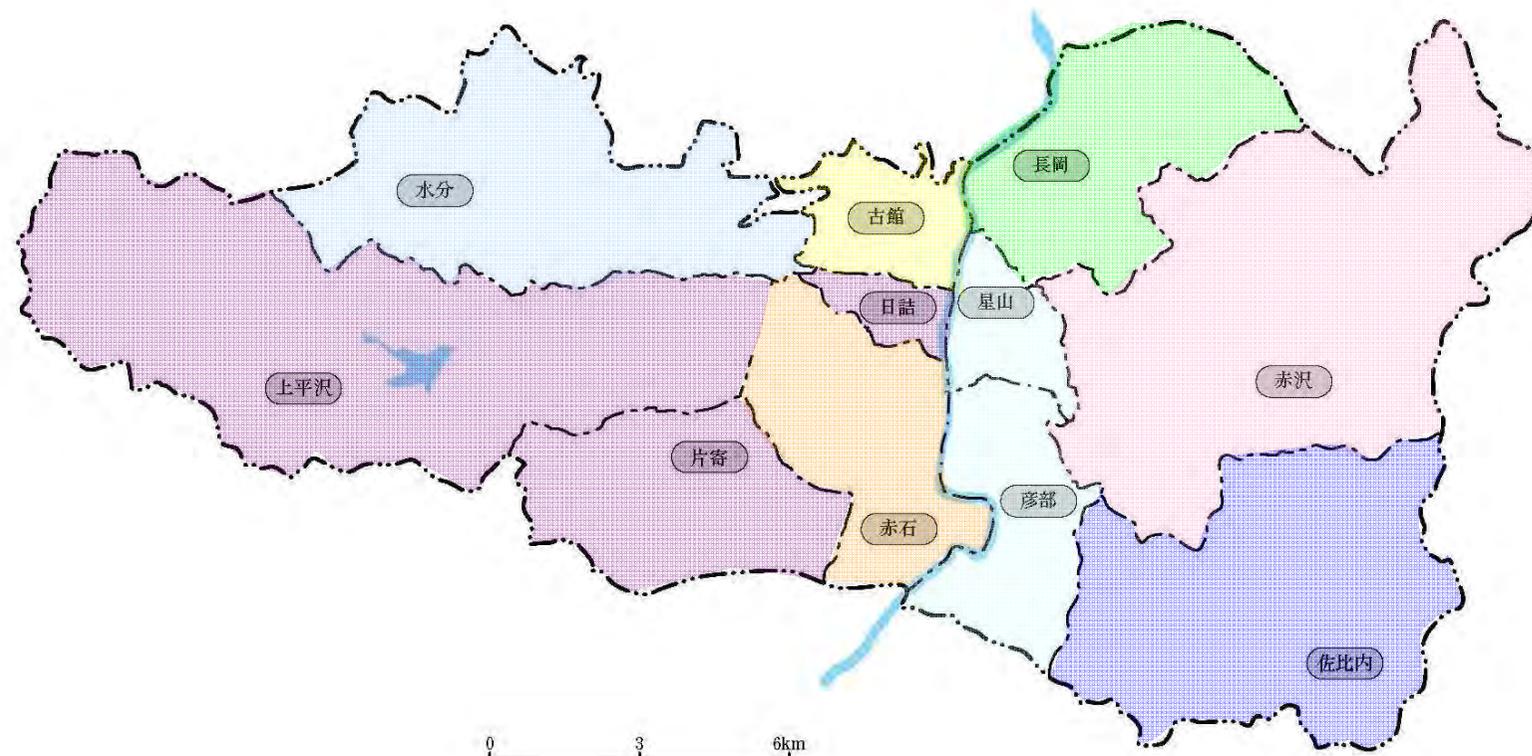
Citizen's Participation Ordinance (2008)

## 2. Creating an environment to support citizen's public interest activities

A support center, coordinator training classes, community building support grants

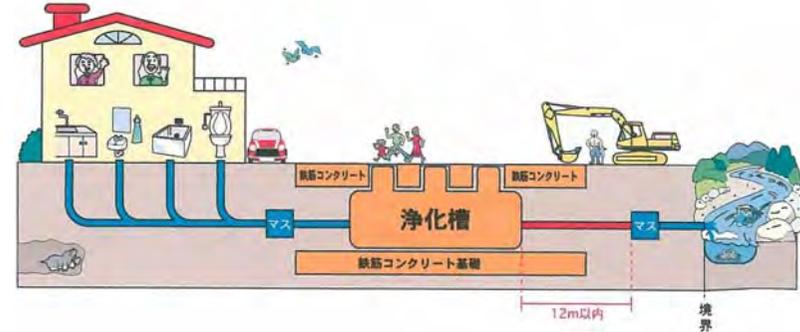
## 3. Community building through efforts to solve local problems

