

On the basis of the Local and Regional Government Act (Official Gazette 33/01, 60/01, 129/05, 36/09, 150/11, 44/12, 19/13, 17/15), the Statute of Pašman Municipality ("Zadar County Official Gazette", No. 5/13 and 21/14) and the Decision on the announcement of a public call for participation in the international tender for the selection of the investor for the realization of the tourist development project "Pašman Rivijera" at the location South Pašman in the Republic of Croatia by the Municipal Council of Pašman Municipality dated November 28, 2017 (Pašman Municipality Official Gazette No. 9/17), the Pašman Municipality, PIN: 91458878864, Pašman bb, 23262 Pašman, Republic of Croatia, announces the following:

PUBLIC CALL

for participation in the international tender for the selection of the investor for the realization of the tourist development project "Pašman Rivijera" at the location South Pašman in the Republic of Croatia

PART I of the tender – assessment of the investor's capacity

By announcing this public call, the Pašman Municipality invites all interested investors with financial capacity and experience in designing, building and managing tourist complexes to apply for participation in the international tender for the selection of the investor for the realization of the Pašman Rivijera tourist development project (hereinafter: the Project) at the location South Pašman in Pašman Municipality in the Republic of Croatia. The most favourable bidder shall obtain the right to execute the Project by acquiring business shares in the Pašman Rivijera d.o.o project company which shall establish the right to build the real estates within the building area for tourist-hospitality (zone T2) and service-logistical purposes (zone K), and to contract the lease of agricultural and horticultural real estates in the immediate vicinity of the tourist zones, all for the time period of 99 years.

I. TENDER INTRODUCTORY PROVISIONS

1. The tender announcer is Pašman Municipality; PIN: 91458878864; Pašman 34, 23262 Pašman, Republic of Croatia; www.opcinapasman.hr ; Tel: +385 (0)23 260 260; Fax: +385 (0)23 260 402.
2. The tender for the selection of the investor for the realization of the Project consists of two parts:
 - 2.1. PART I of the tender - assessment of the investor's capacity:**
 - 2.1.1. Public call for participation,
 - 2.1.2. Receipt and rating of applications for participation,
 - 2.1.3. Decision on eligible investors to be invited to submit a bid.
 - 2.2. PART II of the tender – the selection of the most favourable bid:**
 - 2.2.1. Invitation to eligible investors to submit a bid,
 - 2.2.2. Receipt and rating of received bids,
 - 2.2.3. Decision on the selection of the most favourable bid,
 - 2.2.4. Invitation to the best bidder to conclude the contract.
3. **The Evaluation Commission of Pašman Municipality** has 5 members and evaluates the received requests for participation of interested investors and the received bids from eligible investors who are invited to submit bids.

4. **The Expert Committee of Pašman Municipality** has 3 members and participates in the evaluation of the bids, in particular project conceptual designs, and gives a non-binding opinion on the bids received.
5. Domestic or foreign legal entities or joint legal entities (consortium) as interested investors may submit a request for participation.
6. Only the investors who demonstrate their capacity shall be invited to participate in the PART II of the tender – the selection of the most favourable bid, i.e. to submit the bids, and shall acquire the right to access the tender documentation free of charge.

II. DESCRIPTION OF REAL ESTATES

1. Project location:

- 1.1. The area of the Project is located on the island of Pašman in Zadar County, which occupies the central part of the coast and Adriatic Sea islands in the Republic of Croatia. The micro-location includes the southwest coastal part of the island of Pašman in Pašman Municipality and represents an extremely attractive area for the development of various forms of high-category tourism in line with the contemporary trends of tourist demand in pristine natural environment.
- 1.2. The main features of the Project's attractiveness arise from the following natural and cultural resources of the micro-location of this area:
 - Non-urbanized natural environment, highly preserved, almost untouched, in the wider area of the location,
 - Project area along the sea with approx. 8 km long, indented coastline, bays, crystal clear waters and varied relief,
 - Outstanding view of the Kornati National Park with amazing sunsets and hundreds of small islets in the immediate surroundings,
 - Several national parks in a wider area,
 - Agreeable Mediterranean climate,
 - Green areas and vegetation on the island,
 - Other natural and cultural resources on the island in a closer and wider environment,
 - Vicinity of the city of Zadar,
 - Good traffic connections (motorway, airport, boat transportation),
 - The island is planned to be connected to the mainland via a bridge or tunnel.

