



REF: THE MAZEPPA BAY HOTEL

INVITATION AND CALL FOR PROPOSALS FOR AN OPERATOR/LESSEE FOR THE MAZEPPA BAY HOTEL SITUATED AT MAZEPPA BAY (CENTANE, WILD COAST, EASTERN CAPE): ADVERTISED ON 12 FEBRUARY 2024

1. INTRODUCTION

The Mazeppa Bay Hotel, situated at Mazeppa Bay (Wild Coast, Eastern Cape), is owned by the Eastern Cape Development Corporation. Following an exit of the hotel premises by the current operator/lessee, the Hotel has become **available for long term (9 Year 11 Month), renewable, triple nett lease.**

2. LEASE DETAILS

The envisaged lease:

- Is to be a Triple Nett Lease (Maintenance, Rates, Services, for the account of the operator/lessee)
- Is proposed for an initial period of 9 Years 11 Months, with the option to renew for a further period/s.
- Will require a 3 Month Deposit
- Can be renegotiated at the election of either party after 5 years if necessary
- Will require the Operator/Lessee to take possession of the property with its improvements (movable and immovable) in their current condition.
- Will require the Operator/Lessee to attend to Improvements, upgrades, maintenance, and protection of the property ensuring the hotel is operated at standard that is fit for successful and sustainable operations while protecting the value of the property
- Will require the Operator/Lessee to promote socioeconomic development of the local economy through supporting local and employing and training locals as far as possible
- Will require the Operator/Lessee to open the hotel to locals and surrounding visitors in the interest of promoting local tourism and visitors
- Will require a contracted 3 month notice period by each party.

3. PROPERTY DETAILS

a. Brief Description:

The property is situated at Mazeppa Bay approximately 63 kilometers from Butterworth and 41 kilometers from Centane. The hotel is 160 kilometers from East London, the nearest largest city. The property consists of a choice of 46 rooms constituted of single, family or double rooms, and two honeymoon suits. The conditions of the improvements on the property are considered generally fair, with certain aspects requiring attention.

b. Facilities and Activities:

Facilities on the property include playground, swimming pool, tennis court, amongst others.

Activities offered at Mazeppa Bay include:

- Fishing: Notable for lagoon, river, and rock fishing.
- Hiking and Walking: Various trails, including a 6 km hike to Kob Inn and a 17 km hike to the Cebe nature reserve.
- Adventure Sports: Sandboarding on giant dunes, mountain biking, and canoeing.
- Beach Activities: Beach volleyball and tennis (TBC).

c. Services

The property has the following infrastructure:

- Water: Borehole
- Electricity: Eskom + Generator
- Sanitation: Septic Tank
- Family-Friendly: Trampoline, kiddies playground.

Replacement Value of Immovable Property: R47 Million (2023)

Previous Rental: R43,000.00 per month

Previous Escalation: 8%

4. REQUEST FOR PROPOSAL

Interested operators/lessee's are invited to submit a proposal to operate the Mazeppa Bay Hotel as envisaged by the lease described in Section 2 (Lease Details) above.

Interest parties are requested to include the following **sections** in their proposals:

- 1) Name of the company, owners and directors
- 2) Past and current area of operation of the company
- 3) Company experience in hospitality industry
- 4) Company financials, and access to capital / finance
- 5) Envisaged facility operating arrangements
- 6) Project plan for immediate resumption of operations (Including supporting the local community who were affected by the immediate exit of the current operation – i.e. security and hotel staff)
- 7) Guests projections and projected financial performance
- 8) Investment plan to upgrade and maintain the property
- 9) Lease rental offer (breakdown where applicable) – taking into account the last monthly rental received (R43,000 pm)
- 10) How the operator will contribute to, support and promote tourism along the wild coast
- 11) Special requests, other offerings and conditions

**** Please note that the above requirements are standard for calls for proposals. This being said, the The ECDC is aware of the prevailing physical conditions of the access road, the condition of the improvements on site (incl thatch roof), and the condition of movable assets on site. The ECDC is therefore aware of the potential difficulties associated with potential profitability of the hotel. Proposals should take these factors into account when presenting their proposals. The ECDC will apply itself to these limiting factors when considering the appointment.*

5. GENERAL COMPLIANCE ASPECTS

The operator/less expressing interest and its directors must be law abiding and have their tax affairs in order. The decision by the ECDC on the appointment may be impacted upon by information obtained in the transaction due diligence.

6. SITE INSPECTION AND CLOSING DATE

Potential operators should be familiar with the Mazeppa Bay Hotel, however requests for site visits are welcomed. Requests for a site inspection can be arranged with **Ms Monique Jacobs (Property Co-Ordinator)**, contactable at mjjacobs@ecdc.co.za or 060 523 7831.

A formal site handover will be arranged upon award to the successful operator/lessee.

All questions and queries relating to this call for proposal can be directed to **Monique Jacobs (Property Co-ordinator)**. Queries will be consolidated and responded to collectively. Only queries submitted before or by close of business (**17h00**) on **Friday 16 February 2024**, shall be responded to. The closing date for submission of proposals is at 00h00 on Thursday 29 February 2024 via email. All submissions should be directed to Monique Jacobs (mjjacobs@ecdc.co.za) and Edwin Bath (embath@ecdc.co.za).

7. SUBMISSION OF PROPOSALS

All proposal should be addressed to mjjacobs@ecdc.co.za and embath@ecdc.co.za and be **submitted by 00h00 on Friday 29 February 2024 via email**. The ECDC may invite the shortlisted operators to make presentations where required.