

Investment Attraction Incentive Fund

Guidelines and Eligibility Criteria 2021/22 – 2023/24

The City of Logan Investment Attraction Incentive Fund (IAIF) is available to businesses to attract future investments in key strategic industries, where the nature and scale of the proposed investment will stimulate significant economic and community benefits, diversify the economy and value-add to the wider regional economy beyond the growth of the business itself.

The IAIF is a discretionary scheme which seeks to attract and support projects that will deliver the greatest benefits to the City of Logan. The focus of the incentives package is on projects that will:

- Create new jobs
- Create direct value add through construction and operations
- Catalyse additional investment
- Catalyse growth in a key strategic area (industry or location)
- Support the growth of other companies
- Support Council's ambitions for the attraction of high priority investments.

All applications for the City of Logan IAIF will be assessed on a quarterly basis, or as needed, by the Assessment Panel.

Council requires applications to be submitted at least ten (10) business days prior to an Assessment Panel meeting to be considered at the next review.

Applicants will be advised of the outcome of their application within 10 days of the Assessment Panel meeting.

KEY TARGET SECTORS

The IAIF is specifically targeted to businesses in the following industries:

- Manufacturing
- Transport and Logistics
- Health and Medical
- Professional and Business Services
- Emerging and Innovative Industries
- Industrial Bio-technology
- Tourism Infrastructure
- Education and Training
- Creative Arts
- Aerospace and Defence

HIGH PRIORITY INVESTMENTS

Council has ambitions to see certain projects developed within the city. These projects are either non-existent, underrepresented or highly sought after by the community and would have far reaching benefits for the city.

These high priority investments will include but are not limited to the following projects:

- A hotel or short-term accommodation facility
- Entertainment facilities and function centres (cinema, theatre, conference centre etc)
- Tourism attraction or park, arts and recreation services (museums, galleries, amusement centres etc)
- Private hospital
- Tertiary institution
- Boutique or craft food and beverage outlets that contribute to the development of the visitor experience and/or night-time economy

Projects will still be required to meet Council's obligations under the Planning Scheme and the eligibility criteria of the IAIF, however special consideration may be given to projects that are determined to be a high priority investment, with a lower threshold for capital expenditure and employment targets, to be determined by the panel.

MINIMUM ELIGIBILITY CRITERIA

The following minimum eligibility criteria have been developed to ensure the efficacy and targeted use of the financial incentives. Please refer to Eligibility Table 1 on page 5 for further detail.

1. Minimum capital investment of \$2 million.
2. Minimum of ten (10) **new** Full Time Equivalent (FTE) jobs created.
3. Project is contestable.
4. Proven commercial viability of the project.
5. The company has been operational for more than two (2) years.
6. The project does not cause significant detriment to existing businesses in the city.
7. A further condition related to eligibility is (subject to agreed milestones).
 - Construction projects must commence capital works (confirmed financial commitment to proposed location) within 12 months of written confirmation that the IAIF application has been successful.
 - Non-construction projects must be operational within 12 months of written confirmation that the IAIF application has been successful.

INELIGIBLE BUSINESSES AND PROJECTS

The following projects, activities and organisations may not be eligible for direct financial assistance:

- A project where the primary focus is retail, wholesale, property development or non-value-adding production.
- A project which can be more appropriately funded by another government program.
- Planning, pre-feasibility and feasibility work.
- Provision of working capital or funds to service financing arrangements.
- Offshore investment.
- Individual product promotion.
- Production and routine operations.
- Government departments or agencies, government-owned corporations or regional development organisations.
- Funding will not be provided retrospectively.

APPLICATION PACKAGE

In order to assist in the determination of the request for an incentive, Council requires a comprehensive proposal outlining detailed information regarding both the proponent company and the project.

The information requirements are set out in the Application Package. This includes:

- Application Checklist
- Application Form and additional documents

Application Checklist

The Application Checklist provides an easy reference for applicants to ensure that have included all of the supporting documents and information for their application.

Application Form

The Application Form sets out the required information that applicants must submit for consideration by the IAIF. The below provides further clarification on the information that is to be provided to Council.