Visions and plans for each district



# Shiwa's Track Record on PPP

1. Septic tank installation PFI project  
(since 2005)



2. Shiwa Crematorium PFI project (2006)



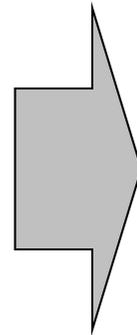
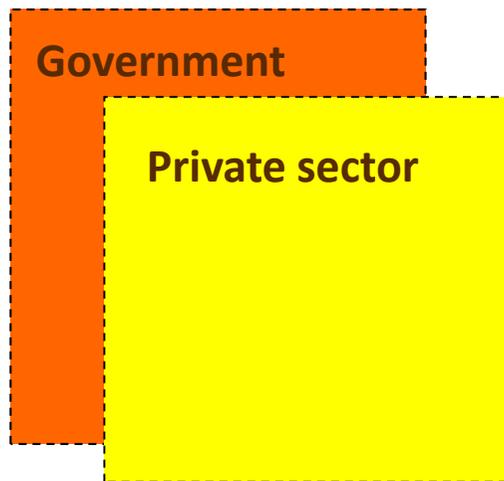
3. Water services facilities project  
(2007 & 2012)



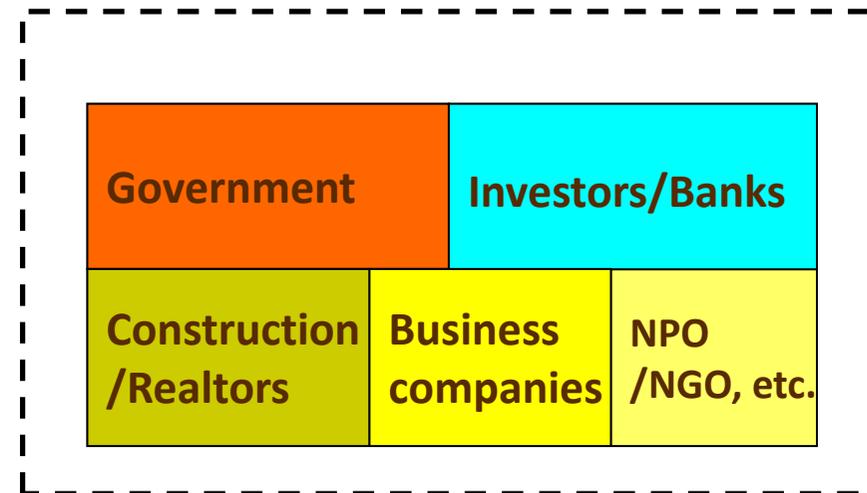
# Definition of Public Private Partnership

By Toyo PPP School

Traditional model



PPP



Two principles of PPP

1. Allocate risks and returns
2. Governance through contracts

# Why Public Private Partnership?



## Challenges:

- Underutilized town-owned land
- Need for new town hall
- Public demand for town library
- Fiscal constraints

## Opportunities:

- Mayor with strong leadership
- A qualified person for PPP agent
- Experience with PFI projects
- Partnership with Toyo University



# Shiwa PPP Feasibility Study ( August, 2007)

Partnership agreement with Toyo University

- 30-year plan for town-wide sustainable growth and economic revitalization
- Urban development through American model of PPP



Mr. Masanobu Okazaki,  
Toyo University alumnus



# Town Meetings and Market Research

Public input: 100 meetings in two years

For citizens

- PPP Promotion Committee
- Theme communities
- Walk-in exchanges
- Town meetings

