

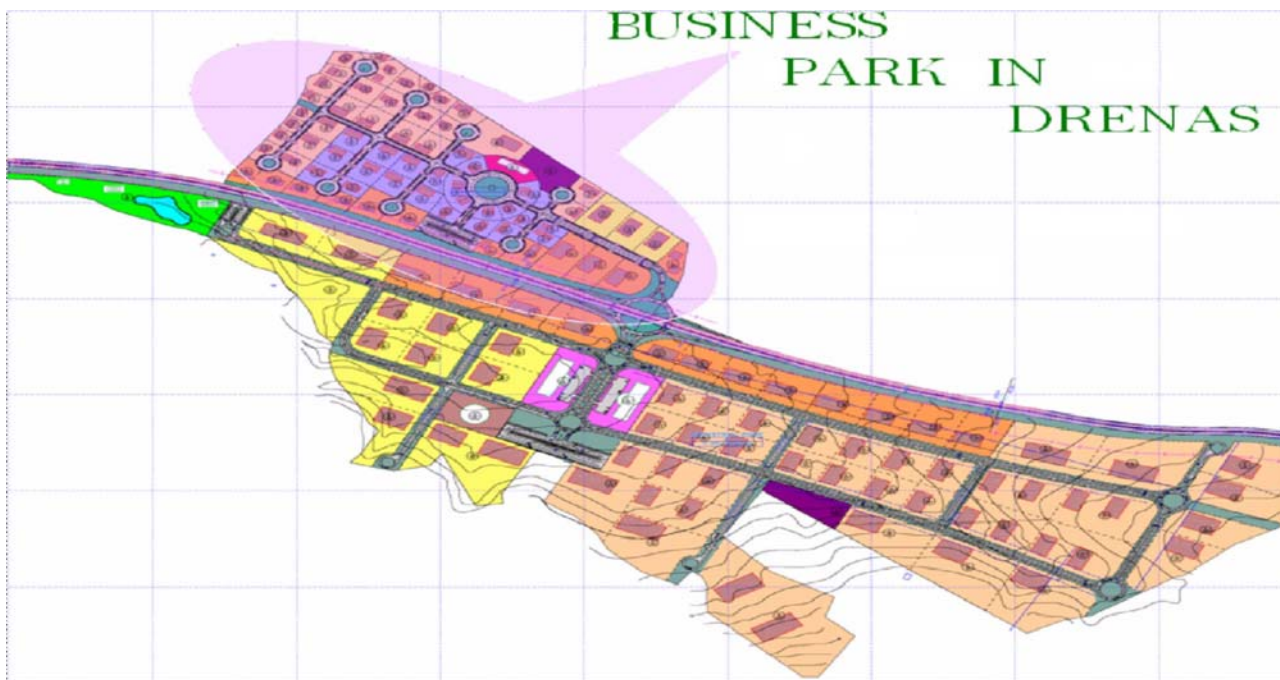


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Ministria e Tregtisë dhe Industrisë – Ministarstvo Trgovine i Industrije-Ministry of Trade and Industri

Agjencia për Mbështetjen e NVM-ve/ Agjencia za Podršku MSP-a/SME Support Agency

**CONDITIONS AND CRITERIA FOR ESTABLISHMENT OF
COMPANIES AT THE BUSINESS PARK IN DRENAS**



Prishtina, January 2010



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Introduction

The Business Park in Drenas being one of the capital projects of AMN/MTI and the government will be a promoter of Kosova development generating employment and incomes and a testing place for a project and new philosophy for future development of enterprises in Kosova and attraction of foreign investments. The Business Park presents the first phase for establishment of a large zone which MTI intends to accomplish during the next five years in the central part of Kosova. This is a joint project of the Ministry of Trade and Industry and Drenas Municipal Assembly. MTI is investing in the construction of this park while Drenas Municipal Assembly has provided the land for this objective.

The Business Park will open a perspective of employment to one thousand new employees, out of which 40% will be from the surrounding region. The Park covers a surface area of 24 hectares divided in different size parcels ranging (from 1000 m² to 12000 m²), which are designated for establishment of businesses.

The Business Park in Drenas is located in village Koreticë alongside Prishtina-Peja highway:

- 5 km away from Prishtina Airport
- 7 km from the main railroad terminal in the country

General information concerning interested parties

Services offered by the Business Park in Drenas

- Parcels of land ready for construction of business objects
- Access to power network
- Industrial and potable water
- Access to sewerage and surface water carrying systems
- Access to gas line installation for industrial needs
- Access to heating system
- Parking areas
- Telephone network
- Internet network
- Hotel services and restaurant
- Business services area such as banking, marketing, transhipment etc.
- Areas for joint service such as halls for seminars, conferences, symposiums etc.



Right to apply

All local and foreign businesses which meet requirements in conformity with the application have the right to apply.

