

Putin Proposes Park on Rossiya Site

By [Irina Filatova](#)

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Putin and Sobyanin visiting the Rossiya site, near Red Square, on Friday. **Alexsey Druginyn**

Prime Minister Vladimir Putin on Friday proposed to create a park near the Kremlin on the land formerly occupied by the Rossiya Hotel, in an effort to improve the traffic situation in the city center and benefit Muscovites.

"There's an idea to create just a park there, which Muscovites could use. Almost all park zones have been destroyed in downtown Moscow," he said at the Presidium meeting.

Putin voiced the idea after visiting the site with Moscow Mayor Sergei Sobyanin earlier in the day. Sobyanin supported the proposal, saying it would be "a very interesting decision."

If it comes to fruition, the park would replace a commercial project that has been proposed for the site.

Sobyanin said City Hall is now considering two possible options: One is an office and hotel complex and the other is a new headquarters for both houses of parliament. Both projects

require construction of about 400,000 square meters of space.

But Sobyenin foresees additional traffic problems with such projects.

"It's impossible to drive into or through there now, and it would worsen the situation," said Sobyenin, who participated in the Presidium meeting.

He said, however, that a concert hall — to replace the one that used to be a part of the Rossiya Hotel complex — could be built on the site along with the park zone because it wouldn't occupy much space.

"The park zone alone would occupy approximately 11 hectares, and the concert hall would occupy about 1.5 hectares. It would be a logical part of the ensemble," Sobyenin said at the meeting.

Putin asked him to start working on the project, adding that it should be discussed with Muscovites.

"If this project is approved and implemented, it will instantly open up the view of the Kremlin," Putin said.

The dismantling of the Rossiya Hotel – built near the Kremlin in 1967 – started in 2006, as the government planned to build a new hotel complex with 2,000 rooms on the site.

Exiled tycoon Shalva Chigirinsky's ST-Development was an investor in the project but was forced to halt construction in 2008 because the company fell into deep financial straits during the crisis.

The move was followed by City Hall's decision to create a new design for the planned hotel project.

Deputy Mayor Marat Khusnullin, who oversees construction, said last year that City Hall has yet to actually decide what should be built on the site.

But analysts warned that ending plans to build a commercial project on the Rossiya site could result in City Hall losing millions of dollars in revenue it could get if it decided to lease or sell the land.

"The site under Rossiya Hotel is one of the most expensive in Moscow. The price can easily reach \$30,000 per square meter," said Maxim Zhulikov, development director of the office property department at Penny Lane Realty.

Considering the size of the land, which exceeds seven hectares, and the 4 billion to 5 billion rubles already invested in preparing the site, the value of the whole asset could reach at least \$250 million, Zhulikov said in e-mailed comments.

"The potential commercial benefit from the park in place of Rossiya Hotel is zero," he said.

The Moscow authorities will announce a tender to design the park zone and conduct public consultations and polls among Muscovites, head of City Hall's culture department Sergei

Kapkov told Ekho Moskvyy radio late Friday.

Implementing the project will take three to four years, Kapkov said.

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