

Approved
by the Board of the Freeport of Ventspils Authority
22 May 2020
decision No. 18/21

**Principles for determining land and real estate rents and fees for development rights,
procedures for concluding lease agreements and development right agreements.**

*Issued in accordance with the Cabinet of Ministers
Regulations No. 62 of February 28, 2020
"Rules of Freeport of Ventspils Authority"
sub-clause 34.4*

1. Information is published on the Freeport of Ventspils Authority website:
 - 1.1. on plots available for rent;
 - 1.2. on plots of land eligible for a development right agreement;
 - 1.3. on berths available for rent;
 - 1.4. on buildings and premises available for rent.
2. The Board of the Freeport of Ventspils Authority shall consider applications from legal and natural persons and decide on:
 - 2.1. conclusion of the land lease agreements;
 - 2.2. conclusion of a development right agreement;
 - 2.3. the conclusion of a berth rental agreement;
 - 2.4. concluding lease agreements for buildings and premises where the lessee wishes to lease 50% or more of the total area of the building.
3. The manager of the Freeport of Ventspils shall consider applications from legal and natural persons and decide on the conclusion of a lease agreement if the lessee wishes to lease up to 50% of the total area of the building.
4. A land lease agreement is concluded if the potential lessee's intended purpose of land use corresponds to the (permitted) purpose of land use established in the Ventspils City Spatial Plan.
5. The following circumstances shall be taken into account when determining the term of the land lease agreement:
 - 5.1. the location of the land to be leased;
 - 5.2. the purpose of the land plot to be leased;
 - 5.3. whether investments are foreseen, and their scope;
 - 5.4. the terms of lease agreements for adjacent plots;
 - 5.5. the need for the land to be leased for the prospective development of the port;
 - 5.6. a request by the lessee to extend the lease.
6. The term of the land lease agreement may not exceed 45 years, unless the amount of investments planned and to be made in the port within the planned period exceeds EUR 70 million.
7. The term of the lease for berths, buildings and premises may not exceed 45 years.
8. If a new plot or part of a plot is leased to an existing tenant, the lease term for the new lease area may be the same as for the already leased area.
9. The Board of the Freeport of Ventspils Authority shall decide on the term of the lease agreement for which each particular lease agreement will be concluded.
10. The amount of the land rent shall be as set out in the Annex.
11. For berths and industrial buildings, the rent shall be determined by reference to the payback period of the construction costs.
12. The rent for buildings and premises is determined by reference to the cost price of the building and premises.

13. If the merchant intends to establish a production facility, the Board of the Freeport of Ventspils Authority may reduce the amount of rent (or waive the rent) for the period until the production is commenced.
14. The Board of the Freeport of Ventspils Authority may, if it deems it appropriate taking into account the economic effect, set a different amount of rent than that set out in this document.
15. If two or more tenants apply for the lease of the same real estate property, then:
 - 15.1. preference is given to the tenant whose activities have the greatest economic impact, or;
 - 15.2. a procedure for the award of the lease is organized to identify the most advantageous tender.
16. The provisions of paragraphs 4, 5, 7, 8, 9, 10, 13, 14 and 15 shall apply to the conclusion of a development right agreement.

Annex
to Principles for determining land and real estate rents
and fees for development rights, procedures for
concluding lease agreements and development right agreements,

approved by the Board of the Freeport of Ventspils Authority
on 22 May, 2020

No. personal ID No.			Amount of rent (% of the cadastral value of the land)
1)		Non-commercial properties - private houses, garage cooperatives, horticultural societies, small gardens	1.5%
2)		Municipal and public authorities; Municipal and public commercial companies	2.5%
3)		For business (except as mentioned in Article 2):	
	<i>NACE code</i>	<i>Activity in accordance with NACE Rev.2</i>	
3.1.	A	AGRICULTURE, FORESTRY AND FISHERY	2.5%
	1	Crop and animal production, hunting and related support auxiliary activities	
	2	Forestry and logging	
	3	Fisheries	
3.2.	B	MINING AND QUARRYING	5.0%
	5	Coal and lignite mining	
	6	Extraction of crude oil and natural gas	
	7	Mining of metal ores	
	8	Other mining and quarrying	
	9	Auxiliary activities related to mining	
3.3.	C	PROCESSING INDUSTRY	0.5%
	10	Manufacturing of the food products	
	11	Manufacture of beverages	
	12	Manufacture of tobacco products	
	13	Manufacture of textiles	
	14	Manufacture of wearing apparel	
	15	Manufacture of leather and leather products	
	16	Manufacture of articles of wood, of wood and of cork, except furniture; manufacture of articles of straw and woven products	
	17	Manufacture of paper and paper products	

