

POLICY



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Policy title: INCENTIVES FOR BUSINESS ATTRACTION
Directorate: GROWTH, ECONOMY AND SUSTAINABILITY
Branch: ECONOMIC DEVELOPMENT AND CITY PLANNING
Policy objective: To establish a framework for the administration of incentives offered to businesses potentially seeking to expand or re-locate within Logan City or to locate into Logan City.

Policy scope:

In determining the eligibility of businesses to be offered attraction incentives and the amount and accounting of such incentives in the form of a rate discount, the following criteria will apply:

Criteria one:

On enquiry there is a specific list of questions that help assess the benefits of the new enterprise to the local economy. The list includes:

- (a) land need and valuation
- (b) number of employees employed, being permanent and casual
- (c) the creation of any new jobs now and in the future
- (d) project cost
- (e) skills used
- (f) export marketing or export potential
- (g) employment of disadvantaged persons
- (h) materials used: type and value
- (i) use of local suppliers
- (j) level of assistance needed
- (k) alliance assistance needed (ie facilitation and resources re markets, government assistance, partners, finance, etc).

Criteria two:

A cost benefit analysis model is to be used to determine the benefit to the local economy of the new business.

Criteria three:

The benefit/cost ratio in the cost benefit analysis must be more than 5:1 for an incentive to be offered.

Criteria four:

The general rebate may be offered to a business owner intending to leasehold a property. There must be a written agreement with the landlord (the owner of the subject property) to remit the general rebate in full to the leaseholder of the property owned by the landlord.

Criteria five:

General rebates, in total, of more than \$30,000 over a three year period must be referred to the Council for approval. Rebates of less than \$30,000 over a three year period may be approved by the Mayor. Rate discounts for longer than three years are not permitted.

Definitions:

Not applicable.

Policy statement:

1. All offered incentives must be documented in a letter of performance which is to be signed by both parties. The letter should set out details of:
 - (a) the property owner’s name
 - (b) the property owner’s address
 - (c) the property reference number
 - (d) the rates rebate offered
 - (e) the business owner’s proposal details.
2. In the case of the business owner leaseholding the property, there must also be a letter of agreement with the landlord of the subject property to remit in full the general rebate to the leaseholder.
3. A confidential report on the offered incentive must be provided to the relevant committee.
4. Commercial arrangements
 The cost of all actual rate rebates shall be carried by the budget of Economic Development and City Planning. The Director of Growth, Economy and Sustainability shall make all necessary accounting arrangements to ensure that the appropriate rebates are granted correctly.

Related policies/legislation/other documents:

DOC ID	DOCUMENT	DOCUMENT NAME