For private businesses

- Interviews
- Walk-in exchanges
- Survey by a research firm

Information disclosure

- The project's website

40 interested businesses

- Market research
- Business research group

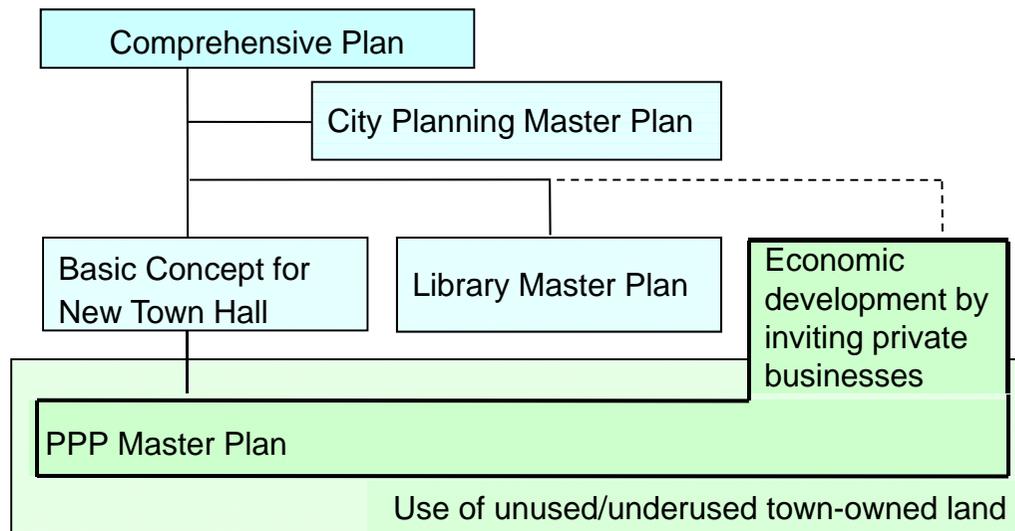


# Shiwa PPP Master Plan



## “Only in Shiwa” Lifestyle

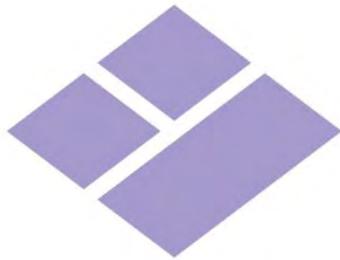
- February, 2009
- Create an environmentally conscious and aesthetically pleasing area
- Enjoy both urban and pastoral lifestyles
- Connect our urban and rural communities



# Ogal Shiwa Ltd. (June 2009)



Shiwa Town



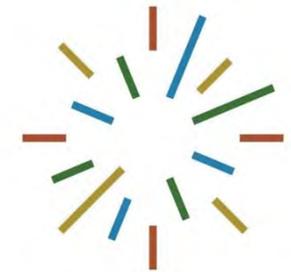
紫波町

principal



mandates  
(contract)

Ogal Shiwa



OGAL

agent

# Overview of Ogal Shiwa Ltd.

	Research Phase	Project Execution	
	June 1, 2009 - Foundation	Since 2011	
President	Mayor of Shiwa Town	Yuko Yaeshima	
Capital	¥ 3.9 million	¥10 million (after capital increase from private businesses in 2010)	
Structure	Project manager Administrative staff	Project director (PPP agent) Farmer's market project manager Administrative staff	
Investment ratio	Shiwa Town 100% (78 shares)	<b>Shiwa Town</b> <b>39%</b> <b>Town-owned enterprise</b> <b>12%</b> JA (agricultural cooperatives) 10% Meat processing company    10% TV station                        10%	Bank A                    5% Bank B                    5% Bank C                    5% Indiv. investor A    2% Indiv. investor B    2%
Business description	Coordinating the Ogal Project <ul style="list-style-type: none"> <li>▪ Property planning &amp; management (Ogal Plaza, Town Hall, commercial facilities, etc. )</li> <li>▪ Facility management (maintenance, tenant recruitment, etc. )</li> <li>▪ Coordination of Iwate Football Center project</li> </ul>		

# Ogal Design Guidelines (March 2010)



## Design Council

- oversees urban design in Ogal Project
- consists of five experts in architecture, landscape, graphic design, urban design, and marketing