2. Scope of the Project area:

- 2.1. The scope of the Project area consists of:
 - the building area of tourist-hospitality purpose (tourist zone - T2) "Soline" with the surface of approx. 50 ha,
 - the building area of tourist-hospitality purpose (tourist zone - T2) "Žinčena" with the surface of approx. 50 ha,
 - the building area of service-logistical purpose (zones - K1, K2, K3) with the surface of approx. 5 ha and
 - the areas of agricultural and horticultural contents close to tourist zones with the surface of approx. 155 ha (*in the Pašman Municipality spatial arrangement plan part of the area of purpose: "other agricultural land, forests and forest land"*)
- 2.2. The total surface area of the Project is approx. 260 ha.

2.3. The land surfaces within the scope of the Project area consist of a larger number of cadastral plots. In tourist zones "Soline" and "Žinčena" approx. 92.50% of the area is owned by the Pašman Municipality, while the remaining approx. 7.50% is privately owned. On the privately-owned land, the Municipality shall endeavour to establish the right to build under the same conditions under which the establishment of that right on the real estates currently owned by the Pašman Municipality is anticipated, and try to enable the potential integration of several privately-owned buildings that are now in nature indigenous small-scale hospitality and tourist facilities, into the Project. In the event that the Municipality fails to carry out these options on certain privately-owned parcels, **they shall be excluded from the scope of the Project** when adopting the Urban Arrangement Plan for the Project Area. All the plots in the building area of service-logistical purpose and in the area anticipated for agriculture and arranging horticultural contents in the immediate vicinity of the tourist zones, which are included in the Project, are owned by the Pašman Municipality.

3. Status of the infrastructure:

3.1. **The basic infrastructure (water supply and drainage)** is being resolved within the broader coverage through the agglomeration of the Biograd Riviera, which is currently in the process of preparing documentation for EU funding, while the contents of the Project have their own closed drainage system and wastewater purifier despite the fact that the public drainage system under preparation can be used for wastewater. The reason is the use of technical water for the needs of watering the tourist settlement green area. Contact with the water supply system shall be enabled with a connection to the main island route and the construction of the main supply pipeline according to the Project contents shall be financed by the investor simultaneously with the construction of the new roadway according to the contents of the Project, as already planned in the Pašman Municipality spatial plan and the produced design documentation for the access road. Until the installation of an additional water supply pipeline for the needs of the island of Pašman from the mainland, it is necessary to build a water supply for water supply at the location of the service-logistic zone (zones K1, K2, K3) included in the Project.

3.2. Pašman Municipality has obtained a building permit **for the access road**. The access road from the main island road to the point of entry into the scope of the Project shall be built with the funds of Pašman Rivijera d.o.o., with regulation of the relationship between Pašman Rivijera d.o.o. and Pašman Municipality in reducing the payment of communal contribution in accordance with the applicable Regulations on the municipal economy and spatial planning. For the needs of the entire Project, the Pašman Municipality shall provide for a supplementation of location and building permits for the purposes of infrastructure implementation (water supply, drainage, electricity, telecommunications and other) through the anticipated access road. In addition to this road, the Pašman Municipality spatial plan anticipated another roadway to provide additional access to the Project area from the main island road, which could also serve to complete the infrastructure.

3.3. **The electric energy supply** is planned through the existing ring of the Biograd-Zadar power grid through the islands of Ugljan and Pašman. It is planned to provide sufficient power to the subject ring with the reinforcement of existing substations and the construction of new. The financing of sufficient power and necessary substations for the needs of the Project is

the obligation of the company Pašman Rivijera d.o.o. in accordance with the terms of Hrvatska Elektroprivreda (Croatian national electricity supplier).

- 3.4. **When determining the communal contribution for construction to company Pašman Rivijera d.o.o., the Pašman Municipality shall recognize as a paid communal contribution the amount paid by Pašman Rivijera d.o.o.** for the production of the design documentation for the construction of communal infrastructure (access roads) and the construction, and communal infrastructure (access road) in accordance with the Communal Economy Act, the Spatial Planning Act and the Contract for financing and arrangement of the building land plot.

