



PENROSE CONSULTING

**DEVELOPMENT PROPOSAL
AC BY MARRIOTT HOTEL – EAST LONDON
BY AEOLIAN HOTELS EAST LONDON**

**BCMDA CONFERENCE
27 NOVEMBER 2019 , East London ICC**



Presentation outline

Project Development Vision

Draft Design /Artistic Impression

Project Implementation plan

Facilities Management

Localization Plan

Breakdown of jobs to be created

SMME Development Opportunities

1. PROJECT DEVELOPMENT VISION



- THE DEVELOPMENT PROPOSAL IS FOR A NEW AC BY MARRIOTT 4 STAR BUSINESS HOTEL, WITH 191 KEYS AND SEA VIEWS FOR EACH ROOM.
- THE BUILDING WILL HAVE A LANDMARK DESIGN DUE TO THE STEEP SITE AND HEIGHT RESTRICTION ALONG SEA VIEW TERRACE, CREATING A CASCADING 6 STOREY BUILDING. A PUBLIC STAIRCASE CUTS THROUGH THE CENTRE OF THE HOTEL AND CONNECTS SEA VIEW TERRACE WITH ESPLANADE ROAD, WITH A RETAIL OPPORTUNITY AT THE BOTTOM OF THE STAIR.
- THE RESTAURANT AND POOL DECK ON THE TOP FLOOR WILL BE ACCESSIBLE TO THE PUBLIC FOR RECREATION OR MEETING PURPOSES. THE NEW PROPOSED HOTEL DEVELOPMENT TO BE UNDERTAKEN BY AEOLIAN HOTELS EAST LONDON SEEKS TO DEVELOP A WORLD CLASS ACCOMMODATION FACILITY FIT FOR THE BEST ANYWHERE.
- THE DESIGN, SLEEK AND FLOWING WITH THE DUNES AND MOUNTAIN ALLOWS THE HOTEL GUESTS TO ALL HAVE A SEA VIEW THEREBY TRULY LIVING AT THE *SEAVIEW TERRACE*.
- THE INTERACTION WITH THE PUBLIC AND OCEAN IS CAPTURED BEAUTIFULLY BY THE GRAND CASCADING PORTE COCHERE THAT WELCOMES ALL GUESTS BE IT VISITING OR STAYING.

- **THE PUBLIC AREA LOUNGES AND POOLS ALLOW FOR EASY DINING, RELAXED DRINKS AND JOYFUL CONVERSATIONS TO BE SHARED BY ALL THOSE THAT WILL SEEK THE HOTELS AMBIANCE.**
- **THE PHYSICAL DEVELOPMENT OF THE HOTEL HAS TAKEN THE STEEP SLOPES OF THE SITE AND ABUSED THEM BY NOT IMPOSING ON THE NEIGHBOURS OR THE SURROUNDING ENVIRONMENT BUT BY BLENDING, CURVING AND STEPPING DOWN ALL SIX FLOORS ALONG THE MOUNTAIN.**
- **THIS HAS ALLOWED THE DEVELOPMENT TO HAVE SLICK, MODERN, TIMELESS FEEL THAT WILL DAWN THE EAST LONDON BEACHFRONT FOR MANY A MOONS TO COME, ALLOWING UNPARALLELED 180-DEGREE VIEWS OF THE OCEAN IN ETERNITY. GUESTS WILL BE ENCOURAGED TO NEVER MISS THE SUNSETS AND SUNRISES!**
- **THE PROPOSED DEVELOPMENT VISION FOR THE AC BY MARRIOTT BY AOELIAN HOTELS AT THE SEAVIEW TERRACE SITE IS TO ENHANCE THE RELATIONSHIP BETWEEN THE TOURIST, BUSINESS PERSON, LOCAL PEOPLE WITH CULTURE THAT SURROUNDS THE BEAUTIFUL COAST OF BUFFALO CITY.**