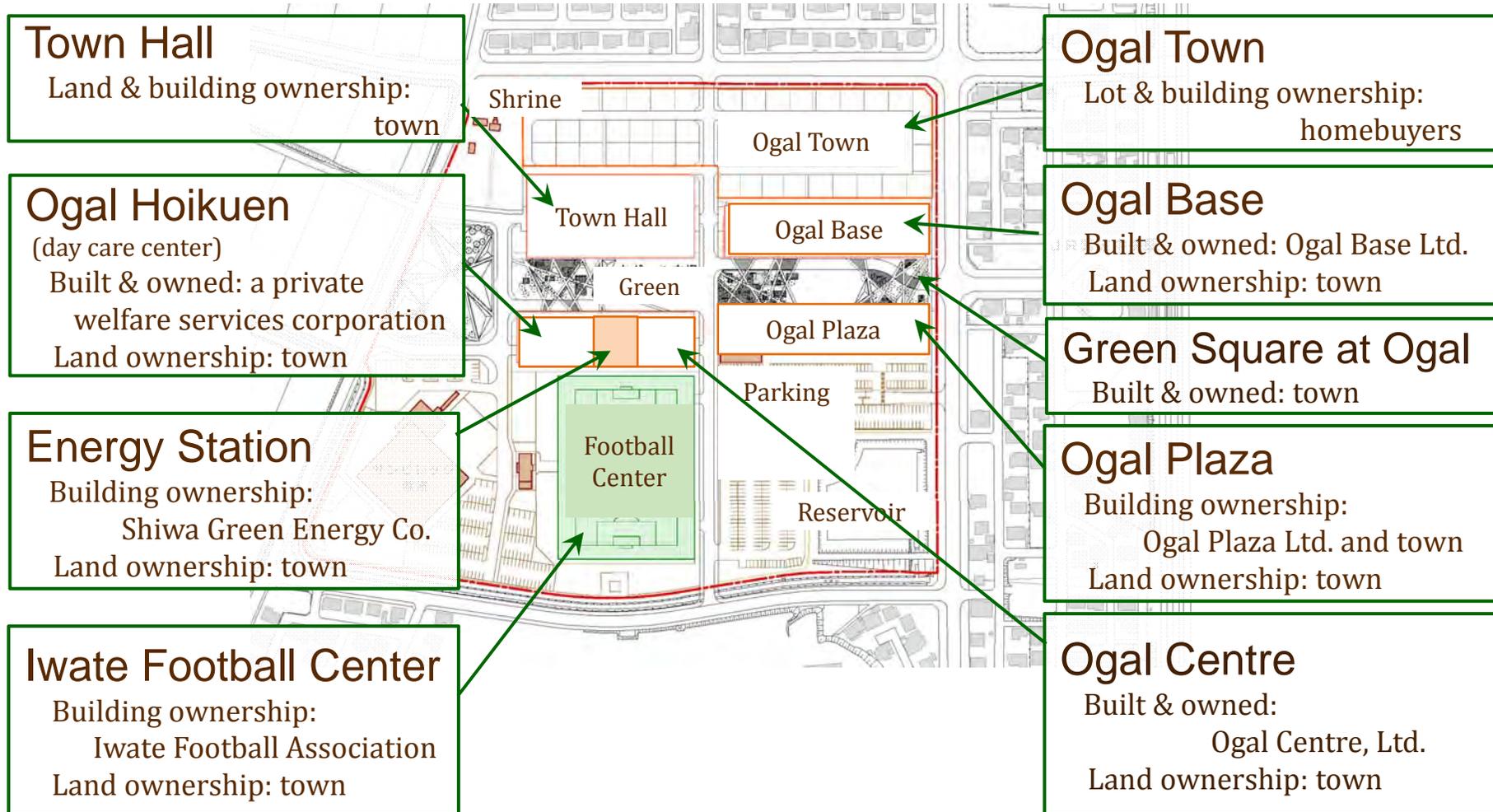


デザインガイドラインのゾーン別「基本的な考え方」一覧

対象ゾーン	開発・ランドスケープの基本的な考え方
1. 駅前地区	駅前のにぎわい・利便性と、農村の豊かな環境・風景が結びついた施設町の新しいシンボルを作り出す。 ・駅前町の賑やかな雰囲気や気候を最大限に活かす。周辺の農村のスタイルと趣を継承し、素材を用いる。 ・高層階の風土に即した風通し効果の確保と広場をつくる。 ・建物と広場が一体的に利用可能で、誰にでも使いやすく、季節を通して使っていく先遣りをつくる。
2. 駅前地区	周辺環境と調和のとれた、安心で安全な暮らしがある住環境を作り出す。 ・駅周辺らしいゆとりや気候も考慮した、周辺環境と調和のとれた街にする。 ・住戸同士が互いに協力し合い、まとまりのある空間を作り出すことで、エリアの環境価値を高めるとともに、声の掛け合える安心な街にする。 ・住宅と店舗を切り離さず、ゆとりをもたせる事で、誰かの視認性が高く、人の気配が感じられる安心な街にする。
3. 駅前地区	駅前町の景観にとけ込んだ、歩きたくなるような新しいまちの顔を作り出す。 ・駅前町の景観を「まてお」をモチーフにし、顔の輪郭をまておで数値することで、外観の景観に統一感とリズムを生かす。 ・歩行者が中庭で休める休憩スペースなど、オガル地区の付属にも人が留まれる場所をつくる。
4. 駅前地区	サインの基本的な考え方
駅前地区	オガル地区全体の景観に配慮した統一感とともに、その場の気候をも考慮した、有機的なサイン計画を立てる。 ・空間としての中心性を第一に考え、サインの材質や色相も周囲の環境によってバラバラに選ぶのではなく、全体の調性の中からもつくるものとする。 ・エリアそのものの特徴を高め、景観の視認性となっていくことを目指す。そのために、にぎわいや気候を第一、有機的な気候をサイン計画全体に採り入れる。 ・インフォメーション・ナビゲーションの視認性を高め、ウェブサインなども設置する情報との関係性なども考慮したサイン計画を立てる。

