

INFORMATION ABOUT THE MUNICIPALITY OF SKAGAFJÖRDUR AND SERVICES AVAILABLE IN THE REGION

- The municipality of Skagafjörður is demographically diverse. A quarter of the region's residents live in rural areas; Skagafjörður is one of Iceland's richest farming areas.
- The main population centres are Saudárkrókur, Hofsó, Varmahlíð and Hólar í Hjaltadal.
- Saudárkrókur is one of the most dynamic towns outside the Reykjavík area, with fishery companies, animal feed production for a large farming region and a range of services that matches the best of rural towns. These services include retail outlets, a hospital, a pre-university college, vehicle and mechanical workshops, a timber merchant, hairdressers, beauty salons, etc. Recreational activities include restaurants, a cinema and entertainment centres. The town endeavours to provide exemplary services for individuals and families. The population of Saudárkrókur is 2640.
- Its residents are served by excellent nursery, junior and secondary schools. National examination results confirm that these schools are among the best in Iceland.
- The college runs both academic and vocational courses.
- Hólar í Hjaltadal, less than 30 km from Saudárkrókur, is the location of one of Iceland's universities. It runs a number of highly specialist courses that attract students from all around the world.
- Skagafjörður also has a busy music school and a distance learning unit that provides continuing education and retraining opportunities. The unit is equipped with video conferencing equipment for those who want to take distance learning courses offered by universities in other parts of Iceland.
- Swimming pools can be found in all the region's population centres, and they are very popular with local residents. There are also a number of natural warm pools on the hillsides around the fjord.
- Skagafjörður has two 9-hole golf courses.
- The course beside the sports centre in Saudárkrókur is magnificent. The centre has a fine sports hall and excellent outdoor football pitches and training areas. A new athletics track was opened in 2004 with a full range of outstanding facilities. There is also a well-equipped gymnasium in the town offering a wide range

of fitness programmes. Tindastóll is the name of the skiing area in the mountains a short distance above the town. A new, demanding motocross track has been opened just north of the town. Three equestrian halls are located by the fjord, including the largest in Iceland on the outskirts of Saudárkrókur. Fishing and hunting are possible in many parts of the region. Attractive hiking trails suitable for young and old alike lead up into the mountains in all parts of the region.



- Skagafjörður has a rich cultural heritage and a flourishing artistic community. In addition to holding a fascinating selection of performances and exhibitions, the town is also the venue for lectures and other entertainment. Drama societies, instrumental ensembles, choirs and other groups meet across the region. The area's museums include the Skagafjörður Heritage Museum, the Icelandic Emigration Centre, the Regional Archives and the Natural Sciences Museum in Skagafjörður. The Skagafjörður Art Museum holds regular exhibitions.
- Fibre-optic cables have been laid to a large number of towns, villages and smaller rural communities. High-speed microwave connections are available in areas not served by cable.
- Skagafjörður's residents included individuals from 32 different countries on 1 January 2009. Among them were 13 Danes, 114 other European nationals and 22 people from 11 countries outside Europe.
- Transport connections to and from Skagafjörður are excellent. The National Highway (Road 1), the ring road around Iceland, runs through the region, and an airport close to Saudárkrókur also allows access from other parts of the country. Akureyri, the largest town outside the Reykjavík area, is a little over an hour's drive away. Many other towns lie within easy reach. Reykjavík is three hours away by road, or 40 minutes by air.

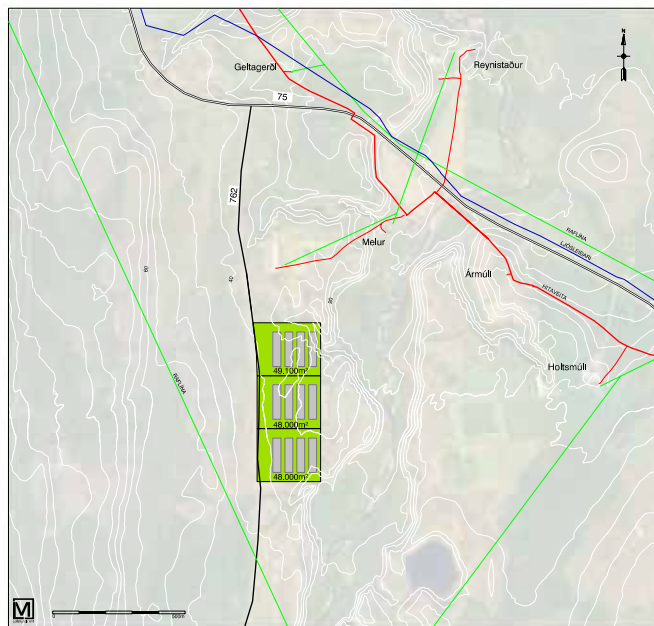
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MINK FARM SITES

- The sites under consideration during the first phase are on land around Melur in Skagafjörður. Melur is a well-appointed rural area in the heart of the Skagafjörður district. It is just 12 km from the nearest urban area, Saudárkrókur, and 14 km from the service centre at Varmahlíd.
- The sites are approached via Sæmundarhlíðarvegur, road number 762, which branches off Saudárkróksbraut, the main road between Varmahlíd and Saudárkrókur. They are therefore close to the main road, but a reasonable distance from the traffic.
- The proposed sites are in a location that was once a gravel extraction area, which means that building foundations for the mink farm buildings should be a relatively easy matter.
- The sites can be offered in a range of sizes, for sale or for rent. A rough outline has been drawn on the attached plan showing three sites, each of just under 5 hectares with a number of sheds. Each shed on the plan is 100 m long and 30 m wide.
- Additional sites are possible on the other side of Sæmundarhlíðarvegur.
- Hot and cold water supplies and electricity lines are within easy reach (see the plan).
- There is plenty of space to dispose of animal effluent around each site, either as fertiliser on gravel areas or on pastures. There will be no waste disposal charges.
- A feed production plant located in Saudárkrókur could easily increase its output for farmers in this area.
- There are two skin workshops in the region. One of them offers both skinning and pelt processing services while the second offers pelt processing only.
- Nine mink farms housing 15,500 animals currently operate in Skagafjörður.



LEVIES AND TAXES

- Property taxes are set at 0.5% of the total value of the property. This charge is levied annually. It may amount to ISK 230–250,000 for an operation with 3,000 animals. Property valuations are based on the market value of each farm and vary according to location.
- Waste disposal charges amount to ISK 22,000 for each farm. This charge is levied annually.
- A fixed planning permission charge of ISK 20,000 is made on new constructions (one-off charge) plus an additional ISK 100 for each square metre of the building.
- The national government charges a development fee (one-off charge) amounting to 0.3% of the fire insurance valuation.
- Electricity connection charges (one-off charges) are as follows:
Basic charge:
Current rating/type
50 A single-phase ISK 315,400
50 A 3-phase ISK 348,800
100 A 3-phase ISK 474,900

The unit price of electricity is determined through negotiation with the electricity supply company. Electricity prices in Iceland are very low compared with those in other parts of the world.

- A hot water connection provided by the Skagafjörður water utility (one-off charge) for a single supply in rural areas is calculated according to the volume of the buildings (external measurements). The basic charge for up to 400 m³ is ISK 455,421. In most cases this will be sufficient, as only auxiliary buildings will be heated (not the animal sheds). Monthly charges are based on purchased litres per minute.

Please take into account the fact that the Skagafjörður water utility offers some of the lowest prices in Iceland.