- **THE CORPORATE MISSION IS TO BE THE BRAND OF CHOICE FOR DISCERNING TRAVELLERS, OUR GUESTS, OWNERS, AND ASSOCIATES, WHILE EXCEEDING EXPECTATIONS IN THE DIRECT COMMUNITY THAT THE HOTEL SERVES.**
- **THE DIRECT AC PROMISE IS TO FOCUS ON THE ESSENTIALS OF A BEAUTIFUL STAY AND HAVE CREATED AN EXPERIENCE UNLIKE ANY OTHER. TO HAVE BREAKFAST FOUNDED ON EUROPEAN INSPIRATION. THE ROOM SERVICE IS REPLACED WITH THE FLEXIBILITY OF A QUICK SNACK OR EVENING TAPAS PLATES.**
- **WHERE THE BARTENDERS ARE TRUE URBAN SPIRITS WHO WILL SHARE THE UNIQUE BUZZ OF THE CITY AND ALL IT HAS TO OFFER.**



- THE AEOLIAN HOTELS GROUP SEEKS TO PROMOTE THE FOLLOWING FUNDAMENTALS IN THIS DEVELOPMENT THAT TRULY WILL REFLECT THE LOCAL COMMUNITY :
- *PERFORMANCE*
- *TRAINING AND EDUCATION*
- *EMBRACING COMMUNICATION*
- *MENTORING*
- *INNOVATION*
- *FORWARD THINKING*
- *ACCOUNTABILITY*
- *EXCELLENCE*
- *QUALITY*
- *CONSISTENCY*
- *OUR VALUES*
- *SERVING OTHERS*