1. Company Overview – Summary of the company that includes the Executive Summary of a company's Business Plan, the core function, the goods and services offered, vision statement, business goals over the next 5 years and the key milestones to achieve this.
2. Organisational Chart – Include a diagram that shows the structure of the organisation, the relationships, job titles and reporting hierarchy.
3. List of Board Members – Include the names and positions/titles of each board member (If applicable).
4. Management Capability - Include a capability statement on the senior management of the company which includes, their name, their role, area of expertise, length of service with the company and their key skills or strengths

5. Project Overview – Summary of the project that includes what the project is, what it intends to achieve, how it will be funded, when the company expects to make a return from the project, timeline for construction and/or operations. This includes a section to provide evidence of current and future employee numbers based on a Full-Time, Part-Time and Causal basis.
6. Capital Expenditure – Provide an overview of the proposed capital expenditure and one-off (non-operational) costs associated with the project. Information required includes, where relevant, the amount of capital expenditure for the project into the following categories:
 - a. land and buildings
 - b. plant and equipment
 - c. technology
 - d. intellectual property
 - e. infrastructure
 - f. Other one-off establishment costs e.g. Relocation and fit-out costs

Please refer to the Capital Expenditure Summary Sheet, which is included in the application package, to complete this section.

7. Employment details - applicants must provide a breakdown of existing employment levels by category on a Full Time Equivalent basis as well as the projected employment levels once the project is complete.

Please refer to the Employment Categories Summary Sheet, which is included in the application package, to complete this section

8. Contestability – Where a site in Logan is actively competing with a location out of the city. The company must not have made a location decision. Actions signifying the company has already made a location decision include, but are not limited to;
 - signing a lease,
 - purchasing land,
 - hiring employees and/or
 - making a location announcement.

Contestability must be demonstrated upon application to the incentive fund to be eligible for the incentive, rather than when the project is presented to the Assessment Panel. Provide documented evidence that other sites outside the City of Logan are being investigated for this project.

9. Commercially viable – Applicants must prove that the project is fully funded and would proceed without the assistance of Council’s Investment Attraction Incentive. Council requires applicants to submit at least 2 of the following:
 - a. Financial Plan
 - b. Profit & Loss Statements for the past two (2) financial years
 - c. Statement guaranteeing finance from a financial institution
 - d. Other financial proof
10. Competitors – Applicants must list their major competitors and if they know of any operating in the City of Logan.
11. Summary of benefits – Provide an overview on the positive affect that this project will have for the City of Logan and why funding should be allocated to this project. Include supply chain benefits the project will provide, the creation of opportunity for local employment, integration

with the local community, philanthropy, any current business networks or memberships and the company's willingness to participate in local business networks.

12. Government Grants – List all of the successful applications to either State or Federal grants and/or programs that the applicant has received. Applicants can also include successful international grants and other business awards they have received.

It should be noted that all information provided by the applicant will remain Commercial in Confidence

APPLICATION PROCESS

- a. Initial meeting with Council's Economic Development & Strategy Branch (mandatory) to discuss eligibility and process.
- b. Applicant submits application form and supporting information
- c. Economic Development & Strategy officers prepare a report summary to form the agenda for the Investment Attraction Incentive Fund Panel meeting.
- d. Investment Attraction Incentive Fund Panel meetings to be convened on a quarterly basis to assess applications.
- e. Applicant notified of the outcome of the Investment Attraction Incentive Fund Panel meeting. If successful, applicant will be provided with a formal offer and contractual agreement.
- f. Reporting and milestones established through contractual agreement.
- g. Applicant will submit milestone reports to effect payment of funds.
- h. Monitoring and reporting for the period of the agreement.

Successful applications will receive an offer of financial assistance. If the business accepts the offer, it will enter into a formal agreement with the City of Logan which will outline the terms and conditions of the financial incentive. Once signed by both parties the agreement becomes legally binding. The payment of incentives is through reimbursement of approved costs incurred. Financial assistance (where granted) will be provided once the project is completed with documentary evidence of expenditure.