

MOUNT ELGON LODGE LIMITED

RESERVATIONS:
Utalii House, Uhuru Highway
P. O. Box 42013



Our Ref:

Your Ref:

Date: ..

EXPRESSION OF INTEREST (EOI)

**FOR STRATEGIC PARTNERSHIPS IN
LEASING, OPERATION,
MANAGEMENT, RENOVATION,
JOINT VENTURE OR OTHER
STRATEGIC INVESTMENT MODELS
FOR MT. ELGON LODGE LIMITED**

REF: MELL/EOI/001/2025

Date of Submission: Friday 23rd May 2025

Time: 10.00 am (EAT)

EXPRESSION OF INTEREST (EOI) FOR STRATEGIC PARTNERSHIPS IN LEASING, OPERATION, MANAGEMENT, RENOVATION, JOINT VENTURE OR OTHER STRATEGIC INVESTMENT MODELS FOR MT. ELGON LODGE LIMITED ON L. R. NUMBER: 12162, IN ENDEBESS, TRANS NZOIA COUNTY

MAY 2025

1.0 Background

Mount Elgon Lodge Limited (MELL) was incorporated in 1974 under the Companies Act (Cap 486). The registered office of the Company is located at Mt. Elgon Lodge Limited, Mt. Elgon National Park at Endebess. Mt. Elgon Hotel Limited is engaged in the business of ownership and operation of the lodge facility mainly focusing on provision of accommodation and conference facility services to potential.

The Shareholders of Mt. Elgon Hotel Limited are Kenya Development Corporation (KDC) and Trans-Nzoia County (formerly Kitale Municipal Council and Nzoia County Council). MELL's current shareholding of the Company is as under:

Shareholder	No. of Shares	Shareholding
KDC	67,288	72.91%
Trans-Nzoia County Government	25,001	27.09%
Total	92,289	100%

A brief profile of the two shareholders is described below.

1.1 Kenya Development Corporation

Kenya Development Corporation Ltd (KDC) is a Development Finance Institution that was established in 2020 to merge the operations of Industrial and Commercial Development Corporation (ICDC), Tourism Finance Corporation (TFC) and IDB Capital Limited. KDC's mandate is to promote sustainable economic development by providing development finance, infrastructure finance, business support and advisory services to medium and large-scale industries, infrastructure projects and commercial undertakings in target sectors in Kenya and elsewhere.

1.2 Trans Nzoia County Government

Trans Nzoia County is among the 47 counties established by the Kenya Constitution under article 6(1) and specified in the First Schedule. The county was operationalized in March 2013 prior to the promulgation of the Kenya Constitution on the 27th August 2010. The

present-day Trans Nzoia County was administered as Trans Nzoia District under the Provincial Administration system.

In pursuit of its mandate, MELL invites expression of interest from strategic investors who are interested in leasing, operation, management, and/or strategic development of L.R. NUMBER: 12162. The land is adjacent to Mt. Elgon National Park and offers a convenient place to rest for visitors to the park. The park boasts the second tallest mountain in Kenya that has a thick natural forest with over 400 elephants, numerous species of wildlife and birds. It is rich with a beautiful terrain spanning two countries very good for mountain climbers, bird watchers and for game drives. It also has several caves and other natural sites that provide places for exploration and adventure for tourists and other general visitors.

2.0 The Project Sponsor

MELL is the sole lessee of L. R. NUMBER: 12162 (Leasehold Interest Grant No. IR 84884) for a term of 99 years from 1st January 2000.

3.0 Project Site

Mount Elgon Lodge Limited is situated about 9.5 kilometres South-West of Endebess Township and is sandwiched between Kokwo Trading Centre and Mount Elgon National Park in Chorlim area approximately 28 kilometres West of Kitale Town in Trans Nzoia County. MELL operates a lodge common identified as Mt. Elgon Lodge. The Lodge is a Seventeen (17) Bedrooms Lodge comprising: -

- A double-storey Main Hotel Building with a lounge, dining hall, bar and four (4) bedrooms of which two (2) are ensuite;
- Detached Kitchen; • Guest Wing with three (3) bedrooms, all ensuite. These three are of vintage/colonial-era design and are connected by covered walkways.
- Five (5) Cottage Blocks, each having two (2) bedrooms, all ensuite.
- Auxiliary buildings including Generator Room and Laundry.

