



MONTENEGRO

MINISTRY OF SUSTAINABLE DEVELOPMENT
AND TOURISM

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VELIKA PLAŽA

CHALLENGE
of a lifetime!

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Montenegro is situated in Southeast Europe and has an area of 13,812 km² with a coast about 300 km long. Montenegro consists of three regions: southern, central and northern. The southern, coastal region has a beautiful coast with attractive beaches and it is of primary tourist interest. Major industrial activities are conducted in the central region, particularly in the capital of Podgorica and in the town of Niksic, which is the second largest.

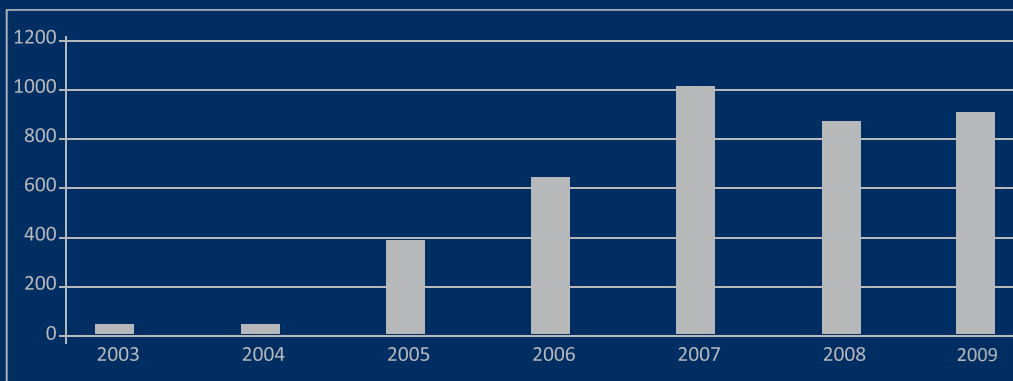
In addition to the fact that Montenegro has received the EU Candidate Status, that it has become a member of the United Nations, the OSCE and the Partnership for Peace and MAP, it has also become a member of the most important international financial institutions: European Bank for Reconstruction and Development (EBRD), International Monetary Fund and World Bank, which is the result of macroeconomic and political stability. Foreign companies in Montenegro are guaranteed equal legal treatment as the local ones. A foreign investor can operate in Montenegro either as a legal entity or as a physical entity. There is no limit of amount of invested capital. Foreign investors are allowed to invest in any industry and freely transfer all financial and other assets, including profits and dividends.

Montenegro's tax regime has become one of the most competitive in Europe. With a 9% corporate profit tax rate companies operating in Montenegro enjoy not only a business friendly environment but also a low tax burden, thus maximizing their operational profit. Foreign direct investment (FDI) inflow into Montenegro registered unprecedented increase in the year 2007 and reached a record of 1 billion €, which then listed the country among the top world FDI per capita recipients. In the year 2008 the total FDI reached €765 million, while in 2009 Montenegro recorded 910.9 million of FDI. Net FDI inflows remain high, yet lower than in 2009.





FOREING DIRECT INVESTMENT (MIL €)



FOREIGN DIRECT INVESTMENT
IN MONTENEGRO
TOP 10 2009

	mil €
Italy	439.6
Russian Federation	55.2
Austria	45.3
Great Britain	41.6
Cyprus	40.9
Switzerland	38.2
Hungary	30.4
The Netherlands	30.2
Serbia	26.8
Denmark	19.6



BASIC MACROECONOMIC INDICATORS

	2004	2005	2006	2007	2008	2009	2010
GDP (mil. €)	1,565	1,815	2,149	2,544	3,025	3,003	3,025.0
GDP per capita	2,684	2,912	3,442	4,058	4,840	4,720	n.a.
GDP growth rate	4.2 %	4.2 %	8.6%	10.3 %	8.1 %	-5.7	0.5
Inflation	4.3 %	1.8 %	2.1 %	7.7 %	10.0 %	1,5 %	0.2%
Unemployment rate	21 %	18.4 %	14.6 %	11.8 %	10.5 %	11.42%	11.75%
Foreign Direct Investment (mil. €)	61.9	383	644	1,000.7	832.1	910.9	643.1