Documentation required for application:

1. A filled application form
2. Business registration certificate;
3. The biography of the company or individual who is applying
4. Company references
5. Proof of completed taxation duties
6. Proof of actual number of employees

Priorities

Establishment onto the park will have priorities based on the investments and investors perspective (foreign large investments and investors have priority) and type of activities (production activities such as Nickel fabrications and semi fabrication, processing and production of spare parts for existing enterprises and infrastructure (Trepça, Ballkani, Sharr Cemi, KEK, Railroads, Airport, PTK, roads etc.), assembly products, high information technology services, other added high value services etc.

Exceptions

In regards to establishment onto the park there will be exceptions based on the type of investments and investors – investments with suspicious origin such as money laundering, organized crime or donations from terrorist organizations will be excluded. In addition, investors wanted by Interpol or pursued by international laws for their criminal or terrorist activities will also be excluded. Based on the type of activity all activities and businesses that do not offer clear documentation that they will not pollute the environment, animal markets etc. shall be excluded.

Pricing

Pricing is not the only objective of the project or the government. In countries with tradition in the field of industrial zones development, such as Italia, Japan, USA, usually there are two forms: Selling and leasing. Leasing has been developed in different forms such as: leasing for 99 years and shorter time leasing based on the interest of parties. Since the BPD project is a public investment where the government's goal is to implement its policies in support to businesses, economic development, reduction of unemployment and attraction of foreign businesses, Kosovar modality has accepted the variant which favours leasing of BPD parcels for a 99 year period as it is also



foreseen in Law No 2009/03-L-129 for Economic Zones.

Having in mind that BPD project should gradually become self sustainable, BPD Supervision Board has set a minimal fee which in no way shall present an unaffordable cost for local businesses and it will approximately cover maintenance costs.

The minimal fee shall be 0.15€/m².

In the first ten years of establishment of companies at BPD, the Supervision Board has taken into consideration the problems and costs faced by companies which open their businesses and it has decided that the minimal fee during the first ten years of business be divided as follows:

- I. From the first year to third year (36 month) this fee shall be 0.03€/m²
- II. From the fourth year to sixth (36 month) the fee will be in the amount of 0.075€/m²
- III. From the seventh year to tenth (48 month) the fee will be in the amount of 0.1125€/m², and
- IV. From the eleventh year until the completion of the contract shall be paid the full price fee in the amount of 0.15 €/m².

Building's yard

Companies shall possess a vehicle parking area to accommodate the corresponding number of employees. The parking area should also allow unobstructed entrance and exit to transportation means in order not to block the public road. The remaining portion may be used for verdure.

Connection to public utilities

Each of the parcels will have junction boxes to connect to public utilities offered by BPD. Each connection should be approved preliminary by the BPD management. Companies do not have the right to make any other connections except the ones allowed. All permits for connection into BPD public infrastructure shall be completed through contractual services with public companies for BPD management.

URBAN-TECHNICAL CONDITIONS – (EURO CODE)

Objective of the code – This code formulates the regulations that are to be implemented in order to create a more attractive and regular landscape within the BPD complex.

This code determines the regulations for distances between objects and main or internal roads; road connection regulations, for better access; regulations for parking areas for different activities and many regulations that will be pointed out below.

Priorities – Euro Code requirements have priority over this Code for Business Objects.



Representatives – Business Park Management, which is established to manage this complex, ensures that these regulations are implemented. The management is highly prepared to deal with each case in a dignified manner.

Information – that should be delivered to the Management are: detailed schemes explaining the planning and nature of the project as well as detailed realization plans.

The documentation containing information on the project's nature shall also have attached to it the documentation of the impact of company activities on the environment. This impact shall meet the requirements and must be within the acceptable limits set out on the Law on Environment and Space.

Buildings and structural height limits

Maximal height: Structural objects shall not exceed foreseen height over 12 m, however, this may be discussed if there is need for changes due to the nature of activity within the object.

Building annexes: For equipment, towers, chimneys, water tanks and similar structures that are considered activity requirements shall not exceed heights over 18.5 m.

These annexes shall not be used for commercial goals or advertisement of materials.

Fire Protection: All structures shall meet requirements of Construction Law No 2004/15 Chapter II Article 6.

- a. Fire extinguishing supply location.
- b. Location to install rubber tubes
- c. Emergency lighting location
- d. Exit signs
- e. Determining appropriate maximal number of employees for the certain area
- f. Exit doors
- g. Size of exit doors
- h. Determining location of smoke detectors/fire alarm system
- i. Details for controlling smoke/exhaust system
- j. Details of spraying system which should be installed

Arrangement of space

Business Park managers point out that some parts of parkland, free areas, shall be arranged according to the plan. Details on how to organize these areas may be obtained from the Management and they are provided upon request.

Objects in these areas shall be designed by the specialized engineers for projection of business objects.

Management has the right to review any other request outside the code which may be compatible to the business zone and is in general interest of the public.

