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Metro to Sberbank's New Financial Center Could Cost City $4 Billion

By The Moscow Times

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Sberbank's Rublyovo-Arkhangelskoye real estate development to the northwest of Moscow may become the site of a long-awaited financial center — but at a cost of more than $4 billion to the city budget.

A draft government order shows that the transportation infrastructure required would cost 156 billion rubles ($4.7 billion), 143.6 billion of which would be shouldered by the Moscow government.

The necessary extension of the metro system to the site accounts for 102 billion of the government's projected share, Vedomosti reported Tuesday.

Sberbank head German Gref proposed the property as a location for a cluster of bank offices as early as 2011, the same year that he reportedly lobbied for the land to be included within Moscow's extended boundaries.

At the time, critics of the project said that only boutique companies with highly paid employees would use the land, as large companies with thousands of employees would need metro access, Gazeta.ru reported.

The idea of creating commercial areas outside the city center rather than building another residential community for commuters is looked upon favorably by the city's planning authorities.

A formal decision on the plan will not be announced for at least several months.

The Transportation Ministry, Russian Railways and Sberbank declined to comment.

The city's involvement would offer significant financial relief to Sberbank. According to a consultant on the development, the property continues to leak money due to its substantial debt.

Sberbank offered a $4 billion loan to Mikhail Shishkhanov in exchange for a 10 percent share of the land when Shishkhanov purchased it in 2007, but then found itself the sole shareholder of the debt-ridden development when he was unable to continue loan payments during the financial crisis.

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