

# Tech, Industrial Zones Planned for Moscow

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A Moscow city department is backing economic incentives to attract "resource-efficient and ecological" manufacturers to the capital, a city official told Vedomosti.

Lower property taxes, reduced costs for land and contracts with the government are among the measures that City Hall is considering to bring more technology and industrial businesses to Moscow, Vedomosti reported Monday.

Under the direction of the city's department of science, industrial policy and enterprise, the city's urban planning institute conducted an overview of industrial zones in the capital. It found that only 52 percent of roughly 200 sites studied were used for industrial or scientific businesses.

About 10 percent of the studied 7,700 hectares of industrial lots was devoid of buildings, used for open-air markets or otherwise undeveloped, and the city is proposing converting those

hectares into industrial and innovation development zones. Those could include technology parks and industrial parks, Vedomosti said.

Such a plan has merits, said Darrell Stanaford, a longtime commercial real estate executive in Moscow.

"Is there space in Moscow to do it? Yes. Is it cost-efficient to do it? I would say yes," Stanaford said.

If City Hall follows through on the proposal, a major hurdle will be convincing companies to relocate, given the higher salaries and greater job benefits compared with other parts of Russia. In Moscow, "it's more expensive to employ and to retain" labor, Stanaford said.

Possible incentives for Moscow's industrial parcels include property-tax abatements for five years and lower corporate income tax, as well as discounted rents paid to the city for its land. Subsidized refinance rates for loans for energy-efficient refurbishments and fast-tracked government contracts also could be part of the picture, Vedomosti said.

The business daily quoted Mikhail An, first deputy head of the industrial policy department, as saying the city "is going to develop those types of industry that are resource-effective and ecological."

The department couldn't immediately provide comment for this article, its spokesman said.

A handful of industrial sites in the city center, such as the Krasny Oktyabr chocolate factory near Christ the Savior Cathedral and the Voyentorg complex near the Arbat, have been converted to office or mixed-use spaces in recent years. This proposal, however, is for converting what the city views as undeveloped sites.

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