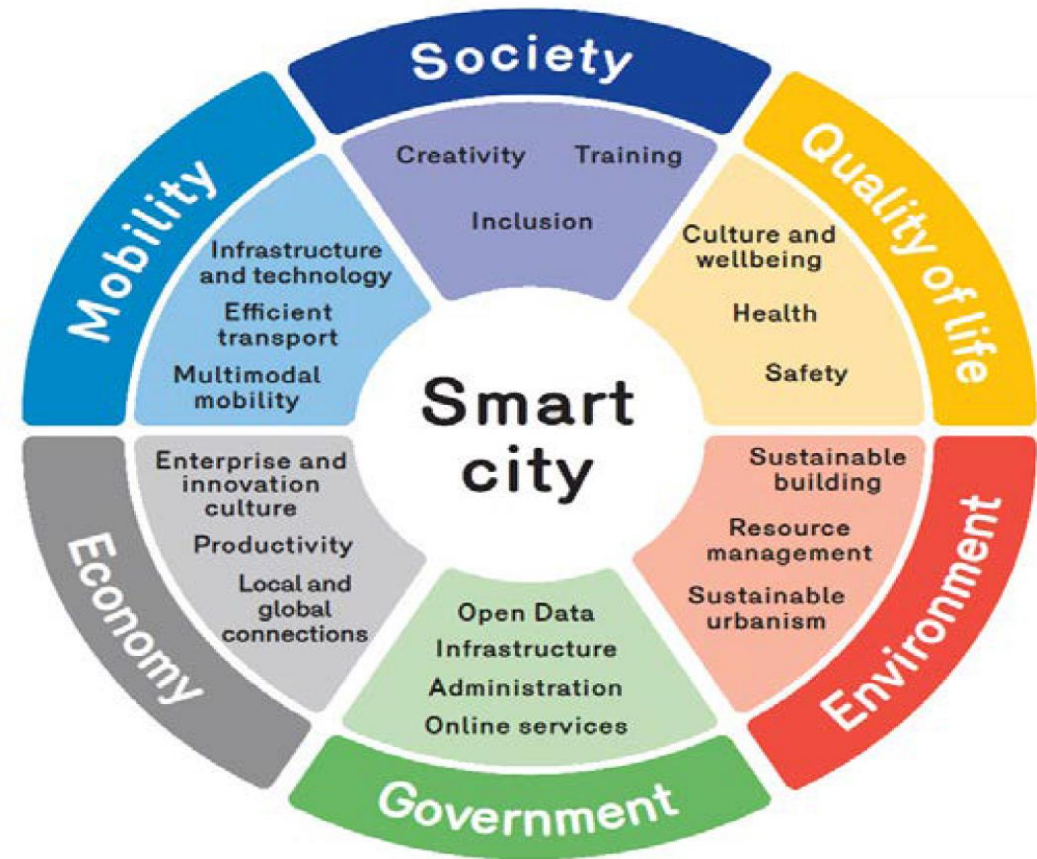


A SMART CITY



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- Digitally transformed cities
 - IOT
 - Free public WiFi
 - Integrated services management
- Improved quality of life
- Integrated infrastructure & technology
- Increased operational Efficiency & Flexibility
- Improved public service system
 - Integrated emergency response
 - Online payments
 - transport
- Incentivise the use of:
 - Public green corridors
 - mixed use development
 - multimodal transport
 - Public Private Partnerships



Sea View Terrace – Erf 16226

PROJECT AIM: Develop New Marriott Hotel

Ownership: Buffalo City Metropolitan Municipality

