

City Hall Delays Tender for 'Golden Island' Overlooking Kremlin

By [The Moscow Times](#)

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An upcoming tender to sell the rights to three hectares of land overlooking the Kremlin has been postponed again, this time until Nov. 11, Moscow's competition policy department said in a statement.

City Hall is selling a 95 percent stake in two companies — Kamenny Most and Kremlin Site — which own the right to develop the plot of land, called Golden Island, on the riverside territory of Sofiiskaya Naberezhnaya across from the Kremlin.

The starting price for the lot is 7.8 billion rubles (almost \$200 million).

The prestigious plot has changed hands multiple times. In the 1990s it belonged to the city, which planned to erect a new parliament building on the site. Abandoning this scheme, City Hall sought out private investors, eventually selling to A1, the investment division of Alfa Bank. Last year the city bought it back — at which point experts estimated the value of the

sale at more than \$150 million — only to put it again on the market.

But the sale has not gone smoothly. Collection of bids for the lot was to happen by Sept. 30, but too few companies showed interest.

The head of Moscow's competition policy department, Gennady Degtyaryov, said at the time that the delays were caused by the need for investors "to conduct due diligence procedures, which precede every major deal and take time."

The cause for the most recent delay is "unstable political and economic situation in the world, which affects purchasing power, especially for such capital-intensive projects," he said.

Also, the lot in question falls inside the UNESCO protected territory around the Kremlin, throwing up additional problems for developers, as all reconstruction projects must be authorized by the Moscow's culture department.

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