# Development Projects of Specified Facilities under the Law of Utilizing the Capability of the Private Sector

**Purpose of the Law:** To promote strong development of national economy and local society as well as international economic exchange by taking measures to utilize private sector in the development of the facilities designated as the specific facility for developing socio-economic infrastructure under the changes of the economic environment.

- **Target Areas**
  - In the port area or harbor side area, the target area should be designated as special port development area by the port authority and be suitable for the development policy in the area.

- **Size of the Facility**
  - The facility designated in the basic policy of the Law.

## Target Facilities
- **Logistic Advancement Facilities:** 28
- **Passengers Terminal Facilities:** 15
- **Port Culture & Exchange Facilities:** 14
- **Port Business Facilities:** 9
- **Port Exchange & Training Facilities:** 3
- **Import Promotion & Advancement Facilities:** 2
- **International Convention Facility:** 1

## Plans Approved
- **72 facilities**
  - Logistis Advancement Facilities: 28
  - Passengers Terminal Facilities: 15
  - Port Culture & Exchange Facilities: 14
  - Port Business Facilities: 9
  - Port Exchange & Training Facilities: 3
  - Import Promotion & Advancement Facilities: 2
  - International Convention Facility: 1

## Supporting Measures
- Incentive subsidy (5%)
- NTT-C free of interest loan
- NTT-C’ low interest loan
- Investment & loan by Development Bank of Japan
- Special tax incentive

## Target Areas
- **Tenpozan Area at Osaka Port**
- Osaka Aquarium Kaiyukan, Museum Tenpozan, Seagull Tenpozan Osaka (Port Culture & Communication Facilities)
- **Passengers Terminal at Naoetsu Port**
  - (Passengers Terminal Facility)

## Development Bank of Japan
- **Government Subsidy (3.3%)**
- **Port Authority Subsidy (1.7%)**
- **Certified Enterprises**

## Certified Enterprises
- **Tenpozan Area at Osaka Port**
- Osaka Aquarium Kaiyukan, Museum Tenpozan, Sea Gull Tenpozan Osaka (Port Culture & Communication Facilities)

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Tenpozan Area at Osaka Port
Osaka Aquarium Kaiyukan, Museum Tenpozan, Sea Gull Tenpozan Osaka (Port Culture & Communication Facilities) (Advanced Logistic Infrastructure development facility)
Development projects of specified facilities under the law of utilizing the capability of the private sector  

Nanao Port Nanao Fisherman's Warf  
[Noto Food Festival Market]

- Operated by Kashimazu Corp.  
- Opened in September, 1991

- Nearly one million people visits the facility annually which is almost 20 times of the population of the area. As the result, local economy has been revitalized.

- Beside the passengers terminal, There are “Noto Gourmet House” where visitors enjoy local food,  
  “Noto Craft House” where local craft materials are sold,  
  “Noto Seasonal Festival Museum” where visitors are able to experience seasonal festival atmosphere.

- Public sector develops Nanao Marine Park (amenity-oriented waterfront greenary zone) etc. in the Fisherman’s Warf area.

In addition to the above, there are several projects such as Onahama Passengers Terminal (Iwaki Ra Ra My).
Development projects of specified facilities under the law of utilizing the capability of the private sector [International Convention Facility ]

Yokohama International Peace Convention Facility [PACIFICO Yokohama ]

- The facility is a biggest class of international convention facility in the world. The facility was designed based on the image of the seashell. As it equips state of the art audio, lighting, simultaneous interpreter system and movable area, it is capable for the use of international conference, music concert, memorial event and corporate event.

- This is a complex of convention facility with exhibition halls and hotel in the water front area of the “Minato-Mirai 21”, the newly developed city in Yokohama.

- Public sector constructed entrance / exit of expressway, highroad, green area etc. based on the re-development project of “Minato-Mirai 21 plan”

Operated by PACIFICO Yokohama
Opened in July, 1991
Development projects of specified facilities under the law of utilizing the capability of the private sector [Port Business Facility]

Takeshiba Pier Building
[New Pier Takeshiba North & South Towers]

- The building is designed specially for the businesses related to the port and harbor. It equips highly advanced information network system and the tenants can use such system effectively. The office spaces are configured to work well for the port and harbor businesses with panoramic view to the Tokyo bay.
- Beside the office building, there are hotel, park and garden where people not only work but also dine, take a rest, have the pleasure. The area offers very attractive water front environment.
- In the area, passengers terminal and green lung in the central zone are developed by the public sector.