Extent of Site: 1.051 Ha

Project Value: +/- R350m

Project Budget:

Land Tenure method: 99-year Lease (Negotiable)

Zoning: Open Space Zone 1

Access to Basic Infrastructure : Yes, but will require improvement

Site Specification: Land is vacant. Well located and central to the EL Beachfront. The site is very narrow and steeply sloping providing great ocean views but construction challenges.

Projects Stage: Bid for land acquisition

Investment Opportunities: Leisure, Hospitality, Facilities Management

Rate of return on investment: +/- 9%





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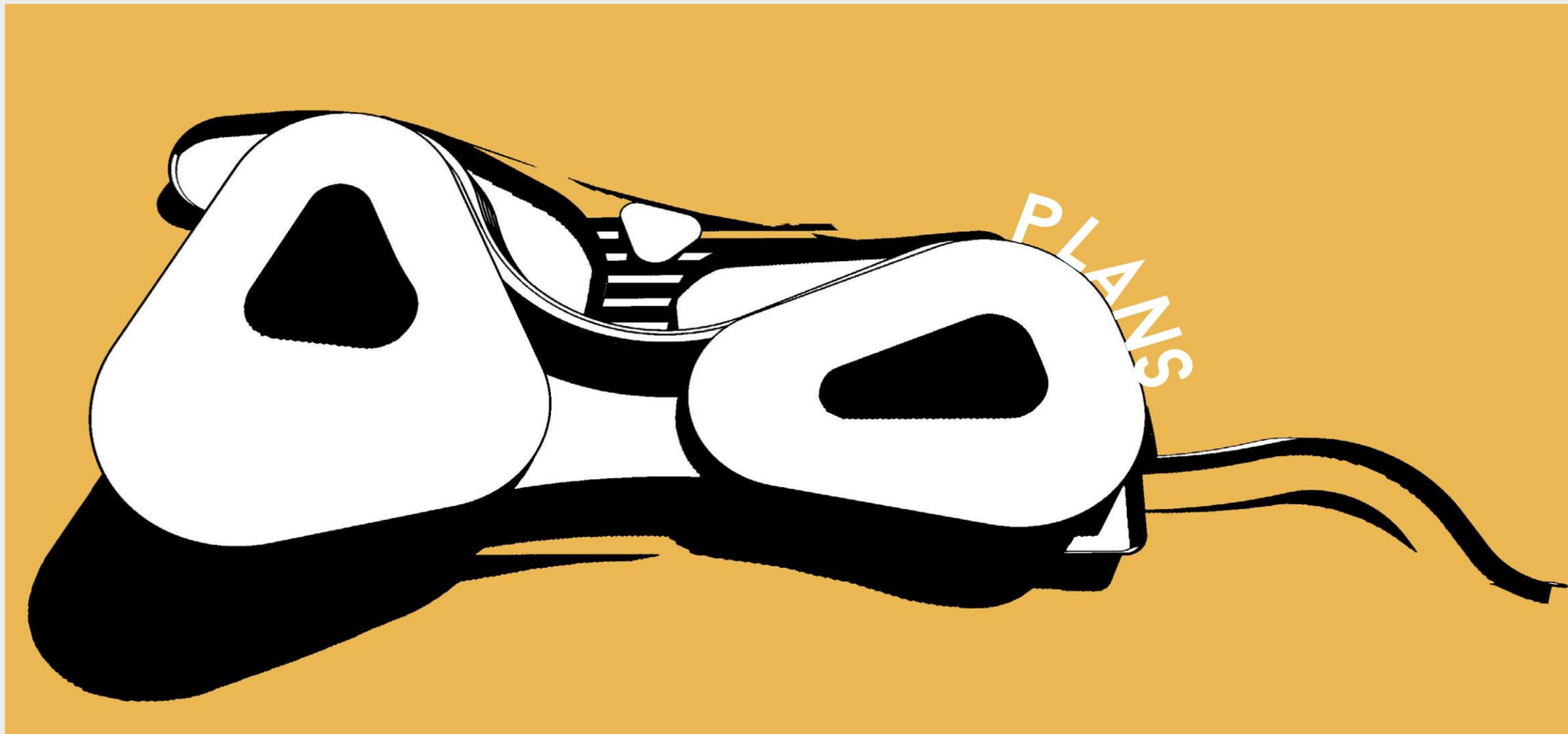
2. Artistic Impression