III. SPATIAL-PLANNING AND CONCEPTUAL CONDITIONS OF PROJECT REALIZATION

1. The spatial plan documentation of the Zadar County and the Pašman Municipality established the spatial planning assumptions and measures for realization of the Project. The area covered by the Project in the spatial planning documentation is called South Pašman.
2. The following spatial planning documentation is valid on the day of announcement of this public call for realization of the Project:
 - a. Zadar County Spatial Plan (Zadar County Official Gazette, No. 02/01, 06/04, 02/05, 17/06, 03/10, 15/14) and
 - b. Pašman Municipality Spatial Arrangement Plan (Zadar County Official Gazette No. 16/07, 14/11 and 5/12), (Pašman Municipality Official Gazette, No. 04/15). Zadar County Spatial Plan is available at the following web link:
<https://www.zadarska-zupanija.hr/dokumenti/strateski-i-planski-dokumenti/2014-09-17-10-27-47>
3. The Pašman Municipality Spatial Arrangement Plan is available at the following web link:
<http://opcinapasman.hr/opcina-pasman/prostorni-plan/>
4. After the signing of the Contract on the transfer of business shares in the company Pašman Rivijera d.o.o. with the investor selected in the public tender, **the Pašman Municipality shall ensure the development of the Urban Arrangement Plan (UAP)** for the construction of all Project contents in accordance with the Project conceptual solution as part of the most favourable bid of the selected investor in the public tender **within 12 months of the signing of the Contract on the establishment of the right to build and on the lease of land.**
5. After the signing of the Contract on the transfer of business shares in the company Pašman Rivijera d.o.o. with the investor selected in the public tender and after the Urban Arrangement Plan for the scope of the Project is drafted and accepted, **the Pašman Municipality shall cooperate with Zadar County in the determination of the maritime property border.** Maritime property is used in the function of the Project as its integral part where, in accordance with the Project conceptual solution, the Project Realization Business Plan and approvals of competent institutions, it is possible to arrange berths for boats, beaches and other accompanying contents of the Project **in accordance with concessions which shall for that purpose be obtained by company Pašman Rivijera d.o.o. after the investor is included in the Project.**
6. Eligible investors which are invited to submit bids are obliged to draw up the Project conceptual solution, which is an integral part of the bid in accordance with the propositions of the spatial arrangement plan of the Pašman Municipality. The existing Master Plan of the Project presents only one of the possible conceptual solutions of the Project which is in

accordance with the propositions of the Pašman Municipality spatial plan. Its adjustment is permitted to eligible investors when drafting the bids, for the purpose of achieving as attractive Project conceptual solution as possible, tailored to the location, environment and requirements of the demanding tourist market.

