



National Project “Olympic Hope 2022”

Olympic Hope 2022 is a project designed to develop more than a new winter tourist destination. It is a plan to develop a whole tourism industry using the IOC Winter Olympic guidelines as a model to harness what is an almost perfect location for both winter and summer sports facilities in an, as yet, untapped tourism region of Eastern Europe. It is a project to bring much needed jobs and to harness what is an area of outstanding natural beauty for the good of the people of the whole region.

Project summary

Project Olympic Hope 2022 is designed to take the mountain and valley area known as “Borzhava” in the southern Ukrainian Carpathian Mountains and to develop it as a model and as a magnet for managed tourism. Such are the natural conditions that this area was identified in the late 1970’s as a future training base for the Soviet Winter Olympic team. Project Olympic Hope 2022 is a project to create a tourist centre capable of handling up to 50,000 tourists a year and to enable Ukraine to mount a viable bid for the Winter Olympic Games in 2022.

Project Background

The Carpathians Mountains are the 2nd longest range in Europe stretching from Eastern Austria to Central Romania in an arc spanning 1500 kilometres (932 miles) and rising to a height of around 2,000 metres (6,000 feet). At least 20% of this mountain range traverses western Ukraine, an area of outstanding natural beauty that is totally under developed. It is one of the few areas in the world where demand for tourist facilities already outstrips supply.

Until now there has been no master plan to develop the region in a systematic and ecologically friendly way and to ensure that the sporadic and piece-meal development of the region does not destroy the very reason for its beauty. The ‘Borzhava’ district consists of a series of peaks ranging from 1380 to 1650 metres and a stunning valley that are ideal for winter sports development. The mountain areas over 800 metres have good snow cover for 5 months of the year with a winter temperature ranging from -3 to -15 centigrade. The mountain gradients range from nursery slopes to extreme skiing thereby making it ideal for a full range of winter sports and summer mountain experiences.

Major opportunities for market entry

Borzhava’ is not just a new tourist development in an area of high demand, it is also an opportunity to harness the power of an Olympic bid to promote both Ukraine and the winter sports facilities at “Borzhava” to a world-wide audience.

Demand from across the region and in particular from Russia, Ukraine, Poland, the Czech Republic, Slovakia, Hungary and Romania, for winter sports in the Carpathian Mountains is already building and this is without any marketing activity at all. This interest is however leading to low budget operations that could well do more harm than good if they are not superseded by more professional development

Participation in the 2022 Winter Olympics tender will make ‘Borzhava’ famous whilst success would make it one of the top skiing venues in Eastern Europe and a centre for further expansion of tourism into surrounding areas.



Investment parameters

Location

The "Borzhava" valley is located 13 kilometres to the east of the town of Vovolets in the Zakapartska Oblast and is within 140 km of two regional airports and 175 km from the newly refurbished international airport at Lviv. A main line railway station is in the town of Vovolets and it is only 27 kilometres to the M06 motorway.

Project capacity

The valley itself is flat and has a development potential of up to 350,000 square metres of residential, hotel and infrastructure in six village units all of which have convenient transport communication. This has the capacity for up to 13,000 residents and 50,000 visitors a year which is comparable to some of the largest resorts in Europe.

State support

The State will:

- Commission and perform all the project feasibility studies.
- Guarantee the acquisition of land for construction.
- Assist in obtaining of necessary permits and licences.
- Assure the stability in the legislative and regulatory environment pertaining to the development and operation of Olympic Hope 2022 infrastructure.
- Provide such specialised engineering infrastructure and equipment as is determined by the feasibility study.

Investment level

It is estimated that the cost of the development up to 2015 to be in the region of €100 to €120 million which will generate an annual income of €50 to €80 million with an IRR of 30% based on a terminal value of €600 million in year 10 at a cap rate of 9% per annum.

Payback level

Estimated at 4-6 years, depending on initial investment and strategy of development.

Investment mechanism

Direct participation of the investor / investors in a legal entity that will own and operate the development.

Project timing

Work to begin in 2012 and for the first phase to be completed by winter 2014.

The Project is managed by:

State Enterprise "Olympic Hope 2022"

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