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Relocation of Government From City Center Delayed Indefinitely

By The Moscow Times

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A 419 billion ruble ($13 billion) proposal to move government agencies from their locations in prestigious central Moscow to the suburbs has been put off indefinitely.

The Economic Development Ministry has only recently begun the task of listing all the federal agencies that might be moved to city's new southwestern territories beyond the MKAD ring road, a source in the ministry told Kommersant. The list will not be ready until mid-2014 at the earliest.

The current relocation plan, proposed by the Finance Ministry, envisions the building of a new federal government center in the Kommunarka settlement southwest of Moscow. Construction would be financed with loans using state-owned downtown property as security.

The Finance Ministry estimated the cost of its scheme at 419 billion rubles. 346 government buildings with a total area of 1.8 million square meters in central Moscow, a fraction of the

state's possessions, have been valued at between 225 billion rubles and 290 billion rubles by the federal property management agency.

The original initiative to move federal government beyond MKAD belongs to then-President Dmitry Medvedev, who made the proposal in 2011. His successor, President Vladimir Putin, later supported the idea.

Medvedev was also behind the enlargement of Moscow to the southwest. In July 2012 the capital gained a 143,000-hectare territory that stretches as far as the Kaluga region.

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