

Business Plan

Newly **Modern Proposed Market**

at

Dar Es Salaam

LE GRAND CAMARADA COMPLEX

Attachments

Partnership Agreement

Board Resolution

Photo of the area

Appendices and attachments

Architectural Drawings

Bill of Quantities (BOQ)

Memorandum and Association (MEMARTS)

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0.0 BACKGROUND

LE GRAND CAMARADA COMPLEX is a strategically planned market, a project that shall provide various commercial services to both vendors and the public at large. The project is designed to accommodate small and medium vendors to enable them do their vending trade at ease and at lower cost since hawking is contaminating environment creating unnecessary noises all around, also expensive in terms of walking carrying huge stocks on their shoulders, even transporting the same far away looking for expected buyers is just tedious and difficult. The market shall also provide elite people to do shopping and access other services to be provided.

Temeke Municipal has only five public markets with poor structures, dilapidated leaving large resident population without a decent public or private market. The available public markets within the Municipality are few and too pathetic, there were constructed long time ago existing without regular maintenance and even renovations are not taking place and even those latest ones constructed do not attract market goers.

The issue of constructing public market is mainly the work of the Local Governments, however it's implementation is too choreographic due to conflicting politics, unless there is a political will is when the Local Government reacts on theme.

Market place is an important rendezvous, serving as a hub for local economies and a gathering place for people from all walks of life. Vendors take their goods to sale and people go to buy their daily needs. The gatherings also include various people who come to provide various services from delivery of goods in and out of the market, provision of drinks and meals etc. Such gatherings cause a lot of activities coupled with many transactions creating economic power house generating revenues resulting into multiplier effect from lower to bottom economic levels. Conversations, interactions within the gathering also creates windows and opportunities for different businesses.

Many market places in Dar Es Salaam City are not environmentally friendly, except one in Kisutu which is a modern one with proper arrangement, first class hygiene with sound management, it is pulling crowd from different areas. Another good example of market place is a fish market at Kigamboni, the government is collecting colossal revenues and a lot of economic multi-effect stream down to the micro businesses, it is vividly seen to the people vending inside the market, that is the fraction of economic development needed to our people.

Investing into a market structure is dearly and costly, many investors do not understand it's infrastructures and how the market campus operates. Major draw back challenge is acquisition of land; a market place needs a large land which is too difficult to arrange for.

1.0 EXECUTIVE SUMMARY

EA Ports Construction Ltd of P.O. Box 11916 Dar Es Salaam has entered into a joint venture with foreign investor to invest into real estate, properties, hospitality industry, fishing, agriculture -poultry and fish meal industry in Tanzania.

The Company is looking for sister company in London and also is in the process of registering the entity with British Chamber of Commerce for the purpose of looking for investor to invest and undertake projects into African countries.

The investor has set side USD 11,216,689 for constructing modern market at Zakheim Mbagala Rangi Tatu within the Temeke Municipality in Dar Es Salaam which shall cater for various services including leasing stranded machinga roaming dangerously in the streets of Temeke Municipality. The project shall provide shops, internet cafe, cafeteria leasing spaces and wash rooms to the passengers travelling south wards - Mtwara and Mozambique.

The set aside funds will go direct for compensating land owners who have agreed to pave way for the project to take off and balance to be appropriated in construction and other related expenditures.

Mbagala area is a highly crowded place, the proposed project will diffuse tension of rowdiness and insanity by hawkers walking carelessly to unknown destination.

The project is envisaging on construction of structures to be put on a parcel of land sized 2.5 acres along Kilwa Road. Fifty six (56) houses are to be demolished to pave way for construction of newly proposed market. The said land had been negotiated by the owners whom have agreed to sell their land to the Company at the average range of US \$ 50,096 per each house making the total cost of land to be US \$4,470,135 with exception of three houses with higher prices in the inventory.

The proposed project is a driven force upon the decision of Temeke Municipality to relocate city buses terminal an act that has fueled machingas to go roaming the streets of the entire municipality.

