



cutting through complexity

Development of Industrial Park Project

October, 2015



Practical experience of locating manufacturers

LARGE MANUFACTURER

Greenfield

Purchase / lease of an undeveloped land plot for plant construction in accordance with the company's needs

MEDIUM-SIZED MANUFACTURER

Long-term lease/purchase of industrial premises / building or long-term lease / purchase of a land plot

SMALL MANUFACTURER

Brownfield

Generally, lease/purchase of industrial premises (e.g., at the existing plants)

Investment attraction options

- ECONOMIC ZONE
- INDUSTRIAL ZONE
- INDUSTRIAL LAND
- OTHER POSSIBLE OPTIONS

- INDUSTRIAL PARK
- ECONOMIC ZONE

- INDUSTRIAL PARK
- TECHNOPARK AND BUSINESS INCUBATOR
- WAREHOUSE
- EXISTING INDUSTRIAL PREMISES

Investor's localization criteria

- Transport access
- Availability of utilities
- Land plot physical characteristics
- Location district characteristics
- Social infrastructure quality
- Support from local authorities


60%
QUALITATIVE FACTORS

COST FACTORS
40%


- Labor cost
- Logistics costs (export/import)
- Tax incentives
- Land plot price
- Utilities tariffs
- Connection to utilities costs
- Expenses on utilities construction


Investor's requirements to localization

Investor

 Special investment and long-term agreements

 Export activities support for localizing companies

 Subsidizing R&D expenses

 Subsidizing utility connection costs

 Social infrastructure


 Medical facilities


 Living infrastructure

 Transport infrastructure

 Utility infrastructure


 Industrial infrastructure

 Land plot free of encumbrances

 Subsidizing tax/loan rates

 One-window service

 Land-plot acquisition and registration assistance

 Permissive documentation obtaining assistance

 Medium/low-skilled labor force

 Public-private partnership schemes

Region

How to set-up effective Industrial park



Concept effectiveness

- ▶ **HIGHEST AND BEST USE ANALYSIS**
- ▶ **UTILITIES INFRASTRUCTURE DEVELOPMENT PLAN**
- ▶ **DEVELOPMENT OF OPTIMAL CONCEPT AND BUSINESS PLAN – SERVICE PROVISION AND ZONING**
- ▶ **DEVELOPMENT OF RESIDENTIAL POLICY**
- ▶ **DEVELOPMENT OF PRICING POLICY – SELL/RENT OF LAND PLOTS/FACILITIES**



Construction effectiveness

- ▶ **APPLICATION OF MODERN TECHNOLOGICAL SOLUTIONS**
- ▶ **GREEN CONSTRUCTION STANDARDS APPLICATION**
- ▶ **BUILT-TO-SUITE SERVICES (DESIGN/ CONSTRUCTION)**



Management effectiveness

- ▶ **ATTRACTION OF EXPERIENCED MANAGEMENT COMPANY – WIDE RANGE OF SERVICES (LOGISTICS/ POWER SUPPLY/ ETC.)**
- ▶ **ATTRACTION OF WELL ESTABLISHED INVESTORS**
- ▶ **EFFECTIVE MARKETING POLICY**

Management Company main functions



CONSTRUCTION

- Set-up of industrial park and management functions
- Industrial park planning works and construction of park's infrastructure: utilities, roads, waste system
- Attraction of financing and property rights obtainment
- Attraction of residents and marketing policy
- Build-to-suit services: design/ construction/ commissioning services



OPERATION

- Sell/lease of land plots/industrial premises/infrastructure objects
- Provision of utilities: electricity/gas/heating
- Provision of water-in/water-out services
- Utilities and industrial premises maintenance services
- Provision of consulting/logistics/ telecommunication/other services

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Function and Specialization

Management and monitoring of construction projects, technical due diligence, business location services, tendering support



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