Area in front of the building should be designed with trees, bushes, verdant area, stone surface area, which shall be maintained.

Area behind the building – In case the parking area is located in front of the object, then the rear portion shall be 10m wide. Walkways and rear area should have sufficient space, a minimum of 5m, to allow free vehicle movements around the object.

All **areas not covered** by structures, parking areas or roads shall be arranged, formed or left with the current vegetation if possible.

Area in between the property and walkways shall be maintained by the owner of the property.

Watering system is required to be installed alongside the property.



Parking areas and supplying

Parking and supplying is not permitted on the road. One way road curves shall have a 5 m radius and two way roads 7.6 m to 12m radius.

A per square meter parking proportion, which differs from types of objects, shall be created. An average for different objects with one parking place for 10 square meters may be obtained.

Clear lines shall be drawn to mark curves and allow proper visibility without obstructions at a 30 m distance from both sides.

Lighting shall be sufficient to create a safe environment within the property. However, lighting shall be directed towards the base and it should not obstruct the surroundings outside of this complex.

Garbage shall be collected within the structures or in completely covered areas not higher than 1.5m. These areas shall be maintained clean and not be allowed to be blown out by the wind. All garbage shall be removed twice a week.

Signs may be posted on objects or fences but their size shall not be greater than 10 m². They shall be maintained properly and occasionally repaired.

Storage areas are places that serve to keep goods, equipment and devices. These areas shall be maintained in order and clean.

Mechanical repairs areas, if they exist, shall be located in less visible areas, i.e. behind the buildings.

Work schedule usually starts from 0700–1900 hours from Monday to Saturday, except Sundays. However, if the nature of work performed by the activity requires a different schedule, then it will take place after the decision of the management board.

An agreement or guarantee is required by the management board to ensure completion of work including construction of the object and parking area. A development structure regarding type, size and expansion of the proposed structures is also required.

Development Applications shall be submitted to the board prior to commencing any kind of work and prior to the submission of application for construction structures.

Objects outer appearance shall meet several additional requirements in order to ensure that business objects proposed for construction in this complex are attractive and visually acceptable and compatible with general development

Buildings front appearance is acceptable if it is constructed with bricks, painted cement façade, plasticized metal plates profiles. Or combination of these materials such as windows with reflective glass, suspended facades as well as entrance points which are usually attractive.

Decorative materials that are to be used for wall construction work shall be first acceptable to the Managing Board.

Buildings rear side shall be withdrawn backwards for 5 m and in case it is located near the main road it should be 15 m away.

Various – proposed plans shall be accompanied with development application and application for purchase of land within this property. By doing so the Managing Board shall be fully aware of the appearance of the proposal.

The Managing Board may make changes to the code; however these changes shall offer better solutions within this Business Complex.

Special care shall be paid to cover unpleasant materials which make the appearance of this area unattractive.



CRITERIA FOR ESTABLISHMENT OF COMPANIES IN BPD

The criteria for establishment of companies at the Business Park in Drenas are the following:

Employment

Project's feasibility study has foreseen opening of at least 1,000 new job positions. This component shall be one of the main criteria during the application assessment process. This minimum justifies the result provided by the feasibility study. Employment shall be evaluated with 35% of total points.

Investment value

This component is of a special importance because it will be the main component to evaluate the justification of investments in the Business Park in Drenas. This component shall be evaluated with 30% of total points.

Type of activity

The type of activities of the companies that want to establish themselves in this area with modern infrastructure will also be one of the dominant assessment criteria. Companies oriented towards production of added value products, including services, will be a requirement for over 80% of the park area. Type of industries is related to the size of parcels at the BPD disposal; Therefore:

Parcels larger than 6,000 m² will be designated to companies with valuable programs and projects from the Heavy Industry (Metal processing, production of alternatives derivatives, glass industry, ceramics, plastics, raw material, food processing industry etc.)

Parcels larger than 3,000 m² will be designated to companies with valuable programs and projects from general industry (light metal processing, electronics, light food industry, or a wide range between light and medium industry including services etc., may be accommodated.)

Parcels larger than 1,000 m² will be designated to companies with valuable programs and projects from the following industries: Electrics, financial services, computer software systems and other office services, light utilization industry (clothing, instruments, light plastics, assembly operations etc.)

Type of activity is assessed with 15% of points.

Pricing

We said that pricing is not considered as one of the objectives, however in order to establish competitive criteria companies specifically interested on one of the parcels that they want to take ownership may increase their points by



offering a higher price than the minimum specified by the Project's Board of BPD.

Pricing will be assessed with 10% of the total points.

Technology

Technology will also be assessed at the Business Park in Drenas. New technology will be assessed with 10 % of the total points.

Assessment criteria table

No	Criteria	Assessment value	Remark
1	Employment	35 %	
2	Investment value	30 %	
3	Type of activity	15%	
4	Pricing	10%	
4	Technology	10 %	