The project land measures approximately 61.55 hectares or 152 acres parcel of land of which the developments occupy about 3% i.e., 5 Acres. The remaining land, extending to approximately 147 acres, is under maize cultivation.

The land has stream traversing the southwestern part of the parcel could be an added advantage, where with some capital expenditure, the waters would be dammed and provided with features possibly allowing river activities such as fishing and boating



Front and rear views of the Main Hotel Building



Kitchen and Guest Wing



Cottages

4.0 Project Component (Brief)

MELL is desirous of partnering in developing a mixed-use facility on the property that will generate impactful socio-economic development. MELL is therefore looking for a Strategic Partner/Investor who is interested in developing the property through a joint venture. MELL's contribution in this case shall be the land and developments thereon. All other activities thereon until completion will be the responsibility of the Strategic Partner/Investor.

Interested strategic investors are required have undertaken feasibility studies of projects of their choice (excluding primary agriculture) to establish business viability before expressing interest. A Strategic Investor that will submit an expression of interest that is acceptable to MEL will further be required to carry out detailed design, sourcing for finance, construct, operate and transfer the project at the end of an agreed period (Build Operate and Transfer – BOT). MELL shall provide the land for development and shall not be involved in developing the property but will only be involved in overseeing the project progression as a joint beneficiary of the final returns.

A Joint Venture model with the Strategic Partner will be applied to undertake the development. The Corporation will adopt an arrangement where the Strategic Partner shall at their own cost, provide:-

- i. Detailed feasibility study report on proposed project that includes the following:-
 - a) Market survey with clearly identified business opportunity(ies), demand analysis, competition and marketing strategy for the proposed business
 - b) Investment cost estimates based on the preliminary design drawings/layouts
 - c) Financing strategy and plan
 - d) Implementation schedule
 - e) Governance structure that is suitable for the proposed mixed-use facility. This should include profiles of shareholders, directors and key managers.
 - f) Risk analysis with mitigations
 - g) Financial viability
 - h) Environmental impact analysis
 - i) Analysis of socio-economic development
- ii. Preliminary design drawings/layouts
- iii. Proposals on Lease fee sharing under the Joint Venture

5.0 Terms of Engagement

The terms of engagement shall be subject but not limited to;

- i. Establishing viability of the project
- ii. Implementation of the project through a Joint Venture
- iii. Strategic Investor being responsible for designing, financing, building, operating and transfer on agreed dates

- iv. Strategic Partner having capacity to fund raise or finance the proposed project
- v. Acceptable lease fee sharing proposal.
- vi. Review of partnership terms after every 5 years
- vii. Role of Strategic Partner and Transfer terms being agreed at the time of signing Joint Venture Agreement

6.0 Submission of expression of interest

Interested Strategic Investors are requested to submit expression of interest that are written in English language and clearly marked as stated in the particular document **showing the site reference and title.**

The Expression of Interest shall be sealed in a plain envelope, clearly marked **“EOI REF: MELL/EOI/001/2025- EXPRESSION OF INTEREST FOR STRATEGIC PARTNERSHIPS FOR MT. ELGON LODGE LIMITED”** and addressed to: -

**The Director General
Kenya Development Corporation Limited (KDC)
17th Floor, Uchumi House, Aga Khan Walk
P.O. Box 12665-00100, Nairobi
supplychain@kdc.go.ke**

The Expression of Interest shall be deposited in the Tender box located at the Reception area on 17th Floor, Uchumi House Aga Khan Walk, Nairobi, or sent via e-mail to supplychain@kdc.go.ke so as to be received on or before 10.00 a.m. on **Friday 23rd May 2025**. The EOI documents will be opened immediately thereafter at the Reception on 17th Floor in the presence of the bidders or their representatives who wish to witness

Requests for Proposals (RFP) will be issued to the Candidates thereafter.