

OJSC Zavolzhsky Engine Plant (OJSC ZEP)
Capital Projects Department (Brownfield),
Nizhegorodskaya Oblast, Gorodetsk Region, Zavolzhie



Vacant **office property**, sq. m

1,620.0

SITE BRIEF:

[General Information; Location; Contacts](#)

[Transport accessibility](#)

[Infrastructure](#)

[Preferences](#)

[Ground Plan](#)

General Information; Location; Contacts

	Site characteristics	Description
1.	Name	OJSC ZEP Industrial Site A Capital Projects Department
2.	Type (industrial site, industrial park, technological park, tourist and recreation area benefiting from favourable social and economic policies)	Industrial Site
3.	Type of ownership (private, public, public-private)	Private
4.	Location and web-site (e-mail)	606522, Nizhegorodskaya Oblast, Gorodetsk Region, Zavolzhie, ul. Sovetskaya, 1a, Volga riverside
5.	Management company or similar (MC)	OJSC Zavolzhsky Engine Plant
6.	MC Address (postal, electronic, web-site)	606522, Nizhegorodskaya Oblast, Gorodetsk Region, Zavolzhie, ul. Sovetskaya, 1a

		www.zmz.ru
7.	MC contact responsible for relations with potential residents (full name, title, phone number and e-mail)	Anatoliy V. Maksimov, Expert, Project Division Tel. 8-964-839-31-97 e-mail: a.v.maksimov@sollers-auto.com
8.	Site Development Concept (web-site, if any) (yes/no)	No
9.	Industry specialization	Textile and clothing, works and services

Transport accessibility

	Characteristics	Current status	Projections
1.	Distance to the nearest town	Within Zavolzhie boundaries	—
2.	Distance to the regional centre	60 km to Nizhniy Novgorod	—
3.	Distance to Moscow	450 km	—
4.	Distance to the nearest highway	2 km to the Nizhniy Novgorod – Ivanovo Highway	—
5.	Any roads connecting the Site with the nearest highway, distance and road condition	2 km asphalt road	
6.	Any motor roads across the Site (yes/no)	Yes	
7.	Any connections to railways (yes/no)	Yes	
8.	Any offloading rail terminal facilities (yes/no)	Yes	
9.	Distance to the nearest international airport	60 km to the Nizhniy Novgorod International Airport	
10.	Distance to the nearest river port	15 km to the Gorodets River Port	
11.	Distance to the nearest sea port	Access to Caspian, Black and Baltic Seas	

Infrastructure

	Characteristics	Current status	Projections
<i>Plots of land</i>			
1.	Total area of the Site (ha)	The site is fenced in.	
2.	Vacant plots of industrial land within the Site limits (ha)	The boundaries of the land plot occupied by the facilities are not demarcated	
<i>Industrial property</i>			
3.	Existing production and storage premises (sq. m)	N/A	
4.	Vacant industrial property (sq. m)	N/A	
5.	Maximum height of vacant premises (to the girder, m)	-	
<i>Office property</i>			
6.	Total area of the office property (sq. m)	1620, three-story building, room height – 2,9 m	
7.	Vacant area of the office property (sq. m)	<u>1,620.0</u>	
<i>Utilities</i>			
8.	Electric mains (yes/no); Available load (MW)	Yes, 50	
9.	Heat supply system (yes/no); Contracted capacity (Gcal/h)	Yes, 0.11	
10.	Water supply network (yes/no); Maximum switched load (cu. m/h)	28.08	
11.	Sewerage system (sanitation, storm wastewater treatment facilities (yes/no); Facilities capacity (cu. m/h)	28.08	

12.	Gas supply system (yes/no); Contracted capacity (cu. m p.a.)	-	<i>Possible connecti on</i>
13.	Other utility networks (yes/no) (if yes, specify)	Telephone	
<i>Workforce</i>			
14.	Nearest settlements, distance	Zavolzhie (0 km) Gorodets (15 km) Balakhna (20 km) Chkalovsk (35 km)	
15.	Transport service between the Site and the settlements	Yes	
16.	Total workforce estimates within a 50-km radius of the Site (people, thousand)	Population in the above towns - 137 thousand According to the year 2012 statistics, able-bodied population in Zavolzhie totals 22.4 thousand	
17.	Approximate number of unoccupied able-bodied population (people, thousand)	Registered unemployed – 200 people	
18.	Average monthly pay of technical staff (RUB, thousand)	20.850	
19.	Average monthly pay of managerial staff (RUB, thousand)	50.000	
<i>Social infrastructure in 30-minute proximity to the Site</i>			
20.	Canteens or cafes at the Site (yes/no)	Yes	
21.	Hospitals (yes/no, proximity to the nearest one)	Yes, 2 km	
22.	Shops (yes/no, proximity)	Yes	
23.	Housing for the Site staff (yes/no, proximity)	Yes	
24.	Hotels for the Site staff (yes/no, proximity)	Yes 1-2 km	
25.	Conference hall, business area	Yes	
26.	Sport facilities (yes/no)	Yes	
27.	Recreation areas at the Site (yes/no)	No	