Montenegro's coast offers the greatest economic future for the development of sustainable and up-scale tourism complexes on the whole Adriatic Coast. The World Travel and Tourism Council forecasts for Montenegro the annual growth in demand of 8.6% until 2016. Velika plaža is located in the southernmost part of Montenegro, between the town of Ulcinj and the nature reserve and resort of Ada Bojana. The Bojana River, navigable in its total length, connects Velika Plaza with the Skadar Lake, one of the largest lakes in Europe and an important bird habitat designated as a Ramsar Site. Velika Plaza, which is 13 km long and 60-100 m wide, is an exceptional site on the eastern Adriatic coast offering a unique opportunity for the development of an exclusive large scale resort of great natural beauty, easily accessible and of good visibility. The development of this site is a top priority for the Government. Velika Plaza covers an area of 1,357 ha, of which 903 ha are owned by the state of Montenegro. It is the intention of the Government to enter into a 90-years lease agreement for Velika Plaza, with the right to develop and operate a unique selection of up-scale market resorts with a range of leisure and recreational facilities. It is expected that the resort will be a flagship project in which the natural surrounding and leisure facilities coexist and complement each other. Therefore, the suggested proposal should be based on a proven model of high-level sustainable development. The Government of Montenegro seeks to enter into a long-term lease for Velika Plaza as a whole (except for the first module) or for each individual Module, whichever is deemed more advantageous. This means, that the bidder may consider a proposal for the design, construction, financing, and operation for the entire Velika Plaza



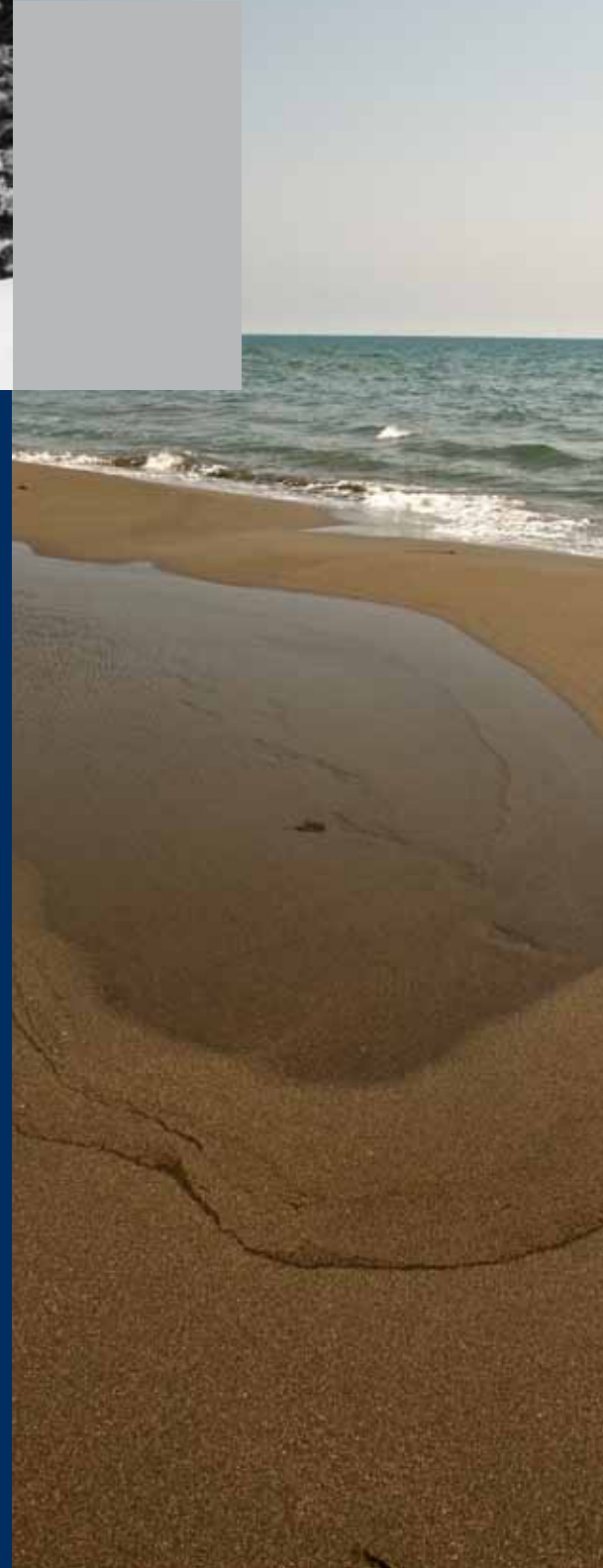


development site or for one or several of the outlined modules in the plan. The natural surrounding of Velika Plaza demand a development concept of an exclusive hotel resort destination that offers all the necessary amenities and a wide range of leisure activities necessary for year-round operation, and facilities built in harmony with the natural surrounding and managed by renowned brand name international tourism operator(s). The Government of Montenegro expects that the Velika Plaza Resort Destination will be a mixed-use development that provides a certain uniqueness, ultimate comfort in hotels, and holiday residences, trend oriented recreational and sport facilities, a modern component of congress and meeting facilities, all constituting an enjoyable holiday, living and working environment. Bidders will be expected to use architecture, design and engineering in accordance with highest international standards, enabling both current and future generations to enjoy this unique scenery.

