



REPUBLIC OF CROATIA

SPORTS CENTRE KRK, Town of Krk

PROJECT DESCRIPTION

In order to improve the quality of life of its residents, increase the number of tourist arrivals and enrich the tourist offer, the Town of Krk is searching for prospective investors for the Sports Centre Krk project development.

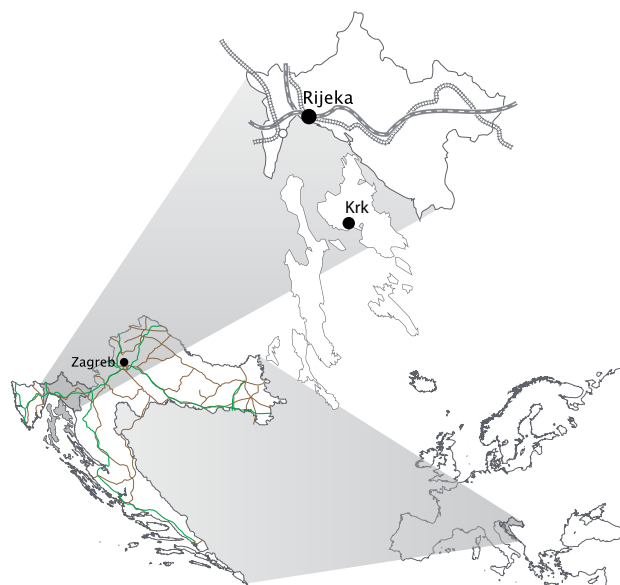
The project envisages the construction of a hotel with a wellness centre, a swimming pool and other supporting sports and business facilities in the area of the existing football field near the Krk town centre.

LOCATION

The project is located in the Town of Krk on the Island of Krk. Numerous restaurants, hotels and beaches are located in the immediate vicinity of the project site.

Occupying the area of 406 km² with a 190 km long coastline, Island of Krk is one of the largest islands in the Adriatic Sea. It belongs to the Primorje-Gorski Kotar County and is divided into the Town of Krk and six municipalities: Punat, Baška, Dobrinj, Malinska, Omišalj and Vrbnik. The population of the island is 19,286 inhabitants.

The Island of Krk is the most accessible Croatian island which can be reached by car, bus, boat or plane. The Rijeka Airport is located in the vicinity of Omišalj on the island of Krk and connects the island with numerous European cities.



PLANNED CAPACITIES

According to spatial planning documents in force, the available area of 53,922 m² is determined for the following proposed facilities:

- **Hotel with 100 accommodation units** (gross developed area of 4,550 m²), swimming pool with outdoor area and wellness centre,
- **Business centre with complementary facilities** (gross developed area of 12,546 m²), congress hall, restaurant, cafe, shopping centre, offices and underground parking (191 parking slots),
- **Sports centre** (gross developed area of 27,123 m²), main football court, athletic track, auxiliary football court, futsal grounds, indoor futsal court, bowling court, bowling club, club rooms, locker rooms, VIP area and stands for spectators.

All spatial planning documentation required for the project development has been adopted.

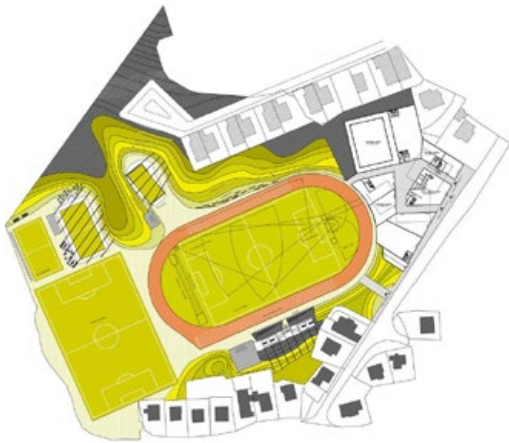
ESTIMATED VALUE

The total project value is estimated at 30 million EUR.

TRANSACTION MODEL

Several possibilities are offered to the potential investors, including sale and right to build.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

CONTACT

City of Krk, www.grad-krk.hr

Mr Igor Hrast, Expert Associate for Sustainable Development, e-mail: igor.hrast@grad-krk.hr