Preferences for Residents

In terms of initial costs

	Preferences	Description	Current situation		Projections	
			Preference validity	Statutory document and approving authority	Preference validity	Responsible authority
1	Grants to small start-ups	Grants to small start-ups	1 year	Resolution No. 752 dd. 21.10.2009 by the Nizhniy Novgorod Regional Administration "On State Support and Grants to SMEs"		The Nizhniy Novgorod Regional Ministry of Support to SMEs and consumer services market
2	Subsidies to reimburse SMEs for down payments under equipment lease agreements	<p>100% reimbursement to SMEs for down payments under lease agreements.</p> <p>Total reimbursement to a SME over a financial year shall not exceed RUB 2.0 million under an equipment lease agreement(s) and RUB 500.0 thousand under a motor vehicle lease agreement(s) (excluding light motor vehicles) and make no more than 50% of the total amount of a lease agreement.</p> <p>Conditions for reimbursement:</p> <ul style="list-style-type: none"> - An equipment lease agreement shall be concluded not earlier than on 01.01.2011; - Leased assets shall include: 	1 year	Resolution No. 379 dd. 28.06.2010 by the Nizhniy Novgorod Regional Administration "On Subsidies to Reimburse SMEs for Down Payments under Equipment Lease Agreements"		The Nizhniy Novgorod Regional Ministry of Support to SMEs and consumer services market

		equipment specified in Subsection 14 “Machinery and Equipment” of the All-Russia Capital Assets Classifier approved by Resolution No. 359 dd. 26.12.1994 of the Russian Federal Agency on Technical Regulating and Metrology; motor vehicles (excluding the light ones), and multipurpose mobile platforms.				
3	Subsidies to reimburse SMEs for interest paid on loans from Russian credit institutions	Interest rate subsidies on loans granted to SMEs for construction of industrial buildings and facilities for their business operations and/or acquisition of equipment to establish/develop/modernize the production of goods/works/services, in the amount of 2/3 of the RF CB refinancing interest rate effective as at the day of the application for a maximum subsidy of RUB 1.0 million per SME.	1 year	Resolution No. 322 dd. 01.06.2012 by the Nizhniy Novgorod Regional Administration “On Subsidies to Reimburse SMEs for Interest on Loans from Russian Credit Institutions”		The Nizhniy Novgorod Regional Ministry of Support to SMEs and consumer services market
4	Guarantees on loans granted to SMEs to acquire capital assets	Cost of guarantee	N/A			
5	Preferential terms for starting up a resident company	Leasing out business premises on preferential terms	1 year			
6	Subsidies to reimburse SMEs for training costs	SMEs whose employees or entrepreneurs have undergone training in respective business area to establish or promote their own businesses are eligible for	1 year	Resolution No. 861 dd. 02.12.2010 by the Nizhniy Novgorod		The Nizhniy Novgorod Regional Ministry of Support to SMEs and consumer services

		<p>subsidies. Subsidies are granted once a year to cover 80% of the training-related costs incurred by a SME but no more than RUB 20 thousand per employee or entrepreneur.</p> <p>Subsidies are granted to compensate SMEs for expenses related to professional training and retraining, as well as advanced professional training of duration not exceeding 100 hours.</p> <p>Subsidies may only be granted on expenses incurred after 01.01.2011.</p>		Regional Administration “On Procedure for Subsidizing SME Training Expenses”		market
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In terms of operating costs

	Preferences	Substance	Current situation		Projections	
			Preference validity	Statutory document and approving authority	Preference validity	Responsible authority
10.	Industry subsidies to support manufacturers in specific sector (rental subsidies)	Percentage of rental costs	Investors in projects delivered in Nizhegorodskaya Oblast are eligible for exemption from rent (during the term of an investment agreement) for the land used in investment activities, in particular, to the extent applicable to payments to the Nizhegorodskaya Oblast budget.	Nizhegorodskaya Oblast Law No. 180-Z dd. 31.12.2004 (as revised 03.05.2011) “On State Support to Investment Activities in Nizhegorodskaya Oblast”		
11.	Export subsidies (partial subsidizing of expenses incurred in arranging exhibitions, interest rate subsidies on loans)	1. Percentage of exhibition related expenses; 2. Percentage of interest rate subsidies on loans.	1. Subsidizing 2/3 of expenses incurred by SME (excluding travel costs and accommodation). 2. Subsidizing SMEs on a monthly basis in the amount of 50%	Resolution No. 951 dd. 24.12.2010 (as revised 07.09.2012) by Nizhny Novgorod Regional		

			of interest expenses but no more than ½ of the CB RF refinancing (discount) rate effective as at the date for loans in RUB and no more than 6% p.a. for loans in foreign currency, subject to a SME having no overdue taxes or other mandatory payments to the RF budget.	Administration «On Subsidizing SMEs Engaged in Production and/or Sale of Exportable Goods/Works/Services»		
12.	Interest rate subsidies on loans to the Site residents	Percentage of interest rate subsidies on loans	Investor's interest expenses are partially compensated for from the local budget by transferring budgetary funds in the amount of 1/2 of the interest accrued as per loan agreement but no more than 1/2 of interest accrued at the CB RF discount rate effective as at date of the loan agreement.	Nizhegorodskaya Oblast Law No. 180-Z dd. 31.12.2004 (as revised 03.05.2011) "On State Support to Investment Activities in Nizhegorodskaya Oblast"		
13.	Profit tax relief	1. Reduced profit tax rate; 2. Profit tax grace period.	The validity of tax relief available to investors is limited by the investment project pay-back period and shall not exceed 5 years from the day provided for in an investment agreement but not earlier than the effective date of the Nizhegorodskaya Oblast Law approving such investment agreement. The start date of tax relief may be chosen by an investor and not coincide with the effective date of a statutory document.	Nizhegorodskaya Oblast Law No. 180-Z dd. 31.12.2004 (as revised 03.05.2011) "On State Support to Investment Activities in Nizhegorodskaya Oblast"		
14.	Corporate property tax relief	1. Reduced corporate property tax rate; 2. Corporate property tax grace period.				

LAYOUT PLAN of Industrial Site A (OJSC ZEP)



