



**REPUBLIC OF CROATIA
CITY OF ZAGREB**



Having regard to the Conclusion on the publication of a call for expression of interest in the participation in the development and realisation of the Badel Block Project in Zagreb (CLASS: 404-01/19-01/185, REFERENCE NUMBER: 251-03-02-19-2) of 17 April 2019, to examine potential investors' interest, the City of Zagreb launches

Call for expression of interest to investors in relation to the participation in the development and realisation of the Badel Block Project in Zagreb

SUBJECT OF THE CALL FOR EXPRESSION OF INTEREST

The subject of the call is the expression of potential investors' interest by submitting a letter of intent to participate in the development and realisation of the Badel Block project in the area bordered by the Vlaška, Šubićeva, Martićeva and Derenčinova streets in Zagreb, whose surface is around 30,000 m².

The objective of this call is to examine the interest of potential investors, able to meet the criteria referred to in this call, in the participation in the development and realisation of the Badel Block Project.

The purpose of the project is to render the Badel Block area a new identity highlight of the city district in question and the centre of significant business, tourist, hospitality and cultural and artistic events, and a location providing high quality of life to its current and future residents.

PROJECT DESCRIPTION

The Badel Block takes up the area of the whole city block whose surface is around 30,000 m² (while the narrow scope of the intervention takes up around 20,000 m²), bordered by Vlaška Street (one of the main city streets) to the north, Eugen Kvaternik Square and Pavao Šubić Street to the east, Martićeva Street to the south and Marijan Derenčin Street to the west. The northern part of the block contains private property buildings, while the southern part is owned by the City of Zagreb and contains old Zagreb architecture industrial buildings (Badel and Gorica factories) which are no longer in function, and have the character of a cultural asset.

Considering its position, the location has great potential, having great public transport connections and access to nearby car parks (garages), and being in the vicinity of the city centre, popular meeting places and historic and cultural landmarks.

The project realisation plan includes reconstruction, additional building and development of the whole block, as the only block in this part of the city which has not been fully built and does not have a clearly defined urban structure and purpose. The objective is to complete the unfinished downtown block, which will render the view from the Šubićeva, Martićeva and Derenčinova direction more beautiful, and connect it directly or indirectly with other neighbouring streets and public areas, as well as to transform the area into a new identity highlight of the city district in question, into the centre of significant business, tourist, hospitality and cultural and artistic events and a location providing high quality of life to its current and future residents.

The urban planning documentation of the Badel Block (Vlaška-Šubićeva-Martićeva-Derenčinova) has been defined as a city project and in the Development Strategy of the City of Zagreb for the period until 2020 as the strategic project **BADEL BLOCK – DOWNTOWN BLOCK REVITALISATION**.

According to the Decision on the Adoption of the General Urban Plan of the City of Zagreb, the basic purpose of the area has been defined as a combined zone for mostly business purposes (M2 plan code), therefore it is possible to plan business and residential buildings, with business purposes being at the forefront (offices, stores, hospitality facilities and other facilities that do not have a negative impact on housing as the basic purpose of the city). Moreover, according to the Decision, the Badel Block comprises the area for which it is necessary to carry out a city project procedure and draft the Vlaška-Šubićeva-Martićeva-Derenčinova Urban Development Plan.

Considering the interest expressed by private investors, the City of Zagreb had initiated the implementation of the Badel Block city project through an international survey urban architectonic tender. The project by the Portuguese architecture studio Pablo Pita has won the first prize and it foresees various facilities and purposes: residential, business, commercial, hotel, hospitality, public and social, including an underground garage.

The tender programme relative to the Badel Block city project has defined the narrow scope of the intervention in the area of ca 2 ha, in which new public, residential, commercial and business purpose facilities are foreseen, and they comprise the cadastral plots number 6340, 6341/1, 6347, 6348/1 and 6348/2, all pertaining to the *Centar* cadastral municipality.

In accordance with the winning project urban rules were defined (rules that regulate the manner of construction within the block), public and professional consultation was carried out and in December 2018, the City Assembly of the City of Zagreb

adopted the Decision on the Realisation of the Badel Block City Project.

The total construction gross area planned in the narrow zone of the scope area amounts to maximally 90,000-95,000 m², which includes underground floors, with the maximum ground surface being around 65,000 m², including the surfaces of rebuilt industrial architecture areas.

According to the approximate dimensions, in the narrow location scope zone, it will be possible to plan for the following facilities:

- Business purpose facilities (25-35% of the total CGA);
- Residential purpose facilities (25-35% of the total CGA);
- Commercial purpose facilities (20-25% of the total CGA);
- Hotel (around 7% of the total CGA);
- Hospitality purpose facilities;
- Public and social purpose facilities (10-15% of the total CGA);
- Other accompanying facilities.

The precise surface itemisation according to the proposed purposes will be reconsidered in the procedure of the Urban Plan drafting and will be defined in accordance with Article 11 of the General Urban Plan.

In the procedure of the Urban Plan drafting, possibilities and criteria for reconversion of the existing buildings will be explored (buildings which have been protected for prevention purposes and other high-value buildings of the former Badel factory) with the aim of converting them into facilities for cultural purposes and public use in accordance with the conservation measures proposed by the competent City Institute for the Conservation of Cultural and Natural Heritage.