A beautiful, lively, abundant, and refined environment through urban design.

# Land Use of Ogal Area



# Iwate Football Center



Opened: April 30, 2011

Operating body: Iwate Football Association

Total floor area: 1 football pitch

Business scheme: PPP (RFQ , RFP)

Cost: ¥175 million  
(USD 1.6 million)

Notes: #1 Agreement among the town, Ogal  
Shiwa, and Iwate Football Association

#2 Built on top of a dry well

#3 Clubhouse donated to town

#4 The association's HQ relocated

#5 Convenient location for users



# Ogal Plaza



Opened: June 20, 2012

Operating body: Ogal Plaza Ltd.

Total floor area: 5,822.34m<sup>2</sup>

Business scheme: PPP (RFQ , RFP)

Cost: ¥810 million (public block only)  
(USD 7.6 million)



Notes: #1 Town purchased the public block of the complex (40% of the cost was paid by a government subsidy)

#2 Sectional ownership (public and private)

#3 Use of project finance

#4 Find tenants in advance

#5 Use of local lumber and local builders



Strategy to attract people who are not shoppers

# Ogal Plaza

East co-owned block  
Staircase, elevator, machine room, bathrooms, etc.

West co-owned block  
Staircase, machine room, bathrooms, etc.

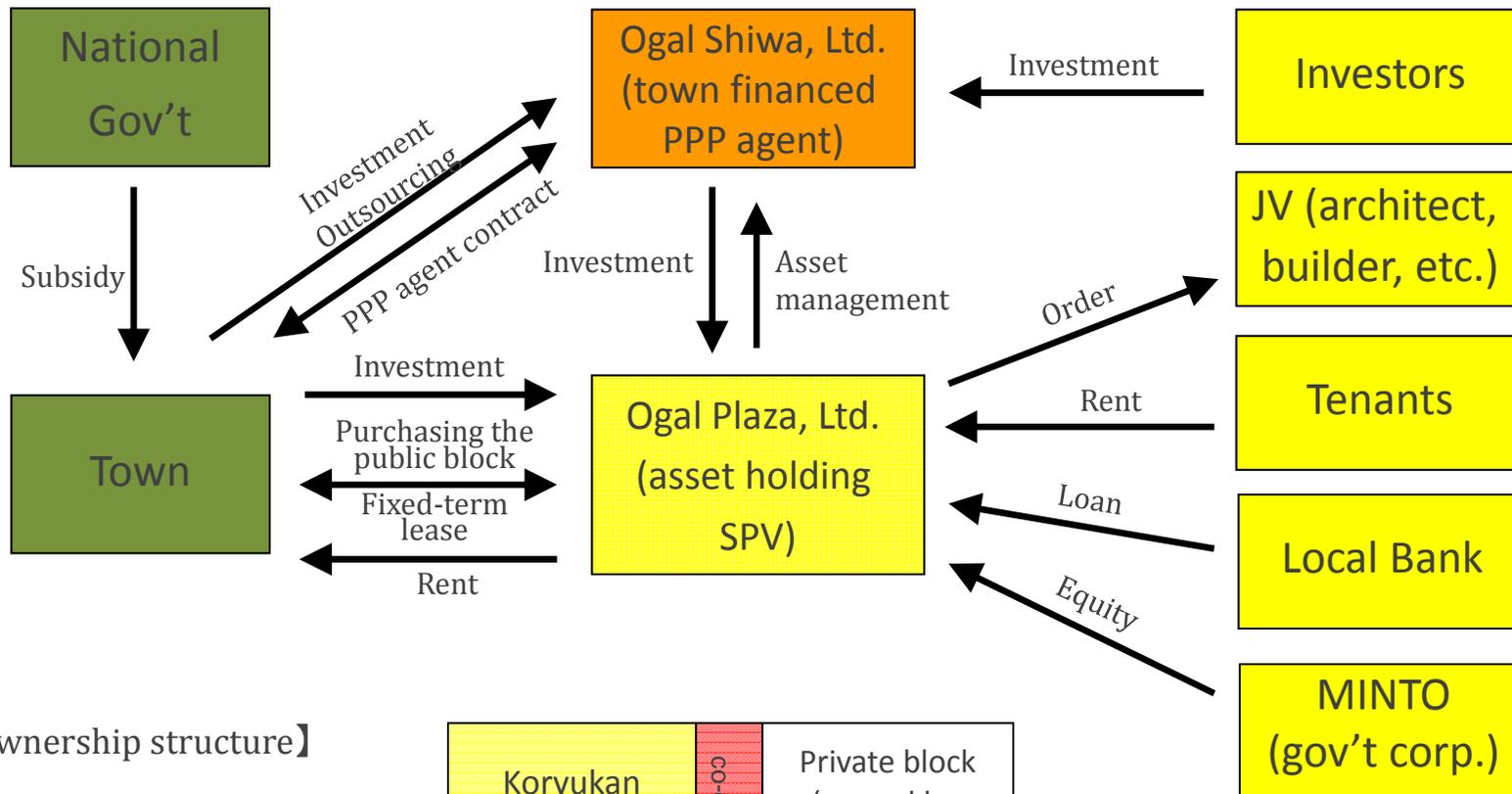
West wing  
2F Offices, tutoring service  
1F Farmer's market, restaurants