But there is more to VELIKA PLAŽA than this.

This is one of those projects that, if properly designed and implemented, have the capacity to change the quality of life of people living in the region or even the whole country of Montenegro, a state in the heart of Europe. This is one of those projects that set the standards for others in the years and decades ahead. This is a project that has the potential to bring profit, but also offers a sound opportunity to leave a legacy for future generations.

VELIKA PLAŽA May be Your Challenge of a Lifetime!





LAW ON SPATIAL DEVELOPMENT AND CONSTRUCTION OF STRUCTURES

The Law on Spatial Development and Construction of Structures, which became effective on 1 September 2008, has laid down the division of competences regarding the adoption of planning documents, i.e. the division of planning documents into those adopted by the Parliament of Montenegro, those adopted by the Government of Montenegro and those adopted by parliaments of the local self-governments. The new concept has abandoned old division of planning documents into “development and regulatory” (spatial and urban-development) ones; new plans will be done for both components, which practically means that one can build based on all planning documents, and all this aimed to accelerate development.

STATE PLANNING DOCUMENTS within the competence of the Parliament of Montenegro:

- 1) Spatial Plan of Montenegro;
- 2) Special Purpose Spatial Plan;

STATE PLANNING DOCUMENTS within the competence of the Government of Montenegro:

- 3) Detailed Spatial Plan;
- 4) State Location Study.

The Spatial Plan of Montenegro is a strategic document and general base for the spatial organization and development of Montenegro. The Spatial Plan of Montenegro defines objectives of the State and measures of the territorial development, in accordance with the overall economic, social, environmental and cultural-historical development of Montenegro.

The Special Purpose Spatial Plan is developed and adopted for the territory or parts of territories of one or more local self-governments with common natural, regional or other features, of special significance for Montenegro and which





require special development and use regime (national park, coastal commons, nature reserve, recreational-tourism region, cultural-historical region, exploitation field where surface exploitation of mineral resources is carried out and the like).

The Detailed Spatial Plan is adopted for regions where structures which are of interest for Montenegro or regional significance (territories of one or more local self-governments) should be constructed.

The Detailed Spatial Plan is adopted, inter alia, for: state structures of public interest; industrial, warehousing and free zones; concession regions; areas for the construction of tourism resorts and complexes; recreational, healthcare and similar facilities; shore belt along lakes, rivers and other water streams.

The State Location Study may be prepared and adopted for the regions which are within the scope of the Special Purpose Spatial Plan and are not elaborated by such plan in detail.

LOCAL PLANNING DOCUMENTS

- 1) Spatial-urban development plan of a local self-government unit;
- 2) Detailed urban development plan;
- 3) Urban development project;
- 4) Local location study.

Spatial-Urban Development Plan of the Local Self-Government (in this booklet we present legal description of this local planning document only) defines objectives and measures of spatial and urban development of the local self-government, in accordance with the planned economic, social, environmental and cultural-historical development. The Spatial-Urban Development Plan of the Local Self-Government is developed and adopted for the entire territory of the local self-government. Spatial-Urban Development Plan of the Local Self-Government represents



significant innovation in the spatial development in Montenegro. Adoption of this planning document offers an opportunity for all local communities and for Montenegro to consider all development programs and within the legal deadline (one year) to adopt Spatial-Urban Development Plans of the local self-government. In view of its contents, “this planning document will represent a significant economic lever, i.e., a generator of local self-government development”.

BUILDING PERMIT AND USE PERMIT

Procedure for obtaining building and use permits is simplified. Through a single administrative proceeding, an investor obtains building permit and through a single administrative proceeding, the investor is issued with the use permit. Until now, investors had an obligation to go through seven administrative steps for obtaining building and use permits – now, only two. Furthermore, an innovation in comparison with earlier laws is that building permit is issued based on the conceptual or main project. Investor has the right of choice.

According to the assessments of consulting firms, procedure for obtaining building and use permits is now considerably shorter. It is estimated that new legislative solutions contribute to gaining in time from six to nine months, depending on the type of the structure. Legal deadline for obtaining building permit is fifteen days from the day of the application submission, and for use permit – seven days from the application submission.

LICENSING

In respect of the market opening, in conformity with the established strategy of Montenegro in the process of accession to the European Union, one of the basic principles underlying the Law on Spatial Development and Construction of Structures which is reflected in free movement of services has been thereby accepted and introduced into our legal system. With that and corresponding to the provisions of the Law on Business Organizations, this Law enables foreign persons to become participants in the area of spatial development and construction of structures under equal conditions as national persons, or to undertake activities of development of planning documents, development and revision of projects, building and professional supervision of building of structures in Montenegro.



