

# Developing the Waterfront District as a High-Amenity Business and Commercial Center

The case of Minato Mirai 21 in Yokohama City

## Background and Objectives

Minato Mirai 21 is internationally known as a high-amenity business, residential, and historical waterfront district between Yokohama's major railway terminal and traditional downtown districts. The large site was originally used as part of Yokohama Port's backyard and shipyard for Japan's growing international and domestic trade activities in past decades. However, heavy manufacturing and maritime transport and warehouse activities were diminished by the 1960s. When the Minato Mirai 21 waterfront development plan was proposed, Yokohama faced several urban issues related to rapid population growth, housing shortage, motorization, traffic congestion, and environmental pollution. Its business decline was especially serious for two major reasons. First, Yokohama's city core, which was seriously damaged during WWII, could not anchor major trading and commercial functions, while major business centers in central Tokyo competitively attracted a large number of major corporations and related medium- and small-size firms. Second, the new commercial development around Yokohama Station could not fully utilize its location advantage in the region due in large part to its physical and functional disintegration with the traditional downtown districts. As a consequence of these two shortages, the wider areas of Yokohama were increasingly transforming into large "bed towns" for an increasing number of commuters to Tokyo. In order to reverse this unfavorable suburbanization trend and to reestablish Yokohama's business and cultural identity, the City of Yokohama proposed six major interlocking, strategic projects in 1965. Of them, Yokohama City Center Redevelopment Project aimed to integrate two divided commercial and business areas by redeveloping the former backyard and shipyard sites to accommodate 190,000 employees and 10,000 residents, now known as Minato Mirai 21 (Figure 1).

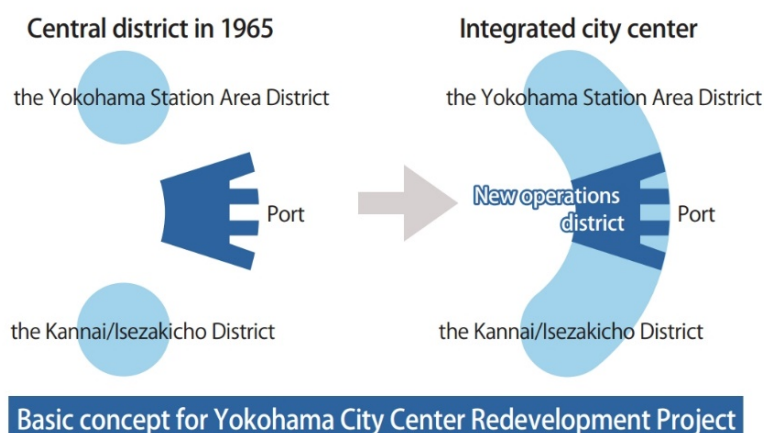


Figure 1: Basic concept for Yokohama City Center Redevelopment Project

Source: City of Yokohama. 2016. Minato Mirai 21 Information, Vol.87.  
<http://www.city.yokohama.lg.jp/toshi/mm21/pdf/info087-e.pdf>

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## Project Overview

### Urban Planning and Development Progress

Minato Mirai 21 is composed of two large districts: “Chuo District” (141ha) for prestigious office use with high-grade infrastructure and urban amenity settings; and “Shinko District” (41ha) for upgraded ferry terminal use with restored historical buildings and spacious waterfront settings. The whole area of Minato Mirai 21 is legally coded for commercial use and the detailed land use plan is further categorized into four types: buildings including commercial and residential use (87ha); road and railways (42ha); park and greenway (46ha); and port facilities (11ha). Of the total 186-ha area, 76-ha land was created by major reclamation projects. The actual project delivery has taken much longer than the original schedule, which was targeted to complete the entire development by the year 2000. Indeed, many sizable lots in Minato Mirai 21 have long been unfilled with private real estates, due to occasional market shocks and sequential economic downturns across Japan and Asia over the last few decades. To utilize the undeveloped land lots, the City of Yokohama as a project owner allows temporal land use for commercial activities with some fixed lease terms up to 10 years. As a result of this interim arrangement, the progress of private building development in Minato Mirai 21 has reached 84.9%, of which permanent use accounts for 85.5% and temporal use records 14.5%, as of 2016.