01



2. Artistic Impression

02





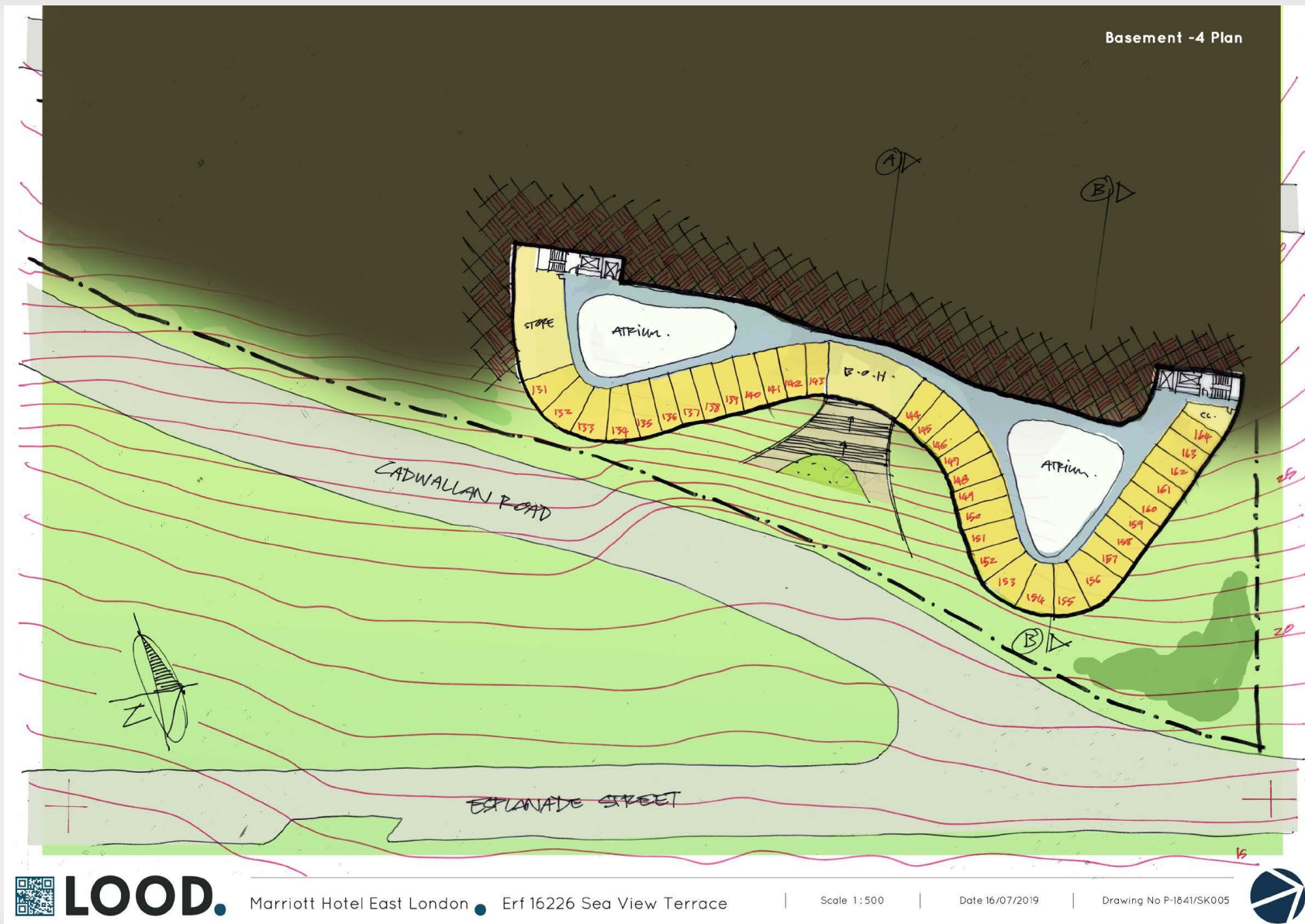


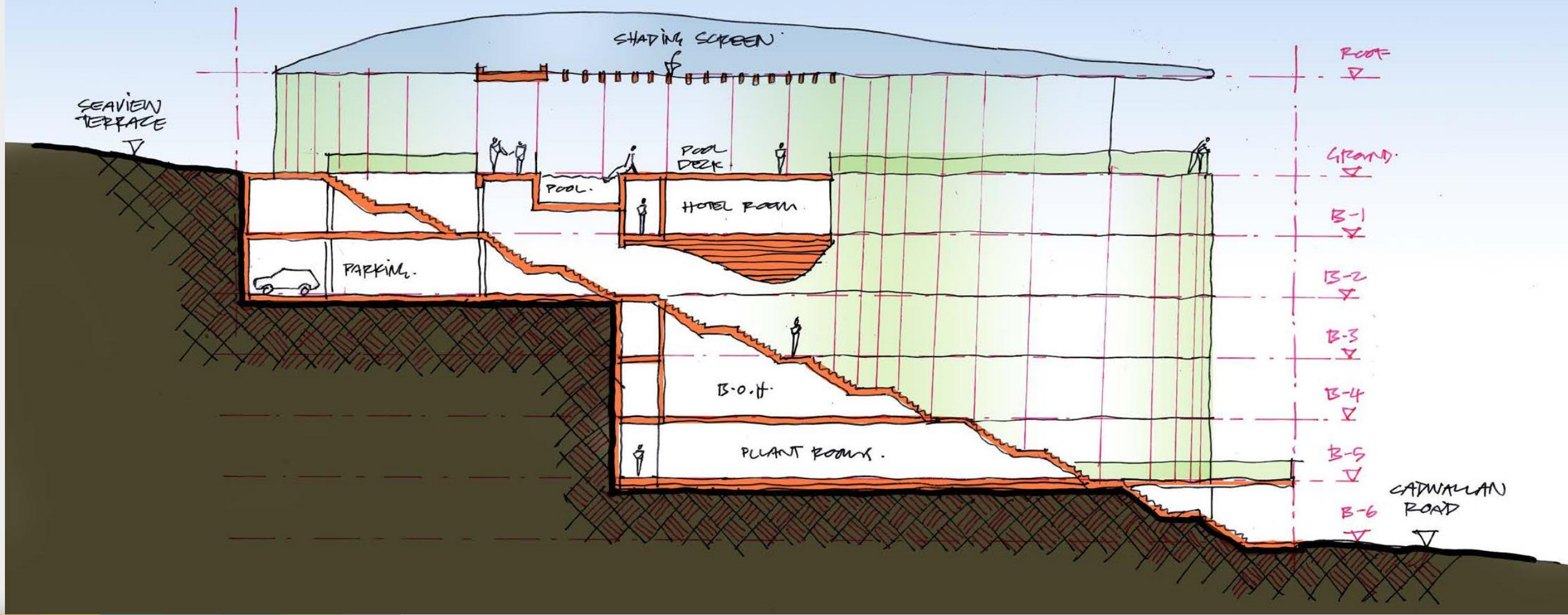