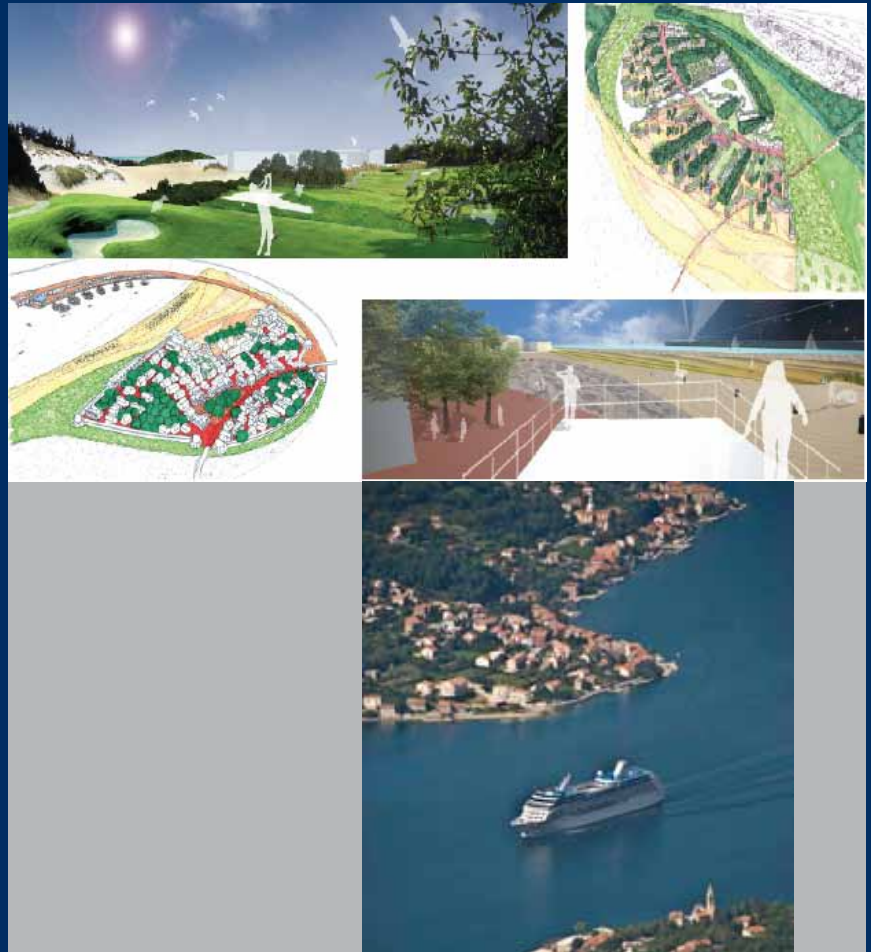
Van Den Oever Zaaijer & Partners, Holland



AN INTERNATIONAL MASTERPLANNING COMPETITION

The international masterplanning competition „Velika Plaza: A sustainable waterfront community“ received submissions from more than 20 world renown architectural / planning companies from USA, Italy, the Netherlands, Great Britain, Portugal, Spain, Australia, Russia and Norway. Ten have been short-listed: Van Den Oever Zaaijer (Netherlands), SSSCC+PM (Italy), Architectural Denver(USA), Archipelago Group (USA), Burrows Cave International(UK), Spacegroup/ Arup (Norway), Ellerbe Becket (USA) and PRP Architects (UK). All participants offered, in an innovative way, a vision of Velika Plaza, Ada Bojana and Port Milena for the next 30 years, where several tourist resorts, residential and apartment settlements, entertainment, recreational and sports centers, educational and cultural facilities and commercial facilities for about 50,000 users, both tourist and residents, should be built. And all this, of course, should be built in harmony with the unique natural environment of sand dunes, forest and wetland ecosystem rich with rare plant and animal species. Special assets to energy efficiency were not ignored.

The international jury, with representatives from the Marriott Hotel chain, Urban Land Institute, renown architects etc. chose, as the best proposal, the proposal of the company Van Den Over Zaijer & Partners, which had a special flexible and phased approach to the development of Velika Plaza and its surroundings, and which respected the environmental values and landscaping. All the other proposals which were rewarded emphasized some specifics of Velika Plaza and gave new ideas.





PRP Architects, United Kingdom



Crawford Architects, USA



Archipelagos/Aedas Team, USA / HK



SSSCCM+PM, Italy



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IV Proleterske brigade 19
81000 Podgorica, Montenegro
Tel: +382 20 446 223; 446 330
Fax: + 382 20 446 215
velikaplaza@gov.me
www.velikaplaza.info