



THE REPUBLIC OF CROATIA
VARAŽDIN COUNTY



THE CITY OF VARAŽDIN
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MAYOR

CLASS: 401-01/21-01/5

REF. NUMBER: 2186-1-04-04/1-22-28

Varaždin, 14th April 2022

Zagrebačka burza d.d.

Ivana Lučića 2 a

10 000 Zagreb

HRVATSKA AGENCIJA ZA

NADZORFINANCIJSKIH USLUGA

Franje Račkog 6, 10 000 Zagreb

OTS HINA

To whom it may concern,

The Members of City of Varaždin's City Council, at the session held on of 14th April 2022 adopted the proposal of the Decision to Amend the Decision on Indebtedness of the City of Varaždin by the Issuance of Municipal Bonds.

This Decision includes a change of list of capital projects which are planned to receive funds from income gained by issuing municipal bonds defined by the City of Varaždin's City Council's Decision on Indebtedness by the Issuance of Municipal Bonds CLASS: 401-01/19-01/12, REF. NUMBER: 2186/01-02-20-9 of 17th July 2020.

The City of Varaždin will require approval from the Government of the Republic of Croatia regarding the Council Decision on Indebtedness by the Issuance of Municipal Bonds.

The list of capital projects within the adopted Varaždin's City Council's Decision to Amend the Decision on Indebtedness by Issuance of Municipal Bonds

CAPITAL PROJECT	INITIAL AMOUNT in HRK	PROPOSED NEW AMOUNT in HRK
Installation of underground containers as part of utility service activities	4,000,000.00	0.00
Installation of Semi-underground Containers		10,000,000.00
Equipping the Brezje Business Zone	11,000,000.00	9,421,295.00
The repurchase of land for the construction of apartments as part of the Incentive Housing (POS) Programme – 'Ekos holding'	26,500,000.00	24,662,960.00
The repurchase of land for the construction of apartments as part of the Incentive Housing (POS) Programme – 'T&H invest'	22,500,000.00	15,200,000.00
Construction of the 'Beli kipi' Sports & Recreational Centre	3,000,000.00	5,615,745.00
Repurchase of the Brezje Farm		2,100,000.00
Total	67,000,000.00	67,000,000.00

Grounds for the Proposed Changes

Installation of underground containers as part of utility service activities

The underground containers project was abandoned due to technical problems arising from site specifics encountered during installation of an electrical energy system.

Installation of semi-underground containers

A system of semi-underground containers enables a more efficient and, from the perspective of environmental protection, a more acceptable public service for the collection of communal waste. It also enables efficient waste sorting and an improvement of municipal waste collection services. The construction of semi-underground containers near residential buildings is expected to improve the communal waste collection service and at least partially resolve the lack of space around residential buildings, in addition to removing the existing containers that are currently taking up a part of public and traffic areas.

The plan is to install semi-underground tanks in 112 locations across the City, the locations of which shall be determined in the technical documentation is to be prepared.

Equipping the Brezje Economic Zone

Upon completion of the public procurement procedure, it was discovered that the contracted amount required was less than that estimated and the financial plan was therefore adjusted to reflect this change.

The repurchase of land for the construction of apartments as part of the Incentive Housing (POS) Programme – ‘Ekos holding’

The amount required for the repurchase of land, as defined by the City of Varaždin's Decision on Indebtedness, was HRK 26,500,000.00. Considering that the land was purchased in full on 15th April 2021 using funds received from municipal bonds amounting to HRK 24,662,960.66, it was proposed that this exact amount shall be defined in the Amendment to any Decision on Indebtedness.

The repurchase of land for the construction of apartments as part of the Incentive Housing (POS) Programme – ‘T&H invest’

Considering that the repurchase of land from T&H Invest d.o.o. (LLC) related to a court decision, a settlement is being prepared that will resolve mutual relations in a different way and reduce the original amount required for this purpose from HRK 22,500,000.00 to HRK 15,200,000.00.

Construction of the ‘Beli kipi’ Sports & Recreational Centre

It has been proposed that this amount shall be increased to allow for recovery of the derelict buildings in the former ‘Beli kipi’ military storage area.

Repurchasing the Brezje Farm

Veterinarska stanica d.d. Varaždin has submitted an offer to repurchase a property in Brezje which was previously a livestock farm consisting of land and old derelict buildings. This bid was composed in accordance with the Assessment Study produced by Tri projekt d.o.o. of Ivanec and the seller asked for a purchase price of HRK 3,902,371.23 which was as much as the land alone was valued at in this Assessment Study.

Yours sincerely,



MAYOR

Neven Bosilj, PhD