7. The Project Master Plan is available at the following web link:

http://www.pasman-Rivijera.hr/pdf/Conceptual_plan.pdf

8. Detailed information on the concept and principles of the Project are available at the following web link:

www.pasman-rivijera.hr

IV. CONTRACTUAL CONDITIONS OF PROJECT REALIZATION

1. The investor selected in the public tender shall acquire the right to realize the Project in accordance with the accepted most favourable bid, by acquiring business shares in company Pašman Rivijera d.o.o. After acquiring the business shares a contract shall be concluded on basis of which the right to build the real estates within the building area of tourist-hospitality purposes (tourist zone - T2) and the building area of service-logistical purposes (zones - K1, K2, K3) shall be established, and a contract on the lease of agricultural and horticultural real estates (*in the Pašman Municipality spatial arrangement plan part of the area of purpose: "other agricultural land, forests and forest land"*) in the immediate vicinity of the tourist zones shall be signed, all for the time period of 99 years.
2. Pašman Municipality is the owner of company Pašman Rivijera d.o.o. (Pašman b.b., PIN: 82076795198) established for the purpose of realization of the Project.
3. After the conducted public tender and the selection of the most favourable bid of an eligible investor, Pašman Municipality shall sign with Pašman Rivijera d.o.o. the **Contract on the establishment of the right to build and on the lease of land** which shall be aligned with the selected best bid propositions and concluded immediately after the conclusion of the Contract on the transfer of business shares in company Pašman Rivijera d.o.o. with the investor selected by the public tender.
4. The right to build is established on real estates in the building area of tourist-hospitality purposes (which comprises two tourist zones - type T2) with the total surface of approx. 100 ha and in the building area of service-logistical purposes (zones - K1, K2, K3) with the surface of approx. 5 ha for the period of 99 (ninety-nine) years, counting from the day of conclusion of the Contract on the establishment of the right to build and on the lease of land.
5. The land for agricultural and horticultural purposes with the surface of approx. 155 ha is leased for the period of 99 (ninety-nine) years, counting from the day of conclusion of the Contract on the establishment of the right to build and on the lease of land.
6. Just before Pašman Municipality signs the Contract on the establishment of the right to build and on the lease of land with company Pašman Rivijera d.o.o., the investor selected in the public tender shall sign the **Contract on the transfer of business shares in company Pašman Rivijera d.o.o.** with the Pašman Municipality.
7. Immediately after the acquisition of the business shares, the investor selected in the public tender is obliged to recapitalize the company Pašman Rivijera d.o.o. with the amount of at least **20.000.000 EUR**.
8. **The nominated liabilities of company Pašman Rivijera d.o.o. are:**
 - Payment of the fees for the first phase of Project realization to the consulting company Hosting International d.o.o. from Zadar, PIN: 90124599335,

- Payment of the remuneration for the work of the Evaluation Commission and Expert Committee of Pašman Municipality as well as of the Project manager,
 - Return of the loan to the consulting company Hosting International d.o.o.,
 - Engagement of the consulting company Hosting International d.o.o. for the works of the second phase of Project realisation or payment of a lump sum compensation amount for missing the second phase of Project realisation to the consulting company Hosting International d.o.o.
 - Compensation of expenditures all eligible investors had in connection with drawing up and submitting the bid who have submitted a valid bid, but whose bid was not selected as the most favourable bid.
9. The costs of all nominated liabilities of company Pašman Rivijera d.o.o. shall be available only to the investors who prove their capacity.
10. The payment of all nominated liabilities of Pašman riviera d.o.o. shall be made within 15 calendar days at the latest after the selected investor conducts the first recapitalization of company Pašman Rivijera d.o.o.
11. Pašman Rivijera d.o.o. is obliged to build all Project contents and to arrange the leased land according to the Project conceptual solution that is a constituent part of the bid and the Contract on the establishment of the right to build and on the lease of land, and ensure the number of permanent employees in company Pašman Rivijera d.o.o. with a place of work in the headquarters of the company that shall be employed no later than 6 months from obtaining the using permit for the built Project contents, whereby in the duration of the Contract on the establishment of the right to build and on the lease of land the company shall at every moment have the offered number of permanent employees with a place of work in the headquarters of the company, which is an integral part of the bid.
12. Pašman Rivijera d.o.o. is obliged to obtain the building permits for all Project contents and all possibly necessary permits for arrangement of the leased land within **5 years** from the date of signing the Contract on the establishment of the right to build and on the lease of land.
13. Pašman Rivijera d.o.o. is obliged to obtain the using permits for all Project contents and all possibly necessary permits for using the arranged leased land within **10 years** from the date of signing the Contract on the establishment of the right to build and on the lease of land.
14. The real estates on which the right to build is established are owned by the Pašman Municipality, with a possibility of remaining in a small part the ownership of private persons represented by the Municipality, while the built buildings are owned by Pašman Rivijera d.o.o. in the duration of the Contract on the establishment of the right to build and on the lease of land.
15. The leased land, as well as all the contents of land arrangement, are owned by the Pašman Municipality, and Pašman Rivijera d.o.o. has the right to use the arranged land in the duration of the Contract on the establishment of the right to build and on the lease of land.
16. With the expiration of the period for which the right to build was established, Pašman Municipality may request from Pašman Rivijera d.o.o.:
- the handover of all objects which are the subject of the right to build to Pašman Municipality, without delay, in the state of proper functional capacity, without any burdens established for the benefit of third parties, whereby the Pašman Municipality shall compensate the company Pašman Rivijera d.o.o. for the remaining value of the built real estates in accordance with the applicable regulations or
 - allow the company of Pašman Rivijera d.o.o. the use the real estates on which the right to build was established and which were leased without remuneration for an

additional period dependent on the remaining value of the built real estates for the compensation of the remaining value of the built real estates i.e. the difference between the value of real estates without and real estates with the built facilities.