The stance will erase number of 2,214 of machingas roaming the Temeke Municipality streets, the research conducted reveals that big number of machinga are scattered moving and roaming the streets of Temeke making situation becoming unmanageable and the number is ever increasing. Migration of youths from rural areas to urban areas if a factor, these youths are looking for green pasture due to unemployment crisis in rural areas.

Not only machinga will enjoy benefit from the project but also medium scale traders will lease the upper floor to run and operate supermarkets, cafeterias, internet, banks etc.

The project is technically sound, financially viable with fast re-coupment as indicated in cash flow projection. Profitability reveals contribution of positive cash balance from the first month up to the end of the each year including the tenth year.

It is highly recommended that the project be supported.

2.0 INTRODUCTION

EA Ports Contractors Ltd is an indigenous Tanzanian registered company with the major various objectives including construction, export of wild animal trophies being among the objectives. The registered office is located at a Plot No 12 Block. 75 Uhuru/ Lumumba Street, P.O. Box 11916 Ilala District, Dar Es Salaam, Tanzania.

3.0 LEGAL STATUS & DIRECTORS PROFILE

The Company was incorporated under the Certificate of Incorporation No..45043 registered on 19.12.2002 as a Private Limited liability Company under Companies Act, 2002. TIN 101-681-742. The Company is also on a process of registration with the British Chambers of Commerce in London for the purpose of looking for investors to invest into the African countries.

The Shareholders and Directors are:

1. Francis O. Manyanki
2. Fidelis N. Francis
3. Gerald W.S. Malongo

The Registered share capital of the company is shs.10,000,000/= (ten million) divided into 1,000/= (one thousand) each of ordinary shares of 200 (two hundred) with directors having powers to increase the same and review the nominal value per share of the shares comprised in any increased amount.

4.0 THE BUSINESS

The present ongoing business engagement is exporting different species of wild animal trophies.

5.0 PROPOSED PROJECT GOALS AND OBJECTIVES

- ❖ To construct the Le Grand Camarada Complex as planned.
- ❖ To give better and good accommodation to vendors within the localities
- ❖ To have proper arrangement and section of goods for machingas,
- ❖ To make easy accessibility and convenience among market goers
- ❖ To provide space for facilities such as Internet café, cafeteria, ATM'S, washrooms
- ❖ Increase business licences and rental collections
- ❖ To provide security, CCTV cameras
- ❖ To create a rendezvous space for people to meet
- ❖ To provide service for outbound buses travelling to southern Tanzania,
- ❖ To provide basement packing

6.0 PROPOSED PROJECT'S DESCRIPTION

6.1 Proposed Project Location and Site

The proposed project site is located at Mbagala Zakheim along Kilwa road, a prime business center, lies south east of Dar Es Salaam City, km 30 from the heart of City Center. Next to the site is a busy bus terminal serving southern bound passengers, eastern is a stand of a city bus commuter shunting to the city center and along Chang'ombe Road leading to the airport.

6.2 Components and Proposed Services

The proposed project shall entail structures, putting up a three buildings with one storey each with basement, ground and upper floor rooms. Services shall be extended to banking, shopping, internet, cafeterias and hygiene. Passengers heading southern Mkuranga, Lindi, Mtwara and Mozambique shall have services rendered here.

6.3 Project Spécifications

The structures shall be constructed on a parcel of land sized 2.5 acres. The land has a total length of 160.5 meters, the structures contain basement for packing, ground floor for small vendors and upper floor for medium sized elite people. The basement shall take 160.2 mètres which shall accommodate 100 per day vehicles, while ground floor shall take 2,214 columns with corridors of enough space for passage with 27 washrooms on ground and upper stairs. Upper floor shall take 460 rooms.

The project has been planned for two phases, the second phase shall see the extension of building to the second and third floors developments. *See the attachment.*

6.4 Project Cost

The project shall cost US \$ 11,216,689 made up as follows:

| | |
|---------------------------|-------------------|
| Land Purchase | 4,470,135 |
| Building | 6,116,817 |
| Machinery and Equipments | 7,803 |
| CCTV Camera | 2,505 |
| Furniture & Fittings | 1,345 |
| Standby generator | 3,600 |
| Electric Cycle | 4,817 |
| Motor Vehicles | 29,904 |
| Pre-Operational Cost | 308,875 |
| Working Capital | 270,889 |
| Total Project Cost | 11,216,689 |

6.5 Joint venture

The funds for the project shall be injected by foreign investor and local partners whom have shown interest on investing in real estate and properties in Tanzania. The investor shall avail US \$ 11,166,689 while the local partners shall contribute US \$ 50,000 later on to enable the company implement the project described above. Title deed shall be availed upon signing contracts and compensation of land owners.

