



Development of Embassy in Moscow, Russia



Project Profile

MKI assisted the Department of Foreign Affairs and International Trade of the Government of Canada in designing and implementing the development strategy for the new embassy in Moscow, Russia.



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KNOWLEDGE
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In 2006, MKI was engaged to assist DFAIT to evaluate the Moscow real estate market for the purpose of location selection, and to evaluate project feasibility and options for satisfying the Canadian government's accommodation requirements for a new Embassy in Moscow. Market opportunities were analyzed and the Russian legal framework and Moscow building regulations were analyzed in detail to develop an appropriate execution and business strategy.

One of the principal hurdles for this project was the emerging nature of the Russian legal and building codes which needed to be carefully considered in order to ensure that a business model could both be codified and stand the tests of the courts. The tax and legal framework that we developed for this project is now one of the standards for foreign real property investment in Russia.

MKI was subsequently engaged to assist with the negotiation of a long term development and lease agreement. Working with foreign legal counsel, MKI led the negotiation of the business and financial terms of a long term agreement for the accommodation of the Canadian Chancery at White Square, Moscow.

In summary, MKI provided advisory services and assistance to FAC in the development of the new Canadian Embassy in Moscow. Our responsibilities include the following:

- Preparation of proposal call documentation and proposal call process;
- Evaluation of proposals;
- Financial modelling;
- Development of proforma;
- Financial analysis and sensitivity studies;
- Financial due diligence and evaluation of bidder bona fides and financial capacity;
- Cash flow analysis; and
- Negotiation strategy and negotiation of agreements.

References:

Rita Rudaitis-Renault, Counsellor (Administration) and Consul General.

Stephen McFaul, Director, Property Program Division.

Brian Patterson, General Partner, Eastern Europe, AIG/Lincoln

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Photo Credit: ABD architects (posted on the website of Russian Architectural News Agency)

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About MKI

MKI - Metropolitan Knowledge International - is a specialized consulting firm focused on strategic policy work, project finance and the delivery of strategies for public and private infrastructure and economic development. Integrating land use, finance, economics, environmental, and transportation planning, MKI is a powerful resource to large organizations at any stage of the planning and procurement of built infrastructure - from setting policy at the senior government level to the negotiation of real property transactions.

Incorporated in 2000, MKI was created with an aim to combine the experience of senior professionals from large consulting firms and eliminate the conflict of interest and bureaucracy that would inhibit successful execution of projects of this nature. The MKI team consists of experienced professionals with a focus on public and private infrastructure critical to metropolitan and regional growth, adaptation, renewal and development.

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