



PROJECT MUZIL, Pula Smokvica Zone

REPUBLIC OF CROATIA

PROJECT DESCRIPTION

The Republic of Croatia and the City of Pula, as the land owners, plan to develop a former military recruitment centre on the Muzil peninsula into a high quality multipurpose resort with several hotels, golf course, two marinas and sports port, hot balloon airfield, residential area and a number of public facilities (Military Navy Museum, cultural-congress centre, multifunctional hall, tourist office, gallery, entertainment centre and beach facilities). The Project was initiated by the Ministry of Tourism, based on the Strategy of Tourism Development till 2020, and the Public Call for the Expression of Interest for Implementation of the Project Muzil was published on November 6, 2015 and is open till February 5, 2016.

It is located on the Muzil peninsula, next to the city area of Pula, famous for the Arena, a Roman amphitheatre dated from 68 AD, the best preserved ancient monument in Croatia. It spreads on approximately 170 hectares of (mostly) woodland, with a view on the well-known national park Brijuni Islands, an archipelago of 14 small islands.



ZONE SMOKVICA

The Smokvica Zone consists of two land parts with a total area of 9.5 hectares, located next to the Marie Louise Zone, envisaged for development of hotel accommodation and residential area.

Within the zone there is a small port open for public transport. It is planned to be developed into two marinas with up to 190 berths each, which will be the subjects of separate public tenders. The prerequisite for the development of marinas are the changes in the county and city physical plans, which are currently in process.

The detailed presentation of the two land plots within the Smokvica Zone, including planned facilities, is presented in the following table:

| NUMBER IN THE PICTURE | LAND AREA (m ²) | PURPOSE | FLOOR AREA (m ²) | GROSS DEVELOPED AREA (m ²) |
|-----------------------|-----------------------------|----------------------------|------------------------------|--|
| 1 | 67,215 | Hotel Smokvica, 550 beds | 10,200 | 33,000 |
| | | Residential area 2 | 7,800 | 30,000 |
| | | Residential area 3 | 10,000 | 35,600 |
| | | Aquapark | 12,500 | 12,500 |
| | | Garage, 400 parking places | 12,000 | 12,000 |
| 2 | 27,270 | Garage, 260 parking places | 7,800 | 7,800 |
| | | Hotel Smokvica, 400 beds | 7,400 | 24,000 |
| | | Aquarium | 6,500 | 13,000 |
| | | Shopping mall and a cinema | 6,300 | 15,750 |
| | | Garage, 500 parking places | 15,000 | 15,000 |



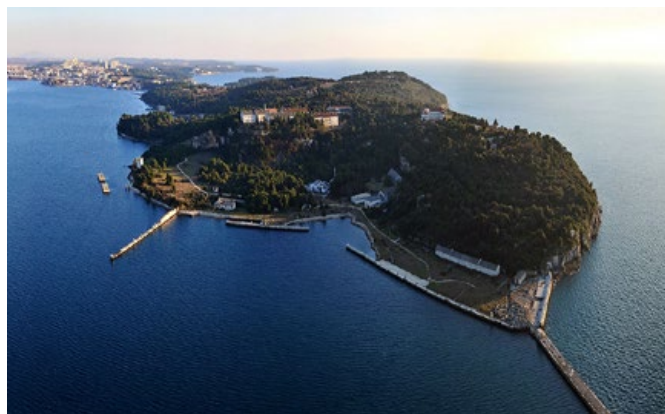
The land area covering 67,215 m², according to the General Urban Plan, is intended for tourism and hospitality (T1), housing (S), trade and services (K1), general public and social purpose (D), and sports (R1). The maximum allowed height of the buildings is 40 meters, with allowed construction density of 0.8. A part of the land is located within the protected area of the Marie Louise Fort (registered as cultural heritage), and includes buildings with a protection category 5 and 4 (the lowest protection categories; the category 5 gives a possibility of removal). Consequently, all works regarding that part require a previous approval from the Conservatory Department. Also, the archaeological supervision is compulsory during the works at this site.

A smaller land part of 27,270 m² is also intended for T1 (tourism and hospitality), trade and services (K1), general public and social purpose (D), and sports (R1). The maximum allowed height of the buildings is 23 meters, with construction density of 0.9. The land is located within the Smokvica Archaeological Site, with preventive cultural protection (temporary, till December 2018) of categories 5 (possibility of removal) and 3 (buildings that can be repaired with a possibility to restore them into the original state). Given that this is a potential archaeological site, the archaeological probing of the soil should be undertaken before commencing the works.

CURRENT STATUS

Upon the closing the current Call and evaluation of submitted letters of interest, the next step will include the public call for submission of bids, planned to be announced during 2016.

Depending on the interests expressed in the first Call, there will be possibility that the future tender will enable applications for individual zones within the Project.



TRANSACTION

The project Muzil will be implemented through:

- Right to Build for a period of 99 years on the cadastre plots where, according to the valid physical plans, construction, renovation or reconstruction are planned,
- Right to Use (easement) for a period of 99 years on the cadastre plots where, according to the valid physical plans, construction, renovation or reconstruction are not planned, and
- Announcement of a public tender for concession on a maritime domain, according to special regulations and valid physical plans. (Note: the properties located on the maritime domain are not the subject of the public call. For these buildings the conditions for maritime domain concession will be determined after the analysis of the interest shown in the first phase).

CONTACTS

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