The appropriation of the funds will be disbursed as explained in the preceding chapter, after compensation of the land under contract, the investor shall also be required to pay for demolition, survey and the title deed of land which shall be capitalized and shall remain under custody of the company. The equity contribution towards the project is shown in table.

6.6 Proposed Mode of funds Disbursements

First, detailed working drawings followed by detailed Bills of Quantities (BOQs) have already been prepared by Architects and Quantity Surveyors respectively. Their fees is 10% of project cost, their work started two months ago and ended on March,2026. Both of them have not been paid including the work of writing this business plan at the rate of 5% of project cost, they tentatively agreed that they shall be paid upon availability of the project funds.

Directors therefore shall request that the bank before making any disbursement should consider their payments.

The investor shall then proceed on disbursement by compensating land owners (land purchase), then effect 30% to the contractor being mobilization fund. After three months Consultant shall inspect the work on progress then instruct on payments upon the issuance of Certificates observing deducting retention of 20% on each certificate issued. The balance and retention's shall either be paid upon completion of work or retained for 3 months pending observation for defects that may emerge.

7.0 PROJECT IMPLEMENTATION

7.1 Plot Acquisition, Drawing works, BOQ and Site Plans

Upon finalizing the purchasing deal, the Architect and Quantity Surveyor shall immediately handover their papers to the contractor to move to the site, work of clearing shall start.

7.2 Contractor and works

The Contractor shall be paid 30% mobilization and work-done payment as is practice. Once he moves to the site, he shall not remove his equipment's until the work is finished, except those that are no longer required at the site. He shall be paid according to his certificates and shall leave a retainer fee of 20% which shall be paid two months after completion of the work. Building curing shall be allowed before occupation is taken by the directors. During this 'curing period' any bad or defective work shall expose itself. He shall therefore be paid as explained.

Works to be carried out include digging up the underground foundation, putting pillars and laying floor slabs, building roof column, while building partitions walls, pouring ground floor slabs; starting with the underground work, slabs on ground floor and carrying out finishing eg doors, windows, toilet cisterns, basin and plumbing works, etc.

7.3 Project Management

Implementation of project shall be done by administration with direct supervision of engineering office unit until it's completion. Any problematic/defects during implementation should be brought to the attention of the **Supervision Unit** and meet with other concerned office to revolve and give solutions.

After the project is completed it will be turned into economic enterprise for the proper distribution to the vendors/applicants and manage the operations of the completed premises, besides, also to monitor and evaluate the status with the partnership of the project.

8.0 INVESTMENT & RE-INVESTMENT

US \$

| Description | Amount |
|-------------------------|-------------------|
| Land | 4,470,135 |
| Buildings | 6,116,817 |
| Machinery & Equipment's | 7,803 |
| CCTV Camera | 2,505 |
| Furniture & Fittings | 1,345 |
| Stand by generator | 3,600 |
| Motor Vehicle | 29,904 |
| Electric Cycle | 4,817 |
| Pre-Operational Costs | 308,875 |
| Working Capital | 270,889 |
| Total | 11,216,689 |

9.0 FINANCING- PATTERN AND STRUCTURE US \$

| Item | Partner | Equity | Total | % |
|---------------|-------------------|---------------|-------------------|------------|
| Partner | 11,166,689 | 50,000 | 11,216,689 | 100 |
| Participation | -0- | -0- | -0- | 0.0 |
| Total | 11,116,689 | 50,000 | 11,216,689 | 100 |

The total investment is US \$11,216,689 breakdown of each of the above items are shown in the above matrix.