17. In the event that Pašman Rivijera d.o.o. in the duration of the Contract on the establishment of the right to build and on the lease of land withdraws from the Project or in the event the subject Contract is terminated by the fault of the company Pašman Rivijera d.o.o., Pašman Rivijera d.o.o. is obliged to hand over all facilities without delay, regardless of the state of their construction, to the Pašman Municipality **without any burdens established for the benefit of third parties and without the right to reimbursement of the value of the real estate without and the real estate with built (or partially built) facilities.**
18. Pašman Municipality shall in good faith try to contribute to the development of the Project and to act loyally towards the company Pašman Rivijera d.o.o. and the investor which joints the Project, doing all that is in its power in a timely manner, so that the Project can be realized in accordance with the provisions of this public tender.

V. CONDITIONS FOR SUBMISSION OF REQUESTS FOR PARTICIPATION

1. The request for participation in the international tender for the realization of the Project (hereinafter: the Request) may be submitted by domestic or foreign legal persons or by joint legal entities (consortium) as the interested investor.
2. **The Request is submitted no later than 09. March, 2018 at 1 PM, regardless of the way of submission, to the address: Pašman Municipality, Pašman 34, 23262 Pašman, Republic of Croatia**, in a sealed envelope with indicated sender and recipient, with a clear indication of the subject and warning:

“Do not open - Request for participation in the international tender for the realization of the tourist development project Pašman Rivijera”
3. The Request must contain the following:
 - **The title letter** must contain the name of the interested investor and, in the case of joint legal entities, the list of members of the consortium with the reference of the lead member. The title letter must be signed by the person who is the legal representative of the interested investor or his authorized representative (hereinafter: the Signatory),
 - **Proof of the Signatory** of the right to represent investor(s),
 - **A copy of the identification document for the Signatory** (a copy of the ID card or passport),
 - **Excerpt** from the court, crafts, profession or other appropriate register held in the state of the establishment of the legal person, and in the case of joint legal entities, excerpts for all members of the consortium,
 - **Proof of the investor's financial and investment capacity**,
 - If the Request is submitted by joint legal entities (consortium), it must contain the **appointment of the lead member of the consortium and the statement of all members of the consortium on joint liability** in accepting all conditions of this public call for the purpose of realization of the Project,
 - **Proof of payment, the fee for participation in this public call is 40.000,00 HRK**, to be paid to the account of Pašman Municipality, IBAN: HR4723900011832000001, with reference to recipient number: HR21 7706 - PIN (applicant) with the indication *“Fee*

for participation in the public call for the realization of the tourist development project "Pašman Rivijera" at the location South Pašman in the Republic of Croatia".

4. The Request is submitted in writing, written in indelible print, in the Croatian language and Latin script, and may be submitted in a foreign language, but accompanied by a certified translation into the Croatian language made by an authorized court interpreter.
5. Along with enclosures/documents submitted in a foreign language, it is necessary to enclose a translation into the Croatian language made by an authorized court interpreter.
6. The Request and all supporting documents are submitted as an original or as a certified copy.
7. Every page of the Request and the enclosures must be bound in such a way as to prevent the subsequent extraction or insertion of sheets or parts of the Requests with the ordinal number of pages and the Signatory initials. The mark shall contain the total number of pages in the Request and the ordinal number of the page (example: 1/35; 1/36; 1/37 and so on).
8. Requests that have not been submitted in accordance with the terms and conditions shall not be taken into consideration.