East wing  
2F Childcare center  
1F Café, clinics, optician

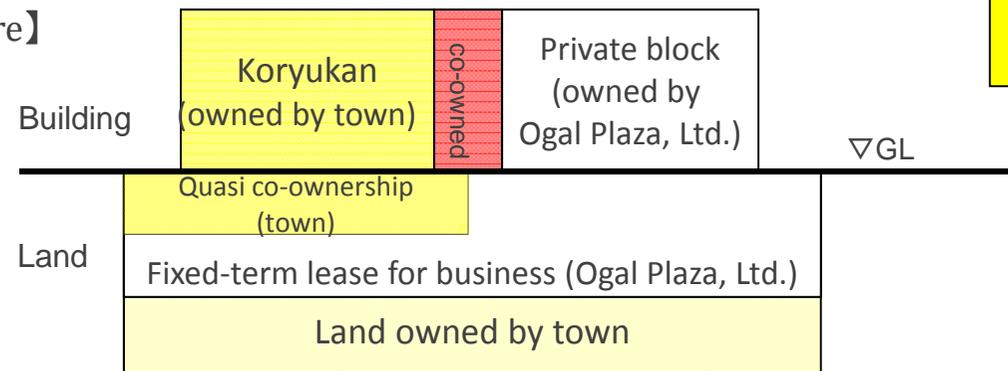
Joho Koryukan  
2F Community center  
1F Library



# Ogal Plaza's Business Structure



## 【Ownership structure】



※ Owners are in charge of the maintenance of each owned block. The maintenance of the co-owned parts is paid by both parties according to the percentage of ownership.

# Shiwa Library



Opened: August 31, 2012

Operating body: Shiwa Town

Total floor area: 1,573.83m<sup>2</sup>

Concept: Encourage citizens to learn, study, and play

3 principles: #1 Connect children with books

#2 Collect and archive documents about Shiwa

#3 Support local industry



Stats: About 96,000 books

15,572 library patrons

Average 664 visitors/day

# Green Square at Ogal



Opened: August 31, 2012

Operating body: Shiwa Town

Total floor area: Green East 3,597m<sup>2</sup>  
Green West 3,260m<sup>2</sup>  
Sculpture Park 4,587m<sup>2</sup>

Business scheme: Public works

Cost: ¥330 million  
(USD 3.1 million)

Notes: #1 40% of the cost was paid by a government subsidy

#2 Public input through workshops during the designing process

#3 Space to connect the buildings around it and to create rich environment

#4 46 events & 146 uses for BBQ



# Ogal Base



Opened: July 2014  
Operating body: Ogal Base Co.  
Total floor area: 4,267m<sup>2</sup>

- Notes: #1 Mixed-use building (arena, hotel, restaurants, offices, shops)  
#2 World-standard volleyball court for niche market  
#3 Accommodations catering to both business people and athletes  
#4 Use of local lumber and local builders  
#5 Volleyball academy to nurture leaders in the next generation

# Shiwa Town Hall



A wood chip boiler in the Energy Station

Opened: May 2015

Operating body: Shiwa City Hall Ltd.

