1. **PROJECT TITLE**
EXPLOITATION OF THERMAL MINERAL WATER BY BUILDING AND USING SPA CAPACITIES – LJEŠLJANI SPA

2. **SECTOR**
Spa tourism

3. **LOCATION**
Lješljani, Municipality of Novi Grad

4. **BRIEF PROJECT DESCRIPTION**
The zone of the Lješljani Spa and Recreation Centre is located in the north-eastern part of the Municipality of Novi Grad. Lješljani SRC is at 18 km from the settlement and only 6 km from the Novi Grad-Kostajnica trunk road. The entire Lješljani SRC zone covers the area of 595.93 ha. Since this zone is considered an area of high social importance and interest, it is included with detailed geodetic surveys in the Lješljani Spa Special Area Regulatory Plan (planning period 2009-2019), according to which it covers the area of about 30 ha. Investigations, analyses and findings of the quality and characteristics of water reserves at the location of Lješljani started already in the sixties of the last century. Exploration and exploitation drilling was performed in 1990, when thermal mineral water was found at the depth of 672 m, of a yield of 10 l/s and an outflow under the pressure of 7.2 bar. Water temperature ranges from 31 to 33°C, while official data about water quantity, its availability and reserves still do not exist, in spite of all previous analyses and explorations. All physical and chemical analyses of this water, thus far performed by several scientific and research centres: Ruđer Bošković Institute Zagreb; Jože Štefan Institute Ljubljana; Institute of Balneology Sarajevo, Vinča Institute Belgrade, have proven that this type of water is very rare in the world. Under contemporary classification, the natural Slatina-Lješljani water is hyperalkaline thermal mineral water with the exceptionally valuable and high mineralisation of over 2500-2790 mg/l.

The Mining and Geology Faculty of Belgrade University found in 2010 that the water at Lješljani spa location falls in the category of methane sodium chloride hydroxide hypothermal hyperalkaline mineral waters. The chemical composition of the water and its physical properties were also established by test results.

5. **PROJECT DETAILS**

**WHAT TYPE OF PROJECT IS IT?**
Brownfield (outdoor pools, healing water showers and restaurant) - options of purchase of the entire area or joint venture with KOZARAPREVOZ a.d. Novi Grad

**PROJECT STATUS**
The area of 19.5 ha within the Lješljani zone is managed by Banjsko-Rekreativni Centar Slatina-Lješljani d.o.o. Novi Grad, established and owned by KOZARAPREVOZ a.d. Novi Grad. Currently, there are some tourist capacities on the location managed by the Slatina-Lješljani d.o.o: outdoor pools, healing water showers and restaurant.
A feasibility study was prepared and it proves the profitability of the investment.
REASONS TO INVEST IN THE PROJECT
- Favourable geographic location – border with the EU and several border crossings for passenger and railway transport
- Constantly growing spa tourism – there is a growing demand in the region and in the EU – currently, a large number of tourists visit the location during the season but there are no appropriate capacities for water use
- By its chemical and physical properties, the water at Lješlјani location is extremely healing and very rare in the world;
- Possibility of water bottling and packaging
- Tourism represents one of the most prospective branches of economy in the RS and BiH.

6. PROJECT FINANCING
GIVE ESTIMATED PROJECT VALUE IN EURO
A detailed design documentation for the central healing and accommodation facility was prepared and includes:
- Reception point - entrance hall, reception, admission desk with specialist offices - area 376 m²;
- Health and therapeutic facilities - diagnostic tract, hydrotherapy and physical procedures - area 1,002 m²;
- Accommodation capacities - 20 single rooms, 52 double rooms, 5 suites, 4 rooms for the disabled, and auxiliary facilities area 2,536 m²;
- Facility management - office space area 40 m²;
- Service and energy block area 423 m²;
Total area of the facility including the communications dimensioned for people movement is projected at 6,200 m²;
Estimated value of construction works for the described products amounts to BAM 18.7 million (without equipment).
Tentative pro forma invoice value of construction of the central facility without equipment is BAM 6,200,000.00.
Exploitation of the thermal mineral water on the location would necessitate a concession, which in turn would require preparation of a study of water reserves and quality. Obtaining the status of a spa treatment centre requires conducting relevant clinical tests. Since these are important prerequisites for significant investments on the location, it is assumed that the preparation of these studies would be undertaken during the preparatory stage of project implementation, before the start of the construction stage. During the construction preparatory stage, it is also planned to develop infrastructure on the location, which is within the competence of the Municipality.

PLANNED SOURCES OF FINANCING
Complete project financing by investor in case of purchase of the entire area, or possibility of a joint venture with KOZARAPREVOZ a.d. Novi Grad

INPUTS BY LOCAL PARTNER
Municipality of Novi Grad - infrastructure development of the location
INPUTS BY INVESTOR
Investments in the construction of the central facility, healing water bottling plant and other facilities.

7. HAS PHYSICAL LOCATION FOR PROJECT IMPLEMENTATION BEEN IDENTIFIED
The Lješljani Spa and Recreation Centre zone is located in the north-eastern part of the Municipality of Novi Grad. Lješljani SRC is at 18 km from the centre of Novi Grad.

   Infrastructure:
   Road infrastructure - asphalt road and electricity supply system are in a good condition;
   Drinking water - water supply system from the urban area of Novi Grad, up to the centre of the spa, unresolved sewerage network.

8. HAVE THE ACTIVITIES ON PROJECT IMPLEMENTATION ALREADY STARTED
Built outdoor pool with thermal mineral water, dimensions: 12m x 6m, depth: 1.2 m - 1.8 m;
Investments made in building 7 facilities: restaurant (12 m x 10m) and 6 (six) bungalows.
Prepared Lješljani Spa Regulatory Plan (planning period 2009-2019);
Lješljani Spa and Recreation Centre Feasibility Study - Banja Luka Economic Institute, 2014;
Prepared detailed design documentation for the central healing and accommodation facility - Lješljani - RS Urban Planning Institute, Banja Luka 2000;

9. PROJECT APPLICANT AND CONTACT INFORMATION

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