

City to Spend \$2Bln on Comfort

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The city is making sure developers share its concern with building density. **Igor Tabakov**

City Hall plans to spend about 63 billion rubles (\$2 billion) to develop Moscow's territory and upgrade infrastructure in the next five years as part of a program to improve comfort for residents, an official said Wednesday.

The funding will be provided from the city budget, and private investors are welcome to co-finance part of the projects, which could be implemented as public-private partnerships, said Sergei Lyovkin, head of City Hall's city development policy department.

"We have no intention of financing reconstruction ... of the cultural heritage sites, for example, 100 percent from the budget. We see a possibility for investors to participate in this program," he told a news conference.

Meanwhile, implementation of the program approved by City Hall last month might result in losses for some developers, since the city authorities could break some existing contracts to regulate construction density, which Lyovkin said is 60 percent above the norm allowed

by current law in some districts.

"We'll propose that investors reduce the construction volume in order not to worsen the situation," he told The Moscow Times.

A city-planning commission chaired by Mayor Sergei Sobyenin will continue to consider existing contracts to decide whether Moscow needs the amount of new buildings to be developed under the contracts, Lyovkin said.

Sobyenin said Wednesday that City Hall had already considered 600 out of the 1,300 agreements totally worth 35 billion rubles and decided to break more than 200 contracts to develop about 7 million square meters.

But the authorities' goal is "not to oust investors but to find appropriate decisions," he told City Duma deputies, presenting a report on the results of his first year in office.

"Otherwise Moscow will be crushed under a mountain of concrete," said Sobyenin, whose speech was broadcast by TV Center, the channel owned by City Hall.

City Hall might consider paying compensation to developers that saw losses as a result of terminating the contracts, Lyovkin said.

According to the program, a total of 12.79 million square meters of housing will be built in Moscow by 2017, he said.

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