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Zenit Stadium Construction Costs to Be Trimmed

By Irina Filatova

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The $1.38 billion price tag of the St. Petersburg football stadium could go down if the city agrees with the builder. **E. Kuzmina**

The St. Petersburg administration will seek to reduce construction costs of a new city-funded stadium that will host World Cup matches in 2018, since the budget of the project skyrocketed by more than 500 percent over the last five years, an official said Tuesday.

City authorities will discuss options with developer Transstroi, owned by billionaire Oleg Deripaska, to reduce construction expenditures, which have increased from 6.7 billion rubles ($209 million) in 2007 when ground was broken to nearly 44 billion rubles, said deputy governor Igor Metelsky, who oversees the construction industry.

St. Petersburg will prolong the contract with Transstroi, which expires Nov.15, only if the sides reach an agreement on cost optimization next spring.

"If we don't come to an agreement, we'll terminate the contract," Metelsky said, Interfax reported. He added that a working group would be created to consider cost reduction options.

Metelsky said reducing the cost of equipment and materials could bring savings.

Transstroi spokeswoman Yelena Guryanova said the budget of the project envisages expensive technologies used to build some parts of the stadium — like an opening roof, which will cost 1.2 billion rubles and a retractable field surface worth about 2 billion rubles.

The work to strengthen the foundation of the stadium located on the unstable soil of Krestovsky Island was also very expensive, she said by telephone.

The Audit Chamber will scrutinize the way money has been spent on construction, as well as the sources of financing, the chamber's head, Sergei Stepashin, said last week. St. Petersburg is financing the project using tax income from Gazprom Neft and petrochemicals holding Sibur.

The stadium, which is slated to have a seating capacity of about 69,000 people and will be the home field for local football club Zenit, is now expected to be completed by 2015.

Prime Minister Dmitry Medvedev slammed city officials earlier this year for construction delays.

Gazprom, which owns Zenit football club, has lobbied to change the developer, Kommersant reported. But this would be technically and financially difficult and might result in delays of at least a year in the project's completion, Metelsky said Tuesday.

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