MODALITIES OF EXPRESSION OF INTEREST

Any interested party can express interest by submitting a letter of intent with the information necessary for proving legal entity's qualification and expertise in development or realisation of projects similar to the subject-matter of the call.

The letter of intent with the expression of interest must be accompanied by the following enclosures:

- (a) data on legal entity registration; name of legal entity or name of the person that submits the letter of intent: basic information on the legal entity (name, registered office, activities etc.), contact person's data: name and surname, title, address, telephone and e-mail;
- (b) consortium agreement if the expression of interest is submitted by a temporary grouping
- (c) statement of clean criminal record provided under substantial and criminal responsibility regarding the non-participation in a criminal organisation, corruption, fraud or money laundering;
- (d) report on business activities and financial standing of the legal entity (or legal entities in case of a consortium) in reference to the last five years, certified by a registered auditor; statement certifying that the entity that submits the letter of intent is not subject to winding-up proceedings, compulsory administration, insolvency or another procedure which will put an end to its business activities, and a statement proving that it is not insolvent;
- (e) list of legal entity's references provided to meet the criteria referred to under Selection Procedure hereof;
- (f) names and CVs of experts with a list of references from the last five years provided for meeting the criteria referred to under Selection Procedure hereof;
- (h) brochures, catalogues etc. on realised projects.

SELECTION PROCEDURE

The City of Zagreb can shortlist the suitable legal entities which have expressed their interest and proved, by their statements, to be most experienced, have highest financial capacities and to have capable leading experts, while taking into account general principles of transparency, equal treatment and non-discrimination, in line with the best business and market practices.

We will consider the letters of intent of legal entities which meet all of the following minimum requirements:

1. Total investment value of the realised projects similar to the subject of this call mustn't be lower than 1 billion euro;
2. Experience in reconstruction and reconversion of historic or conserved buildings in the last 10 years;
3. Experience in the development of brownfield sites;
4. Experience in projects realised in partnership with the public sector or companies/institutions owned by the public, of minimal value equalling 75 million euro;
5. Experience in the development of projects similar to the subject of this call in the last 10 years;
6. Experience in the development of residential, office, hotel and multifunctional buildings.

The letters of intent of legal entities which are incomplete and do not meet the aforementioned minimum requirements shall not be considered. The legal entities which express interest based on this call and which are subject to winding-up proceedings, compulsory administration, insolvency or any other procedure which indicates insolvency or interruption of business activities will be excluded from the selection procedure.

An accepted letter of intent can result in the signing of a memorandum of understanding aimed at further coordination, development and realisation of the project.

TERMS OF THE CALL

A letter of intent with the expression of interest can be submitted by domestic and foreign legal entities.

The letter of intent with the expression of interest, provided in writing, must include the name of the interested investor and has to be signed by the responsible person of the interested investor. The letter of intent with the expression of interest, including support documentation, must be submitted in the Croatian language. It can be delivered in a foreign language but only if accompanied by a certified translation into the Croatian language provided by a court interpreter.

In the letter, the interested tenderer shall present its expertise in the realisation and management of similar projects and provide a summarised description of the project realisation modality.

Every expression of interest must be submitted directly by the interested party or by a representative of the interested party. A letter of intent with the expression of interest can be jointly submitted by two or more interested investors who intend to establish a business entity for this purpose. In that case, the enclosed documents need to refer separately to each of these parties, and all parties involved shall be jointly held liable for all obligations arising from the possible future business relationship.

The interested investors are invited to submit their letters of intent with the expression of interest, including all the enclosures, in the written form, at the latest on 10 May 2019, end of the day, in a sealed envelope, by post or directly to the following address:

Grad Zagreb, Gradski ured za gospodarstvo, energetiku i zaštitu okoliša

Trg Stjepana Radića 1, 10000 Zagreb, with a clear indication of the subject: *iskaz interesa-projekt „Blok Badel“* (expression of interest in the Badel Block Project), accompanied with the notification *„ne otvarati“* (do not open) or by e-mail to gospodarstvo@zagreb.hr.

The publication of this call or the receipt of any expression of interest do not entail the obligation of the City of Zagreb to stipulate any agreement with any interested investor, nor can they give grounds for any party's claim or right to request any performance of the City of Zagreb, on any grounds.

The interested investors are not entitled to the reimbursement of any expenses relative to the drafting and submission of the letter of intent with the expression of interest. The City of Zagreb is not obliged to invite the interested investors to submit a binding offer nor is it obliged to stipulate a memorandum of understanding or an agreement with any interested investor.

The City of Zagreb has the right to terminate the procedure initiated by this unbinding call or modify its conditions in any moment and is not obliged to provide an explanation for such a decision. The City of Zagreb reserves the right not to select any of the offers contained in the received letters of intent with the expression of interest.

The interested investors shall not be entitled to claim damages from the City of Zagreb on any grounds.

NOTES

This call is subject to the regulations of the Republic of Croatia. The data received will be processed in accordance with the provisions of laws aimed at protection of the rights and privacy of the interested parties. This call shall be published on the City of Zagreb website and in the public media.

Any further information can be obtained from the City Office for Economy, Energetics and Environment Protection. Telephone no: 385 1 610 1103 or +385 1 610 1195; e-mail: gospodarstvo@zagreb.hr

MAYOR
Milan Bandić, *dipl. politolog*