10.0 INVESTMENT ANALYSIS

Financial assumption has been analyzed as follows:

| 10.1 Revenue Avenues | USD |
|---------------------------|------------------------|
| ❖ Rent from Columns |510,106 |
| ❖ Rent from upper floor | 72,720 |
| ❖ Rent from parking | 180,000 |
| ❖ Rent from outside rooms | 42,624 |
| ❖ Washroom proceeds | 225,504 |
| ❖ Advertisement | 450 |
| Total | 1,031,404 |

See the appendices

10.2 Government Revenue

The project will pay US \$ 30,942 to Local Government in terms of levies in ten years.

10.3 Central Government Taxes

The project will also pay US \$ 2,044,694 as corporate tax in the project life time of ten years. It will also pay US \$ 218,034 as PAYE in the project life span.

10.4 Cash flow projection

Upon commencement of operations, the project shall net cash inflows of US \$ 826,934 billion from the first year and shall grow up to US \$ 8,220,714 in tenth years. The directors are therefore confident that they would be able to extend the building to phase 2 and 3 and invest into other ventures.

10.5 Projected Profits

Profits are also very impressive. The project shall make annually profit of US \$ 477,075 billion after depreciation of fixed assets. It shall accumulated profits of US \$ 4,770,952 after the tenth year. See the spread sheet.

11.0 PROJECT SUSTAINABILITY

Since the project is an income generating it is must that the Company should allocate funds (budget) annually for the maintenance and operations in order to sustain its operations. The project should be directly supervised and managed by **Economic Enterprise Office**. Any problem/ damages related to structure this should be in technical aspects.

The sustainability of the project would also depend on the close coordination with Economic Enterprise Office should also conduct bi-monthly and quarterly meetings with shareholders to assess the situation of the business in the area of the project, such as the vendor's business licence and rentals whether they are paid regularly.

12.0 PROJECT JUSTIFICATION

- i. The project shall go a long way in promoting employment creation. It shall employ eighteen (18) employees and create indirect employment to several others who will do business with it,
- ii. It will Increase the local revenues of the Municipality and Central government in terms of corporate tax,
- iii. It will Improve and widen the delivery of basic services due to more resources coming in and also improve the socio-economies life of the vendors,
- iv. More vendors in temporary stalls and other walking and roaming the streets of Temeke are accommodated to be the occupants in the project,
- v. Market occupants updating digitally their obligation to municipality and TRA (e.g business licence, taxes etc) also number of vendors running bank accounts will increase and will be more convenience on the part of the market goers.

Uplifting the face of Mbagala

- vi. The such development will uplift the face of Mbagala. They add value to an area's property market and residents can get higher returns from sale of their property for investment developments. Developments such as these, in uplifting the face of an area, also spur the acceptability of property from such areas in the securities market for loans.

13.0 RISK MANAGEMENT

The success of implementing of the project can be attributed to good management and collaboration with partners and stakeholders. Risk Management of project will occur if the company/government/partner would not hear and give priority on the claimer of the market vendors and public in general and take action for solution. Good governance and transparency is deemed important for the benefit of the public and conduct evaluation of project.

14.0 PROJECT COMPONENTS AND IMPLEMENTATION SCHEDULE

Before project implementation there are also some components to be observed:

- i. Briefing of the concerned offices including local executives in the local government the name and kind of project and source of funding,
- ii. Roles of responsibility of the concerned offices in document
- iii. Procedure in compliance with the local government authorities
- iv. Conduct pre-construction conference with stake holders and contractors.

Implementation Schedule

| Item /Months | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March |
|-----------------------|-----|-----|------|------|-----|------|-----|-----|-----|-----|-----|-------|
| Project Appraisal | | | | | | | | | | | | |
| Land Pay off | | | | | | | | | | | | |
| Démolition & survey | | | | | | | | | | | | |
| Title Deed process | | | | | | | | | | | | |
| Contractor on site | | | | | | | | | | | | |
| Construction | | | | | | | | | | | | |
| Accommodating Tenants | | | | | | | | | | | | |

15.0 ENVIRONMENT FRIENDLY

And lastly, the project is environment friendly. It shall not remit any dangerous effluences and shall not be a nuisance to anybody.

>>>>END<<<<<