VI. CRITERIA FOR THE SELECTION OF ELIGIBLE INVESTOR WHICH SHALL BE INVITED TO SUBMIT THE BID

1. The investor which shall be invited to submit the bid must demonstrate its financial and investment capability.
 - a. Financial capacity is proved with a statement that the legal person, and in case of a consortium of each member of the consortium, is not in liquidation procedure or insolvent, or in the procedures of forced administration, bankruptcy or other similar procedure or any other procedure indicating insolvency or termination business activities, signed by the Signatory.
 - b. Financial capacity is proved by the minimum annual turnover of the investor which in each of the past three accounting years may not be lower than **250.000.000 EUR**.
 - c. Financial capacity is proved by having the financial resources necessary for the recapitalization of Pašman Rivijera d.o.o. in the minimum amount of **20.000.000 EUR**.
 - d. Investment capacity is proved by investments of at least **100.000.000 EUR** into referent tourism and other capital projects in the sector of commercial, hotel tourist and/or residential real estate.
2. In the case of joint legal entities (consortium), a consolidated certificate of capacity is evaluated.
3. An investor which does not prove financial and investment capacity shall be excluded from the further procedure.

VII. CRITERIA FOR THE SELECTION OF THE MOST FAVOURABLE BID

1. The bid must contain the Project conceptual solution, the Project Realization Business Plan, as well as the other enclosures stipulated to eligible investors in the call for submission of bids.
2. Only the bids containing a **Project conceptual solution** in accordance with the Pašman Municipality Spatial Arrangement Plan and cadastral plots defined by the Pašman Municipality shall be evaluated.
3. Only the bids containing a **Project Realization Business Plan** which outlines the financial and term elements of the Project's realization shall be evaluated.

4. The criteria for the selection of the most favourable bid are **the amount of fee for the right to build and the amount of the fee for the lease of land**, and the higher the fee gets more points.
5. The minimum eligible initial unit amount of the annual fee for the established right to build is **0,40 EUR /m²** according to the CNB's middle exchange rate, which **has a share of 80% in the most favourable bid evaluation**.
6. The minimum eligible initial unit amount of the annual fee for land lease is **0,01 EUR/m²** according to the CNB's middle exchange rate, which **has a share of 20% in the most favourable bid evaluation**.
7. In the event that two or more bids have an equal number of points, the bids shall be evaluated according to two additional criteria: the amount of the first recapitalization which must not be less than the required minimum of 20,000,000 EUR and the number of permanent employees in Pašman Rivijera d.o.o. who shall be employed no later than 6 months from obtaining the using permits for built Project contents in the duration of the Contract on the establishment of the right to build and on the lease of land. The model for rating the additional criteria shall be available only to the investors which prove their capacity.

VIII. OTHER TENDER PROVISIONS

1. Any additional information regarding the tender can be obtained from Pašman Municipality, Pašman 34, 23262 Pašman, Republic of Croatia, every day from 8 A.M. to 3 P.M. or via e-mail opcina.pasman@zd.t-com.hr.
2. This call is published in the Croatian and English languages.
3. The regulations of the Republic of Croatia apply to this call.
4. All received information shall be processed in accordance with the legal provisions to ensure the protection of the rights and privacy of the interested parties. The information shall be processed solely for the purpose of determining whether the parties meet the above conditions for participation in the process of acquiring the right to build or lease of real estates.
5. This call is published on the Pašman Municipality website and other public media defined by Pašman Municipality.
6. The opening of Requests shall be held without the presence of the public in the official premises of Pašman Municipality at Pašman 34, 23262 Pašman, Republic of Croatia, in the order of receipt and in the presence of the Evaluation Commission of Pašman Municipality.
7. Pašman Municipality reserves the right at any time:
 - to discontinue the procedure initiated by this call or change its terms,
 - to exclude any interested investor from the procedure,
 - to not select any of the investors interested in submission of bids,whereby it is not obliged to explain such a decision and bears no liability for the costs related to the participation of interested investors in this tender.
8. The publication of this call or receipt of any Request shall not constitute any obligation of Pašman Municipality to conclude the **Contract on the establishment of the right to build and on the lease of land** with company Pašman Rivijera d.o.o. or to conclude the **Contract on the transfer of business shares in company Pašman Rivijera d.o.o.** with any interested investor, nor can it represent a basis for any request or right of such parties to request the fulfilment of any act by Pašman Municipality on any grounds, nor can they have the right to claim any compensation from Pašman Municipality on any grounds.

Pašman Municipality