

\$600M Housing Project Cancelled Over Traffic Jams

By [The Moscow Times](#)

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Traffic concerns lead to plans for a residential complex on Kutuzovsky Prospekt being shelved. **Andrei Makhonin**

Moscow's Urban Planning Commission has cancelled a housing development project in the area of Kutuzovsky Prospekt and Naberezhnaya Tarasa Shevchenko, a participant of a commission meeting said.

The decision was made because the project would cause major traffic jams, since it envisages only one vehicle access point, said a spokesman for Moskomstroinvest, a city agency responsible for construction projects. The project was planned for the area of the Badayevsky Brewery and Sakko and Vanzetti Pencil Factory, both of which are no longer in operation.

The report was confirmed by a source close to the project's participants.

But the cancellation does not imply that the area will not be developed. A new project of a

smaller size is expected to be launched, a City Hall official said. Under a plan approved by the commission, the new project should be smaller and take into account the preservation of historical monuments in the area.

No construction work is currently being performed in the area, and no permits have been issued.

Real estate developer Park City Investment announced plans in 2004 to build residential buildings with an area of 227,000 square meters and office buildings with an area of 100,000 square meters. The total value of investment was to reach \$600 million.

The Moskomstroinvest spokesman said the project could have included buildings with an area of 582,000 square meters, including 278,000 square meters of housing, 208,000 square meters of office space and parking lots.

Initially, property developers PIK Group and Absolut each controlled 25 percent in Park City Investment, while Akteon, a company that was reportedly affiliated with a City Hall official, owned 50 percent. Subsequently, Absolut bought Akteon. Meanwhile, sources told Vedomosti earlier that PIK Group sold its stake in Park City Investment to an affiliate of Nomos-Bank for \$76 million, but the bank denied that it was the buyer.

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