

Maxima Legal is developing the PPP legal concept for the construction of a tram line between two parts of the Russian Federation

Maxima Legal has been selected following a tender to develop the technical and economic scheme for the construction of a tram line between St Petersburg and Leningrad oblast on the basis of a concession agreement.

According to the concept to develop the transport system of St Petersburg, by 2023 a tram line linking metro station Ulitsa Dybyenko and the suburb town of Kudrovo should be in place. The final stop on the line is planned to be the village of Novosaratovka in the Vsevolozhsky region of Leningrad oblast and at a crossing between the Oktyabrsky railway lines a tram overpass will be built.

The project is to be funded by the budget of Leningrad oblast with private investment being involved through a PPP scheme.

The tender to prepare the technical and economic basis for construction of the new tram line was won by the Institute Stroiprojekt, which has instructed Maxima Legal to assist with the legal aspects in the matter.

The PPP Practice has already undertaken an initial analysis of PPP legislation in St Petersburg and Leningrad oblast and has begun drafting the legal and structure scheme to implement the project, including proposed models for relationship between the parties involved in the public-private partnership in respect of management and the parties' rights and obligations.

Lawyers from Maxima Legal will determine the list of property and property rights to be transferred from the both regions and the procedure for granting land plots on the basis of their property status, as well as drafting the key terms of the concession agreement. In addition, the legal part of the feasibility study will contain a risk matrix, including a description, categorisation and impact assessment of identified risks.

Maxima Legal is also assisting with obtaining approval of the agreement in the relevant committees and government developments in St Petersburg and Leningrad oblast.

“The implementation of the project involves considering various options for the legal structuring of relationship between the two regions – St Petersburg and Leningrad oblast. One of the ways to implement the project is to hold a joint tender for entering into a concession agreement; however, this approach would require two concession agreements with each of the subjects as opposed to a single agreement of the concession agreement between them. The possibility of entering into a single concession agreement on the basis of a joint tender is not currently provided for by law. This problem still remains unresolved



despite the keen interest in the issue and its regular discussion in legal and business circles”, commented Natalya Diatlova, Partner, Head of PPP Practice at Maxima Legal.

The tram line from metro station Ulitsa Dybenko to Novosaratovka will improve the access to a built-up area in Leningrad oblast and in particular Kudrova, the population of which in the next five years is forecast to exceed 120,000. Furthermore, encouraging residents to switch from personal transport to public transport will lessen the burden on the road network in the Nevsky region of St Petersburg and improve the ecology of the regions.

Maxima Legal and Institute Stroioproekt have significant experience of working together on projects in the transport sector, including in PPP projects. Maxima Legal was the main legal advisor in one of the most notable investment projects in Siberia and the first large PPP project in the Altai region – the construction of a toll road and bypass from Barnaul over the river Ob.

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