Total floor area: 6,650m<sup>2</sup>

Business scheme: PFI (Build, Transfer, Operate)

Cost: ¥3.38 billion  
(USD 32 million)

Notes: #1 Largest wooden city hall

#2 Use of local lumber and local builders

#3 District heating system

# Ogal Town

Lots: 57

Lot size: 228m<sup>2</sup>

Notes: #1 No middleman

#2 Shiwa-style ecohouse

a) 48kWh/m<sup>2</sup> or less for annual heating requirement

b) 0.8cm<sup>3</sup>/m<sup>2</sup> or less for permitted air leakage

c) 80% or more of local timber usage for structures

#3 Registered home builders

#4 Ogal Town Landscape Codes

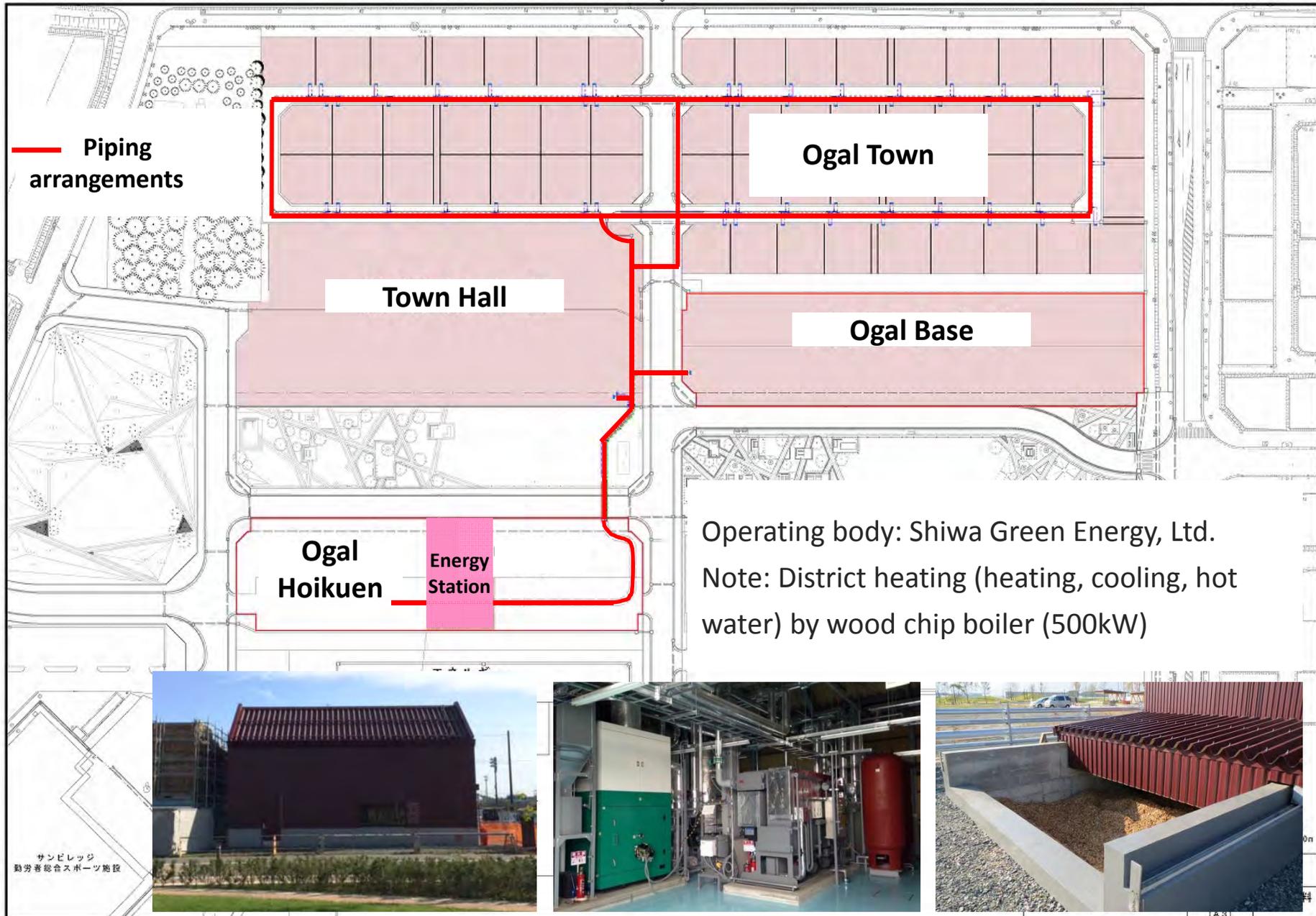


Shiwa-style Ecohouse Model Home



Seminars for registered home builders

# Energy Station



# Ogal Centre



Opened: December 2016

Operating body: Ogal Centre, Ltd.