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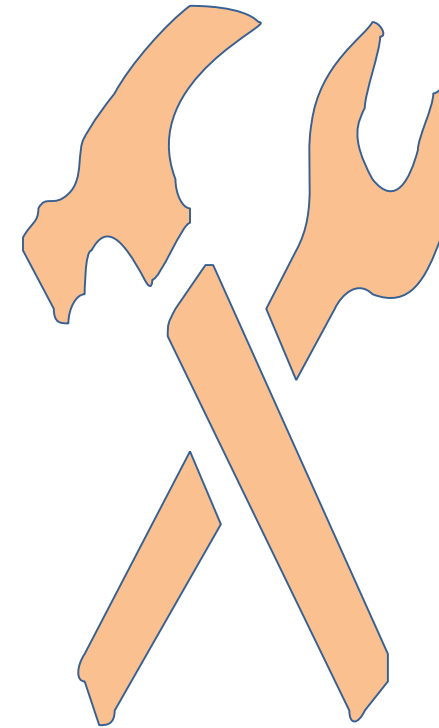
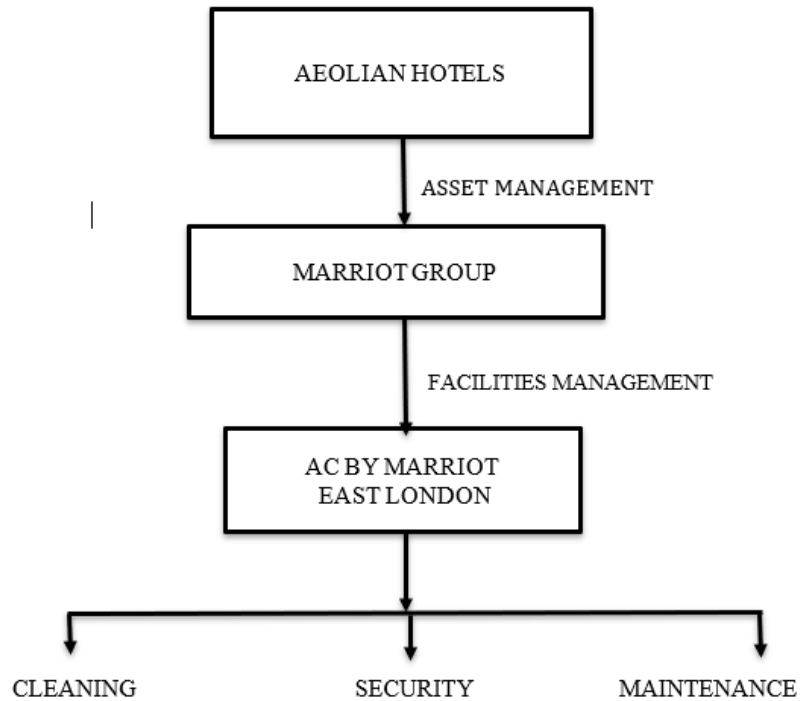


