

**OJSC Zavolzhsky Engine Plant (OJSC ZEP)**  
**Half-constructed Boiler House (Brownfield),**  
Nizhegorodskaya Oblast, Gorodetsk Region, Zavolzhie



Vacant **industrial property**, sq. m

**1,290.0**

**SITE BRIEF:**

[General Information; Location; Contacts](#)

[Transport accessibility](#)

[Infrastructure](#)

[Preferences](#)

[PHOTOS](#)

[Ground Plan](#)

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**General Information; Location; Contacts**

|    | <b>Site characteristics</b>  | <b>Description</b>  |
|----|--|---|
| 1. | Name   | OJSC ZEP<br>Industrial Site A<br><b>Half-constructed</b> boiler house   |
| 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<br><a href="http://www.zmz.ru">www.zmz.ru</a> |

|    |   |   |
|----|---|---|
| 7. | MC contact responsible for relations with potential residents (full name, title, phone number and e-mail) | Anatoliy V. Maksimov, Expert, Project Division<br>Tel. 8-964-839-31-97<br>e-mail: a.v.maksimov@sollers-auto.com                             |
| 8. | Site Development Concept (web-site, if any) (yes/no)  | Possible development: foundry, machine workshop, tool-making facilities, repair facilities, warehouses                                      |
| 9. | Industry specialization   | Machinery and equipment, electrical fixtures, electronic and optical equipment, transportation vehicles and equipment; other manufacturing. |

**Transport accessibility**

|     | <b>Characteristics</b>  | <b>Current status</b>                           | <b>Projections</b> |
|-----|---|---|--------------------|
| 1.  | Distance to the nearest town  | <i>Within Zavolzhie boundaries</i>              | —                  |
| 2.  | Distance to the regional centre   | <i>60 km to Nizhniy Novgorod</i>                | —                  |
| 3.  | Distance to Moscow  | <i>450 km</i>                                   | —                  |
| 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 Nizhniy Novgorod International Airport |                    |
| 10. | Distance to the nearest river port  | 15 km to Gorodets River Port                    |                    |
| 11. | Distance to the nearest sea port  | Access to Caspian, Black and Baltic Seas        |                    |

**Infrastructure**

|                                   | <b>Characteristics</b>                                      | <b>Current status</b>                         | <b>Projections</b> |
|-----------------------------------|---|---|--------------------|
| <b><i>Plots of land</i></b>       |   |   |                    |
| 1.                                | Total area of the Site (ha)                                 | 1,290.0 half-constructed boiler house         |                    |
| 2.                                | Vacant plots of industrial land within the Site limits (ha) | The Site is located within the plantsite area |                    |
| <b><i>Industrial property</i></b> |   |   |                    |
| 3.                                | Existing production and storage premises (sq. m)            | 1,290.0 half-constructed building             |                    |
| 4.                                | Vacant industrial property (sq. m)                          | <b><u>1,290.0</u></b>                         |                    |
| 5.                                | Maximum height of vacant premises (to the girder, m)        | 7.2   |                    |
| <b><i>Office property</i></b>     |   |   |                    |
| 6.                                | Total area of the office property (sq. m)                   | N/A   |                    |
| 7.                                | Vacant area of the office property (sq. m)                  | N/A   |                    |
| <b><i>Utilities</i></b>           |   |   |                    |
| 8.                                | Electric mains (yes/no); Available load (MW)                | Possible connection to OJSC ZEP networks      |                    |
| 9.                                | Heat supply system (yes/no); Contracted capacity (Gcal/h)   | 28 m to OJSC ZEP network connection point     |                    |

|   |   |   |  |
|---|---|---|--|
| 10.   | Water supply network (yes/no);<br>Maximum switched load (cu. m/h)   | 20 m to OJSC ZEP network connection point   |  |
| 11.   | Sewerage system (sanitation, storm wastewater treatment facilities (yes/no);<br>Facilities capacity (cu. m/h) | 20 m to OJSC ZEP network connection point   |  |
| 12.   | Gas supply system (yes/no);<br>Contracted capacity (cu. m p.a.)   | Yes,<br>6000 cu.m./h  | Possible connection to OJSC ZEP networks |
| 13.   | Other utility networks (yes/no) (if yes, specify)   | Telephone; 50 m to OJSC ZEP pressurized air network connection point  | Possible connection                      |
| <b>Workforce</b>  |   |   |  |
| 14.   | Nearest settlements, distance   | Zavolzhie (0 km)<br>Gorodets (15 km)<br>Balakhna (20 km)<br>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<br>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  |  |
| <b>Social infrastructure in 30-minute proximity to the Site</b> |   |   |  |
| 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"> <li>- An equipment lease agreement shall be concluded not earlier than on 01.01.2011;</li> <li>- Leased assets shall include:</li> </ul> | 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.<br/>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<br>“On Procedure for Subsidizing SME Training Expenses” |  | market |
|--|--|--|--|---|--|--------|

*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)<br>“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;<br>2. Percentage of interest rate subsidies on loans. | 1. Subsidizing 2/3 of expenses incurred by SME (excluding travel costs and accommodation).<br>2. Subsidizing SMEs on a monthly basis in the amount of 50%   | Nizhegorodskaya Oblast Government Resolution No. 951 dd. 24.12.2010 (as revised 07.09.2012)  |                     |                       |

|     |  |  |   |  |  |  |
|-----|--|--|---|--|--|--|
|     |  |  | of interest expenses but no more than 1/2 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.   | «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)<br>"On State Support to Investment Activities in Nizhegorodskaya Oblast" |  |  |
| 13. | Profit tax relief                                      | 1. Reduced profit tax rate;<br>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)<br>"On State Support to Investment Activities in Nizhegorodskaya Oblast" |  |  |
| 14. | Corporate property tax relief                          | 1. Reduced corporate property tax rate;<br>2. Corporate property tax grace period. |   |  |  |  |

**PHOTOS**  
**(Half-constructed Boiler House No. 4)**





## LAYOUT PLAN of Industrial Site A (OJSC ZEP)

