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Moscow Eyed for NBCUniversal Theme Park

By Rachel Nielsen

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A sunny day at Universal Studios Hollywood. NBCUniversal and BIN Group want to build a theme park in southern Moscow that will include its own Universal Studios. **Anthony Giorgio**

U.S. entertainment giant NBCUniversal is in talks to build a Hollywood-style theme park in Moscow with powerful real estate developer Sait-Salam Gutseriyev, and the park's multibillion-dollar construction in the southern part of the capital would add formidably to Gutseriyev's holdings.

Also part of the venture is Anschutz Entertainment Group, part of U.S. company Anschutz, an owner of sports and concert centers worldwide.

Named Galactica Park, the Moscow complex would include an all-weather theme park, two hotels with a total of 1,100 rooms, an aquapark, a shopping center, two office towers, underground parking for more than 10,000 cars, and a sports and concert arena with 20,000 seats, the three parties to the venture said in a statement.

The project would cost $2.8 billion, and direct investment into the theme park itself would be $500 million, Gutseriyev said, Kommersant reported. Gutseriyev said he intends to seek financing from banks "with which we have had partner relationships," Kommersant also reported Friday.

NBCUniversal has a preliminary agreement to build the park, Vedomosti said, citing the global business development president for NBCUniversal's theme park division, Michael Silver.

Gutseriyev — the brother of Rusneft oil company mogul Mikhail Gutseriyev — is planning to build the park through development company Rusinkom, part of Bin Group, the statement said.

The deal would add to Bin Group's already substantial role in Moscow real estate. Last year, it purchased the Hotel National for $150 million and the Kaluzhsky Shopping Center for a similar amount. It owns Mospromstroi, which is building residential complexes, train stations and other sites and has an order volume of 26 billion rubles ($880 million) for 2012, Vedomosti reported in December. It bought out the city's stake in Mospromstroi in 2011.

Also last year, Gutseriyev relative Mikhail Shishkhanov bought Inteko, the real estate company of the wife of Moscow's former mayor, for roughly $600 million in partnership with Sberbank, Vedomosti reported at the time.

With groundbreaking possible as early as 2014, Galactica Park "could open to the public as soon as 2018," the statement said, or in time for the 2018 FIFA World Cup in Russia. The 22-hectare development will sit at the intersection of the Moscow Ring Road and Varshavskoye Shosse.

NBCUniversal's Silver last week declined through a spokesman to be interviewed for this article. Bin Group couldn't be reached immediately for comment.

Real-estate analysts said there isn't any comparable project existing or under development in Russia. While the beloved Soviet-era Gorky Park and the sprawling All-Russia Exhibition Center, known as VVTs, are under redevelopment, Moscow offers little in the way of attractions, especially for families with children.

The lure of a theme park such as Galactica lies in its uniqueness, said Yana Kuzina, director of the strategic consulting and valuation department at CBRE Russia.

"Maybe people are tired of being at the mall all the time," she said.

Analysts said skillful management of the park will be critical to its success and experienced corporate partners such as NBCUniversal will benefit the park, which will be running on a business model that has never been used in Russia.

Both Yulia Nikulicheva, head of strategic consulting for Jones Lang LaSalle, Russia & CIS, and Olga Zbruyeva, head of the client department at Astera Moscow, said the park's development team will need to bring in and rely on outside specialists to ensure high safety standards.

The close ties between Moscow City Hall and Bin Group could mitigate some of the risks to the

developers.

Noting that there are "huge risks for the developer" of the project, Kuzina said they include infrastructure issues, such as roads and utilities. "It's a lot of delays, a lot of uncertainty, a lot of volatility," she said.

Factors in Bin Group's and NBCUniversal's favor include the demand. "The leisure market is unsaturated in Moscow," Nikulicheva said.

Nikulicheva researched theme-park demand for a developer in 2007 and found that Russians were willing to drive more than an hour to get to a theme park and pay about $50 per person for admission.

"Everything that's new in Moscow is going to be popular," Kuzina said.

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