3. Project implementation plan

- Project Presentation
27 November 2019
- Contract Negotiations
31 January 2020
- Submission of Site Dev Plans
30 April 2020
- Funding Approvals
30 June 2020
- Construction Start
01 September 2020
- Construction Complete
30 April 2022

4. Facilities Management

The diagram describes the Facilities Management structure for the project:



5. Localization & SMME Plan

- 30% BCMM LOCAL COMPANIES TO BE SUB-CONTRACTED DURING CONSTRUCTION
- DEVELOPMENT TO CALL ON 10-15% BCMM LOCAL EQUITY OWNERSHIP OF DEVELOPMENT
- FACILITIES MANAGEMENT TO BE MINIMUM 75% LOCALLY PROCURED FROM BCMM INCLUDING FOOD SOURCING, STAFFING AND MANAGEMENT ETC.



7. SMME development opportunities

- MINIMUM 30% OF WORK TO DESIGNATED GROUPS AS WELL AS EQUITY PARTICIPATION IN THE DEVELOPMENT AND FACILITIES MANAGEMENT SHOULD BE OBSERVED.
- PROFESSIONAL SERVICES TRAINING AND DEVELOPMENT FOR ALL ENGINEERING SERVICES TO BE EMPLOYED IN THE PROJECT, MINIMUM 30% REQUIREMENT
- FACILITIES MANAGEMENT AND TRAINING FOR SMME POST DEVELOPMENT OF PROJECT

6. BREAKDOWN OF JOBS TO BE CREATED

DESIGN AND ENGINEERING PHASE

DURING THIS PHASE OF THE DEVELOPMENT, THE FOLLOWING DESIGN TEAM; LOOD ARCHITECTS, FDA, SUTHERLAND ENGINEERS, ONEZERO AND SPOORMAKER WILL BE RESPONSIBLE FOR ALL THE ENGINEERING SERVICES.

CONSTRUCTION PHASE

AS PER THE CIDB REPORT ON JOB CREATION; THE CONSTRUCTION INDUSTRY IS CURRENTLY AROUND 2.4 JOBS IN THE FORMAL SECTOR PER R1 MILLION INVESTED AND 1.1 JOBS IN THE INFORMAL SECTOR PER R1 MILLION OF INVESTMENT.

SEA VIEW TERRACE CONSTRUCTION COST IS ESTIMATED TO BE - R 220 532 479.00

- FORMAL SECTOR - $2.4 \text{ PER R1M} \times \text{R } 220\,532\,479.00 = 529 \text{ JOBS}$
- INFORMAL - $1.1 \text{ PER R1M} \times \text{R } 220\,532\,479.00 = 242 \text{ JOBS}$
- INDIRECT JOBS - $1.2 \text{ PER R1M} \times \text{R } 220\,532\,479.00 = 264 \text{ JOBS}$

SUMMARY OF COSTS				R	R/m²
HOTEL				168 729 271	11 742
BASEMENT				23 280 000	1 620
EXTERNAL WORKS				4 894 728	341
MAIN CONTRACTORS PRELIMINARIES				23 628 480	1 644
Sub Total				220 532 479	15 347
ABNORMAL / EXTRANEIOUS COSTS				8 135 000	566
ESCALATION				9 750 624	679
PROFESSIONAL FEES AND DISBURSEMENTS				37 242 262	2 592
CONTINGENCIES				9 648 113	671
TOTAL IMPROVEMENT COSTS				285 308 478	19 855
LAND				9 000 000	626
PRE-OPENING EXPENSES				1 750 000	122
GENERAL COSTS				28 278 941	1 968
CAPTIALISED INTEREST				25 946 994	1 806
TOTAL DEVELOPMENT COST				350 284 413	24 377



THANK YOU !