Total floor area: 1,189m<sup>2</sup>

Business scheme: Fixed-term lease, coordinated by agent

Investors Ogal Shiwa ¥5 million  
MINTO ¥40 million (equity)  
Town ¥40 million

Notes: #1 Town-run education support center

#2 Pediatrician's clinic and day care for sick children

#3 Services to support families with small children

#4 Complements the other services in the area

# Ogal Hoikuen



Opened: April 2017

Operating body: Kyojokai (private social welfare services corporation)

Total floor area: 1,192m<sup>2</sup>

Business scheme: Fixed-term lease for business, proposal solicitation

Notes: #1 The first day care center built and run by a private corporation

#2 Coordinated by Ogal Shiwa, Ltd. as PPP agent

#3 Use of local lumber and local builders

# Facilities in Ogal Area

	Iwate Football Center	Ogal Plaza	Ogal Base	Energy Station	Town Hall	Ogal Centre	Ogal Hoikuen
<b>Operating Body</b>	Iwate Football Association	Ogal Plaza, Ltd.	Ogal Base, Ltd.	Shiwa Green Energy, Ltd.	SPV: Shiwa City Hall, Ltd.	Ogal Centre, Ltd.	Kyojokai
<b>Scheme</b>	PPP (RFQ, RFP)	PPP (RFQ, RFP)	Proposal solicitation	No-bid contract	PFI (Build, Transfer, Operate)	Coordinated by an agent	Proposal solicitation
<b>Cost</b>	¥175 million	¥1.1 billion	¥720 million	¥500 million	¥3.4 billion	¥310 million	¥330 million
<b>What town paid</b>	As subsidy ¥60 million	For purchase: ¥810 million (from central gov't : ¥277 million) Investment: ¥70 million	—	—	For purchase: ¥3.4 billion (Central gov't subsidy: ¥277 million)	Investment: ¥40 million	As subsidy: ¥223 million (from central gov't: ¥198 million)
<b>Size</b>	A football pitch (120m x 90m)	2 story building (5,822㎡)	2 story building (4,267㎡)	1 story building (155.5㎡)	3 story (6,650㎡)	2 story building (1,189㎡)	2 story building (1,192㎡)
<b>Open</b>	April, 2011	June, 2012	July, 2014	July, 2014	May, 2015	December, 2016	April, 2017
<b>Notes</b>	Artificial turf certified by Japan Football Association, dry well underneath	Library, community center, childcare center, farmer's market, clinics, restaurants, offices, tutoring service	Hotel, volleyball court, restaurants, convenience store, offices	District heating (wood chip boiler 500kw)	Government	Pediatrician, day care for sick kids, beauty salon, offices, gym, bakery, English school, outdoor gear shops, glamping room, Education support services, apartments	Day care center (capacity: 150)
<b>Lease</b>	Leasehold	Fixed-term lease for business	Fixed-term lease for business	Fixed-term lease for business	—	Fixed-term lease	Fixed-term lease for business

# Ogal Area Figures in FY2016

## Visitors

Iwate Football Center	43,000 users
Community center	345,000 visitors
Library	194,000 visitors
Day care center	12,000 users
Farmers' market	348,000 checkouts
Corporate tours	268 groups
<FYI>	
Station ridership	2,879 people
(Counted in May, 2017)	



## Transactions

Farmers' market sales	¥537 million (USD 50 million)
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# Ogal Project Conclusion



## Shiwa's challenges

- Underutilized public land
- Demands for new public facilities

## Public private partnership

- Selecting appropriate schemes

## Ogal Shiwa

- PPP agent
- Increase real estate value

## Shiwa Town

- Livable town
- Attract private investment

## Private sector

- Try to tap into local markets
- Create jobs

Increase the number of residents and visitors

Local resources utilized by local residents

## Achievements

New residents 450

Visitors 960,000

Jobs created 250

- Link Ogal Area with the rest
- Economic ripple effects throughout the town



# まち 人 オ ガール

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