Operated by Takeshiba Area Development
Opened in November, 1991 (North Tower) and August, 1996 (South Tower)

In addition to the above, there are several projects such as Retro Square Center Building at Moji Port and Center Building at Hakata Port.
Development projects of specified facilities under the law of utilizing the capability of the private sector [Port Culture & Exchange Facility ]

Osaka Aquarium Kaiyukan at Osaka Port

- The aquarium has a 5400 ton fish tank which is biggest size in the world. Around the fish tank, the environment of the ring of fire from the pole to the subtropics is exhibited. In September 25th, 2003, the numbers of admission reached at about 40 million.

- Around "Kaiyukan" (the name of aquarium), there are market place, Suntory Museum, Hotel Seagull, passengers terminal etc. which makes the area combined leisure spot.

Operated by Osaka Water Front Development Co., Ltd.

Opened in July, 1990

In addition to the above, there are several projects such as JETTY, Nagasaki Sunset Marina, Sea-gull Harbor.
Development projects of specified facilities under the law of utilizing the capability of the private sector [Port Exchange & Training Facility ]

Fushiki-Toyama Port  Sea of Japan Exchange Center

- Sailing ship “Kaio-maru” and its sister sailing ship “Nihon-maru” were constructed at Kawasaki Shipyard in Kobe in 1930. Both are training ships at navigation training center of the Ministry of Transportation. “Kaio-maru” had voyaged about 50 times around the world and trained more than 11,000 young sailors. Because of the history of the above, the sailing ship has an atmosphere of dreams and romans. In the park, the ship has been conserved as the shape of the day and opened to the public. Also the ship is used as a marine school for the young people.

- The passengers terminal was developed in the park by the public sector and opened in September 10th, 2003.

Operated by Fushiki-Toyama Port Development Promotion Foundation
Opened in July, 1992

In addition to the above, Enrum Marina Muroran, Marinoa (Nishi-Fukuoka Marina)
Urban Development Projects by the Private Sector Specific for the Utilization of the Real Estate in the Port and Harbor Areas

This measure is the project to develop public facilities such as green lung, roads etc. in the urban development project which is done by the private sector on condition that the project would utilize the real estate rationally and healthy, and increase the urban functions.

Target Facility
Public facilities in port area such as green lung, roads etc. in the development of mentioned below on condition that public investment would be more than 20% out of total development cost.

Passenger terminal, logistic complex facility, business facility, commercial facility and so on.

Target Areas
The areas authorized as urban planning area, port area and harbor side area.

In three major cities the target is limited in the port development areas designated by the Law of Utilizing the Capability of the Private Sector and important comprehensive recycling logistic port areas.

Size of the Facility
- Projected area including water surface: more than 2,000m²
- Projected space of the building facility: more than 2,000m²
- In the case the project would increase logistic function in the port area not in use or low usage: more than 1,000m²

Projects done: 87
- Complex Logistic Facilities: 47
- Passenger Terminal Facilities: 12
- Marina Facilities: 2
- Observatory Facility: 1
- Commercial Facilities: 11
- Lodging Facilities: 7
- Convention Facility: 1
- Business Facilities: 4
- Parking Facilities: 2
- Participation: 12
- Coordination: 75

Supporting measures
- Participation
- Long term credit (Special interest rate)
- Loan with free interest rate
- Special account for Loan with prime rate

Coordination
Bayside Place Hakata Pier
Sun Pier Hakata Co., Ltd.

Special interest rate
Loans with prime rate
Participation
Commercial bank
Promoting Urban Development
Private Enterprises

Organization for Promoting Urban Development
Private Enterprises
Loan with prime rate
Participation
Coordination
Urban development projects [Commercial Facility ]

Hinode Area Re-development Plan at Shimizu Port
[S-Pulse Dream Plaza ]

This is a complex commercial facility composed by large sized seafood market, theme-park style restaurants, movie theater with highly advanced equipments, various kinds of amusement facilities, restaurants, general stores. It is a main complex facilities in the re-development of Hinode area and generates visits of tourists.

In the area, there are yacht harbor, amenity-oriented water front park, passenger terminal etc. which make the area very good atmosphere to enjoy the port and sea.

