



PROJECT MUZIL, Pula

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. The Public Call for the Expression of Interest for Implementation of the Project Muzil was published on November 6, 2015 and was 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.

THE PROJECT CONSISTS OF 6 SEPARATE ZONES:

1. Marie Louise Zone (except the Marie Louise Fort, which is envisaged for the establishment of the Military Navy Museum). The construction of two hotels with a maximum of 750 beds and a garage with 200 parking places are planned within the Zone.
2. "Dolina suza" Zone, the future beach complex with a hot-air balloon airfield.
3. "Utvrdna Muzil" (Muzil Fort) Zone, envisaged for hotel accommodation (T1, with 550 beds), tourist settlement (T2, with 250 beds), residential area, and a golf course with 18 holes.
4. "Fižela" Zone, planned for an entertainment centre and sailing club. There are plans to construct a sports port with 120 berths; however this port was not a subject of the public call for expression of interest.
5. "Smokvica" Zone, intended for residential and tourism purpose. The planned facilities include two hotels with a maximum of 720 beds, residential facilities, aquapark, a shopping mall with a cinema, and a garage with 500 car places. This zone also envisages the construction of two marinas with up to 190 berths each, which were not included in the public call and will be the subject of separate public tenders. The prerequisite for development of marinas are the changes in the county and city physical plans, currently in a process.



6. "Mali Plato" Zone, located next to the "Smokvica", with planned construction of a cultural-congress center and a garage with 200 car places.

CURRENT STATUS

The public call for submission of bids is planned to be announced during 2016. There is a 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 were not the subject of the public call).



ISTRIA COUNTY

Population (2011): **208,055**

GDP per capita (2013): **12,711 EUR**

Unemployment rate (2015): **9.9%**

Average gross monthly salary: **1,024 EUR**

Average gross salary in the sector (tourism): **1,171 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km² and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula). Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (total of 21.0 million of overnights, or 29.3% of all overnight stays in Croatia in 2015) and trade sector.

In recent years, great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia". There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands were strongly developed). In the past decade, intensive

investments in a construction of new and reconstruction of existing primarily high-class hotel facilities were made, resulting in a significant increase of five-star hotels (total of 5) and four-stars hotels (total of 37).

According to the Istria Tourist Board, in the structure of accommodation, from a total of 243,290 units, camps are the most represented (42%), followed by private accommodation (27%), hotels (11%) and tourist settlements (9%). Main markets in terms of overnight stays are Germany (30.7%), Slovenia (13.7%), Austria (12.2%) and Italy (9.1%). Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Park Plaza, Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre - Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

CONTACTS

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