	18	Printing and reproduction of recordings	
	19	Manufacture of coke and refined petroleum products	
	20	Manufacture of chemicals and chemical products	
	21	Manufacture of basic pharmaceutical materials and pharmaceutical preparations	
	22	Manufacture of rubber and plastic products	
	23	Manufacture of non-metallic mineral products	
	24	Manufacture of metals	
	25	Manufacture of fabricated metal products, except machinery and equipment	
	26	Manufacture of computer, electronic and optical equipment	
	27	Manufacture of electrical equipment	
	28	Manufacture of other non-classified machinery, plant and machine tools n.e.c	
	29	Manufacture of motor vehicles, trailers and semi-trailers	
	30	Manufacture of other vehicles	
	31	Manufacture of furniture	
	32	Other manufacturing	
	33	Repair and installation of equipment and appliances	
3.4.	D	ELECTRICITY, GAS, HEATING AND AIR CONDITIONING	5.0%
	35	Electricity, gas, heating and air conditioning	
3.5.	E	WATER SUPPLY; WASTEWATER, WASTE MANAGEMENT AND REMEDIATION	5.0%
	36	Water extraction, treatment and supply	
	37	Wastewater collection and treatment	
	38	Collection, treatment and disposal of waste; recycling of materials	
	39	Sanitation and other waste management services	
3.6	F	CONSTRUCTION	5.0%
	41	Construction of buildings	
	42	Civil Engineering	
	43	Specialised construction works	
3.7.	G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	
	45	Wholesale, retail trade and repair of motor vehicles and motorcycles	2.5%
	46	Wholesale trade, except of motor vehicles and motorcycles	5.0%
	47	Retail trade, except of motor vehicles and motorcycles	5.0%
3.8.	H	TRANSPORT AND STORAGE	2.5%
	49	Land transport and pipeline transport	
	50	Water transport	

	51	Air transport	
	52	Support activities to storage and transport	
	53	Postal and courier activities	
3.9.	I	ACCOMMODATION AND CATERING SERVICES	5.0%
	55	Accommodation	
	56	Catering services	
3.10.	J	INFORMATION AND COMMUNICATION SERVICES	5.0%
	58	Publishing	
	59	Production of motion pictures, video films, television programmes and sound recordings	
	60	Radio and television programming and broadcasting	
	62	Computer programming, consultancy and related activities	
	63	Information services	
3.11.	K	FINANCIAL AND INSURANCE ACTIVITIES	5.0%
	64	Financial service activities, except insurance and pension funding	
	65	Insurance, reinsurance and pension funding, except compulsory social security	
	66	Activities auxiliary to financial services and insurance	
3.12.	L	REAL ESTATE OPERATIONS	5.0%
	68	Real estate operations	
3.13.	M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	5.0%
	69	Legal and accounting services	
	70	Activities of head offices; business and management consultancy	
	71	Architectural and engineering services; technical inspection and analysis	
	72	Scientific research work	
	73	Advertising and market research services	
	74	Other professional, scientific and technical services	
	75	Veterinary services	
3.14.	N	ADMINISTRATIVE AND SUPPORT SERVICES	5.0%
	77	Rental and operating leasing	
	78	Finding and staffing the workforce	
	79	Booking services and related activities of travel agencies, tour operators	
	80	Security services and investigations	
	81	Construction and landscape architectural services	
	82	Office administrative, support and other business support activities	

3.15.	O	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.5%
	84	Public administration and defence; compulsory social security	
3.16.	P	EDUCATION	2.5%
	85	Education	
3.17.	Q	HEALTH AND SOCIAL CARE	2.5%
	86	Health protection	
	87	Social care with accommodation	
	88	Social care without accommodation	
3.18.	R	ART, ENTERTAINMENT AND RECREATION	5.0%
	90	Creative, artistic and recreational activities	
	91	Libraries, archives, museums and other cultural institutions	
	92	Gambling and betting	
	93	Sports, amusement and recreation activities	
3.19.	S	OTHER SERVICES	5.0%
	94	Activities of social, political and other organisations	
	95	Repair of computers, personal and household goods	
	96	Other personal service activities	
	96	Other personal service activities	
3.20.	T	ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; PRODUCTION OF OWN-ACCOUNT GOODS AND PROVISION OF SERVICES BY PRIVATE HOUSEHOLDS	2.5%
	97	Activities of households as employers of persons in paid employment	
	98	Production of goods and services for own consumption by private households	
3.21.	U	ACTIVITIES OF EXTRA-TERRITORIAL ORGANISATIONS AND INSTITUTIONS	5.0%
	99	Activities of extra-territorial organisations and institutions	

1. The land rent for industrial parks (etc.) is set at 0.5% of the cadastral value of the land.
2. The amount of rent for the seaport terminals shall be decided separately by the Board of the Freeport of Ventspils Authority.
3. If a merchant operates in more than one sector, the land rent is set as a weighted average.
4. If the leased area is subleased and the sublessee's activities differ from those of the lessee, such sublease agreement shall be the basis for reviewing the amount of the land rent.
5. If the area leased to the tenant is increased (within one plot, adjacent plot), the rent for the added area may be set at the level of the existing rent.
6. For natural persons, the minimum annual land rent is EUR 5,- plus value added tax. For legal entities, the minimum annual rent is EUR 30,- plus value added tax. The same minimum rent is also set for leases of situations, when the lease agreement is concluded for less than one year.