Operated by Suzuyo & Co., Ltd.
Opened in October, 1999

In addition to the above, there are several projects such as “Yume-site:, Seagull Harbor, Keihan Fisherman’s Warf at Seto-ohashi.
Urban development projects  [Marina Facility ]

Mito Area Development Plan at Mikawa Port  
[Mikawa-Mito Marina ]

This facility is one of the biggest marina in Japan. It has 2.5 ha of land site and 7.0 ha of water site. In the water site, seven mooring pier and header walk way of 260 meters long are consolidated. The facility is capable to moor large sized yacht.

Operated by Idemitsu Kosan Co., Ltd.
Opened in Dec., 1993

In addition to the above, there are several projects such as Marina Wave Otaru.
Bandaijima Re-development & Facility Plan at Niigata Port
[Hotel Nikko Niigata]

This is a complex facility composed by the Bandaijima building 140.5 meters high which is a tallest building in the Sea of Japan area, Niigata Convention Center and green lung.

International exhibition hall is a biggest in the Niigata prefecture for the use of exhibition, events and music concert etc. and it has conference rooms being able to use for the international conference with highly advanced equipments such as simultaneous interpretation booth applicable to six languages and large sized

Operated by Niigata International Convention Hotel Co., Ltd.
Opened in May, 2003
In addition to the above, there are several projects such as ANA Hotel Kushiro and Hilton Otaru.
Urban development projects  [Port Exchange & Training Facility ]

Katsunai Pier Re-development Plan at Otaru Port  
[Otaru Port Ferry Terminal ]

The site of the ferry terminal has 18,761m² and the total building space is 6,663m². In the surrounding area, there are hotel (Hilton Otaru), commercial facility (Wing Bay Otaru) and marina facility (Marina Wave Otaru).

Operated by ShinNihonkai Ferry Co., Ltd.

Opened in April, 1994

In addition to the above, there are several projects such as New Moji Port Passenger Terminal, Bayside Place Hakata Pier etc..
Urban development projects  [Observation Facility ]

Beach Park Plan at Hakata Port  
[Fukuoka Tower ]

- The tower is 234 meters high which is tallest tower in Japan as a tower located close to the beach area. The tower is a symbolic monument in Fukuoka.

- The observatory lounge in the top floor (123 high) is suitable for the entertainment parties etc. thanks to panoramic view, especially in the night, through the glass windows covering all round of the floor.

- On the top of the tower, the multi use antennas for broadcasting / transmitting is equipped and is used for the TV and FM radio broadcasting as well as telecommunication such as voice, video and data communication.

  Operated by Fukuoka Tower Co., Ltd.

  Opened in January, 1990
Increase of Efficiency of Port Services by Utilizing PFI

**Outline and Effective Results**
- Introduction of PFI method to container terminal in major international ports
- Public support measures:
  - Loan with free interest rate
  - Special bond
  - Special tax incentive
- Development of public cargo handling facility
- Management of container terminal
  - Utilization of funds, technologies and management know how of private enterprises
  - Clarification of responsibilities between public and private sectors and effective risk management of whole project

**Development process of container terminal**

(Conventional Process)
(Conventional Process)

By public
By flotation of loan
By PFI

Reduction of the project cost by reducing life cycle cost
Supply of port services to strengthen international competitiveness
Economic revitalization by creating business chances for the private sector

**Container terminal at Kita-Kyushu Hibiki Port**
(Planned)
Redevelopment of the Port by Urban Development Project

**Enactment of Special Law of Urban Development (Proclaimed in June 1st, 2002)**

- Assign target area of urgent development needed.
- Special measures to promote urban development projects

**Current situation**

- Case study (Chiba Port)

**Challenges**

- Real estate not in use or low usage counts 5,000 ha and concentrates in three major ports and northern Kyushu areas.
- Change of the usage and inactiveness of the port facilities
- Change of the usage of the real estate and business activity in port area

**Redevelopment of the existing port facilities**

**Amendment of Special Law of Urban Development (Proclaimed in May 16th, 2003)**

- Port facilities are additionally included in the target facilities using loan with free interest by the amendment.
- Conversion to commercial and business facilities
- Prevention or minimization of the high tide disaster in urban areas
- Port development to realize amenity-oriented spaces

**Effective results**

- Increase of the attractiveness of the cities in hinterland and the international competitiveness
- Re-configuration of port area by converting existing port facilities
- Effective promotion of the usage of existing port facilities

**Development of port facilities by the method of the operation substituted by private sector**

- About 40% of urgently needed development areas are concentrated in port area