

PROJECT

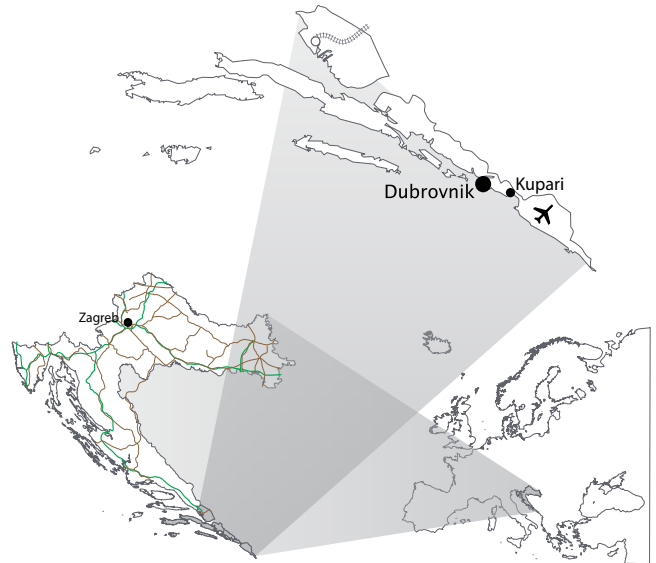
Owned by the Republic of Croatia, the project is situated on one of the most attractive locations in south Dalmatia (Kupari I, covering land area of 14 hectares) and is intended for development of a high-end tourism resort.

The Project scope is determined by Physical Plan of Župa Dubrovačka Municipality, and includes construction of new hotels with up to 1,500 accommodation units and 4-5 stars categorization. Five non-operating hotels are currently on the location. One of them, hotel Grand, is foreseen for renovation, while the other four hotels: Kupari, Pelegrin, Goričina I i Goričina II are planned for demolition and construction of new facilities.

TRANSACTION MODEL:

The **joint agreement for a period of 99 years** that will include: the right to build and right to use on the land in the scope of the project, lease agreement for the Grand Hotel and the concession right on the maritime domain.

- **Right to Build** with the initial annual fee 1.5% of total revenue gained on the subject land by each facility as a profit centre.
- Hotel Grand, which has a status of a cultural heritage, will be offered for **lease**. The investor will be obliged to renovate the hotel and put it into the commercial function, according to the specific conditions of the Ministry of Culture. The initial amount of the annual lease will be 2% of the total hotel revenue, as a profit centre.



- The initial amount of the **maritime domain concession** is 8 HRK/m² for fixed and 3% of the annual revenue for the variable part of the maritime domain as a profit centre.
- The criteria for bid selection will be the right to build fee, the Grand Hotel lease fee and the assessment of the maritime domain concession offer.

CURRENT STATUS:

The Public Call for the Implementation of the Kupari Tourism Development Project was announced on May 23, 2015. The deadline for submission of the bids is August 25, 2015.

DESCRIPTION OF THE PROPERTY

The Kupari Tourist Complex is a former military resort, situated in the village Kupari, near the City of Dubrovnik (11 km) and Dubrovnik International Airport (16 km). Kupari I site consists of a large number of land registry plots and five non-operating hotels in a very poor condition: Grand, Pelegrin, Kupari, Goričina I and Goričina II, with their adjoining facilities.



Point on the map	Hotel	Net developed area
1	Pelegrin	7,346 m ²
2	Kupari	19,894 m ²
3	Grand	6,102 m ²
4	Goričina I	2,140 m ²
5	Goričina II	12,282 m ²



DUBROVNIK-NERETVA COUNTY

Population (2011): **122,568**

GDP per capita (2011): **9,807 EUR**

Unemployment rate (2013): **20.5%**

Average gross salary: **994 EUR**

Average gross salary in the sector (tourism): **984 EUR**

Dubrovnik-Neretva County comprises of 5 cities and 17 municipalities. The main characteristic of the County's economy is the predominance of tertiary sector with tourism and hospitality industries and maritime shipping as main activities. The region also has significant agricultural potential in the area of the Neretva River Delta Valley and in the Pelješac Peninsula known for the active production of high quality wines. Through investments in new and

existing hotels, sports and infrastructure capacities and their constant development, tourism has become an industry of great strategic importance for the County, currently with 14 five-star hotels and 15 four-star hotels.

It is rich in carefully cultivated landscape and places with long history, such as numerous monuments, archives and magnificent treasures.

The capital City of Dubrovnik is already recognized as a world brand: Dubrovnik's famous old town is listed on UNESCO's world heritage list 1979; USA Today placed Dubrovnik at the 4th place of the prettiest European cities in November 2013; it is also listed as one of the top three convention destinations of Southeast Europe in 2013 according to the Congress Magazine.

KEY FACTS FOR INVESTORS

Developed educational network:

- High schools for hospitality and catering
- Universities related to tourism and hospitality (RIT Croatia - division of Rochester Institute of Technology, New York and Dubrovnik University)

Local suppliers of high quality agriculture and fishery products

- wine, olives, olive oil, fresh shells and fish, vegetables and fruits

Highly developed transport infrastructure:

- International Airport Dubrovnik (annual no. of passengers 1.3 mil)
- Port of Dubrovnik (1 mil. passengers)
- Modern A1 Zagreb-Split-Dubrovnik Highway

Presence of famous hotel chains

- Hilton, Radisson Blu, Rixos, Uzel Holding, Adriatic Luxury Hotels etc.

8.5% ↑

increase in total guests arrivals in 2014 compared to 2013

577 

cruise ships with almost a million passengers arrived to Dubrovnik port in 2014.

2 

golf resorts planned within 35 km area of the City of Dubrovnik

Significant markets:

- Great Britain
- France
- Germany
- USA
- Norway

CONTACTS

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