### Infrastructure Development Initiatives

To integrate the two divided districts, the City of Yokohama in 1983 commenced three major development projects: land reclamation (73.9ha); land readjustment (101.8ha); and port facility improvement (77.9ha). Firstly, the land reclamation project was completed by the City of Yokohama in 1998, covering 40% of the

entire district. Next, land readjustment was implemented by the Urban Renaissance Agency and finished in 2011. It should be noted that the land for transportation facilities, open spaces, and urban parks in Minato Mirai 21 was assembled through the land readjustment scheme. Finally, the port facility improvement package, jointly developed by the city and national governments, contains new green spaces, access roads, pedestrian networks, and other social facilities. Furthermore, in view of urban resilience and disaster risk management, the city reinforced the reclaimed land by ground improvement techniques to prevent liquefaction and developed tall revetments and elevating residential lands to protect from hightides and tsunami along the rivers and in Yokohama Port.

### High Accessibility and Diverse Transportation Network

The district can be conveniently accessed by a variety of transportation systems. The major model option is Minato Mirai Line opened in 2004 which is directly connected to Shibuya Station in central Tokyo. Two arterials and several link roads enhance transportation connectivity and business cohesiveness across Chuo District, Shinko District, and their neighboring areas extensively. With the high-quality transit infrastructure and services, a range of business persons, residents, and visitors can get smooth access to and from international and domestic hub facilities in Tokyo (e.g., Haneda and Narita Airports). Furthermore, footbridges, automated walkways, and underground paths form an integrated pedestrian network over the entire district, which is accompanied by intercity bus, water bus, and bicycle-sharing schemes.

### Area Management

The vision and concepts of Minato Mirai 21 have been embodied through public-private collaboration in accordance with the basic

agreement of 1988 among landowners and other stakeholders around Chuo District. Particularly, the agreement enables the landowners to take a strong initiative in formulating local rules for well-balanced development. Also, the agreement requires the obligation of all office developers to provide a certain amount of public open spaces and social activity floors in their properties. It further stipulates detailed standards and rules on building design, such as minimum site scale, height restriction, pedestrian circulations, and setbacks of exterior walls.

## Project Impacts

### Economic Impact:

Minato Mirai 21 has successfully attracted international and domestic capital flows as follows: 102,000 workers (in 2015); 1,770 offices (in 2015); and 38 annual International conferences (in 2014). It also contributed to increases in local tax revenues with the amount of JPY 15.8 billion (in Fiscal Year 2014). The City of Yokohama estimates that total private investment in the construction sector is about JPY 2,658.5 billion from 1983 to 2010 and that in the wider business sectors is JPY 1,755.6 billion annually.

### Social Impact:

The project produced a plentiful amount of public amenities and multi-purpose facilities for a range of cultural and social activities (e.g., Minato Mirai MICE facilities, exhibition halls, event squares, museums, green spaces). In addition, the common spaces and activity floors required across properties have promoted business and community interactions among workers, residents, and visitors.

### Environmental Impact:

With the concept of “FutureCity” initiatives proposed by the Japanese Government, Minato Mirai 21 accommodates a variety of eco-friendly transportation modes (e.g., public

transportation, pedestrian network) and green facilities (e.g., 10 green parks, solar power generators, heat-shielding pavement, greened rooftops/building walls, and open public spaces), which largely contribute to Yokohama’s CO<sub>2</sub> emission reduction.

## Lessons Learned

Large-scale waterfront development is internationally favored by policymakers and is commonly applied to recover urban amenities and stimulate local economies in declining city centers. However, in many cases, policymakers cannot successfully deliver all major projects and materialize their ambitious pictures, due to unexpected macroeconomics impacts and drastic market changes in the long term. Key lessons from the case of Minato Mirai 21 are summarized as below:

### Public Initiative for Waterfront Development:

Large-scale waterfront development generally calls for a vast amount of upfront investment in public infrastructure (e.g., land reclamation, new road development, subway construction on the soft ground), whereas the degree of private property investment and development depends on dynamic market climates in the long run. Thus, it is essential to establish the long-term stewardship between public and private partners. Especially, the city government as a major landholder needs to flexibly offer favorable lot sale and/or lease conditions and manage debt service payments during interim periods.

### Synthesizing New and Old Downtown:

Intra-city transportation connectivity and land use coordination are essential to integrate individual business districts into one competitive economic cluster. To attract international and domestic business travelers, high-quality transit access services to and from airports and high-speed rail stations are vital. The intercity and intracity transit networks



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should be integrated with pedestrian and bicycle circulation systems across private properties and public facilities. The enlarged seamless transportation system should be supported by transit-oriented land use coordination and urban amenity provisions between new and old districts.

## Future Challenges

Since the Minato Mirai 21 plan was initially proposed, Yokohama has experienced periodic economic recessions. While the waterfront residential properties easily attract a number of amenity-sensitive households, the city must keep a group of the business districts competitive against central Tokyo and wait for high-profile business entities to move into still-vacant properties and land lots. Greater incentives, better amenities, and longer-term partnerships need to be offered from the local government side to potential business owners.

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