

Investment Attraction Incentive Fund

Guidelines and Eligibility Criteria 2021/22 – 2023/24

The City of Logan Investment Attraction Incentive Fund (**Fund**) 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 Fund is a discretionary scheme and is governed by Logan City Council's Fund Panel (**Panel**), which seeks to attract and support projects that will deliver the greatest benefits to 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 city reputational uplift
- Support Council's ambitions for the attraction of high priority investments.

All applications for the Fund will be assessed on a monthly basis, or at the discretion of the Panel. For an application to be considered, Council requires it to be submitted at least thirty (30) business days prior to a Panel meeting.

Applicants will be advised of the outcome of their application no later than thirty (30) business days after a Panel meeting.

Key Target Sectors

The Fund 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 Biotechnology
- 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 include but are not limited to the following types of projects:

- 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
- Underwood Innovation Precinct.

Minimum Eligibility Criteria

Projects are eligible for consideration under four (4) categories, depending on the nature and scale of a proposed investment. The following minimum eligibility criteria have been developed to ensure the efficacy and targeted use of the financial incentives.

Category 1	Business Growth Investment
Purpose:	<p>Stimulates economic growth through increasing employment within existing local businesses (i.e. only newly created FTEs will be accounted for towards employment targets). Promotes the retention or expansion of local businesses that are considering relocating or expanding in communities outside of Logan.</p> <p>Note: Business Growth Investment projects attract an Employment Targets incentive, but <u>do not include</u> a Capital Works incentive component.</p>
Eligibility:	<p>Applications must fall within the city's Key Target Sectors list AND meet the following:</p> <ol style="list-style-type: none"> 1. Minimum capital investment of \$2 million. 2. Minimum of 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 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): <ul style="list-style-type: none"> • Construction projects must commence capital works (confirmed financial commitment to proposed location) within 12 months of written confirmation that the Fund application has been successful. • Non-construction projects must be operational within 12 months of written confirmation that the Fund application has been successful.

Category 2	Key Strategic Investment
Purpose:	<p>Stimulates significant economic benefit, community benefit, diversity, and value-add to the wider regional economy through increased business growth. Focuses on the attraction and recruitment of businesses that plan to create jobs and investment in targeted industries. For business relocation or new investment projects from outside the city, both existing jobs and newly created jobs will be accounted for towards employment targets.</p>
Eligibility:	<p>Applications must fall within the city's Key Target Sectors list AND meet the following:</p> <ol style="list-style-type: none"> 1. Minimum capital investment of \$2 million. 2. Minimum of 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 2 years.

	<p>6. The project does not cause significant detriment to existing businesses in the city.</p> <p>7. A further condition related to eligibility is (subject to agreed milestones):</p> <ul style="list-style-type: none"> • Construction projects must commence capital works (confirmed financial commitment to proposed location) within 12 months of written confirmation that the Fund application has been successful. • Non-construction projects must be operational within 12 months of written confirmation that the Fund application has been successful.
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Category 3	High Priority Investment
Purpose:	<p>Attracts projects in undersupplied industries that are highly sought after by Council and focuses on promoting development and the creation of jobs, growth, and investment in high priority industries. For business relocation or new investment projects from outside the city, both existing jobs and newly created jobs will be accounted for towards employment targets.</p> <p>Note: High Priority Investment projects benefit from lower thresholds for Capital Works and Employment Targets.</p>
Eligibility:	<p>Applications must fall within the city’s High Priority Investment list AND meet the following:</p> <ol style="list-style-type: none"> 1. Minimum capital investment of \$100,000. 2. Minimum of 5 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 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): <ul style="list-style-type: none"> • Construction projects must commence capital works (confirmed financial commitment to proposed location) within 12 months of written confirmation that the Fund application has been successful. • Non-construction projects must be operational within 12 months of written confirmation that the Fund application has been successful.

Category 4	Retained Investment
Purpose:	<p>A discretionary Panel funding allocation which provides the Panel with the case-by-case ability to facilitate a one-off contribution towards securing a strategic business ongoing operation in Logan.</p>
Eligibility:	<p>Applications must meet the following:</p> <ul style="list-style-type: none"> • Category 4 funding allocations are not tied to an investment requisite • Consideration given to significant Logan based business in priority industries that are at high-risk of relocating out of the city • Fund allocation must be contingent upon a substantiated decision by the Panel surrounding the benefit towards economic activity in Logan

Assistance per Project

Fund assistance is based on a threshold determination by the Panel, which will consider the economic and fiscal benefits to the city that are projected from the attraction, retention, or execution of eligible projects.

The amount of Fund assistance per project will be based on the amount of capital investment, the degree of job creation/retention, the location of the project and type of industry.

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

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 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 Fund. 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 casual 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 that the company has already made a location decision include, but are not limited to:
 - a. Signing a lease
 - b. Purchasing land
 - c. Hiring employees and/or
 - d. Making a location announcement.

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

9. **Commercially Viable** – Applicants must prove that the project is fully funded and would proceed without the assistance of the 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 competitors operating in the city of Logan.

11. **Summary of Benefits** – Provide an overview on the positive affect that the project will have for the city of Logan and why funding should be allocated to the 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 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

The following information serves as an indicative guide to key requirements and timeframes in the application and approval process.

1. Council Meeting	An applicant meets with Council's Economic Development & Strategy Branch (mandatory) to discuss incentive eligibility and the associated application process.
2. EOI Submission	In circumstances where a Panel meeting is not imminent, an EOI form may be submitted by an applicant to demonstrate contestability prior to a formal application.
3. Formal Application Submission	An applicant prepares and submits a formal application form, along with supporting documentation, for Council's consideration.
4. Meeting Agenda	Economic Development & Strategy officers review the formal application and prepare a summary report to inform an agenda for a Panel meeting. Note: Panel meetings are convened on a monthly basis, or as required, to assess applications.
5. Applicant Notification	An applicant is notified of the outcome within thirty (30) business days of a Panel meeting. If successful, an applicant is provided with a formal offer and contractual agreement.
6. Establishment	Reporting and milestone requirements will be established through the contractual agreement.
7. Milestone Reporting	An applicant submits milestone reports to Council, to effect payment of incentive funds.
8. Monitoring	Council monitors reporting for the period of the contractual agreement.

Successful Applications

Successful applications will receive an offer of financial assistance. If the business accepts the offer, it will enter into a formal agreement with Logan City Council 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.

Contact

If you would like further information about the Fund, please contact the Logan Office of Economic Development on 07 3412 4888.