
IM1* File No: 980392-1 Id No: 11271916
ECONOMIC DEVELOPMENT & STRATEGY BRANCH MONTHLY REPORT FOR
AUGUST 2017

REPORT OF: ECONOMIC DEVELOPMENT & STRATEGY MANAGER

Created: 23/08/2017

Criteria: Performance

SUMMARY

1. Significant branch activities that occurred throughout the month include:
 - 1.1. Successful joint LOED / Combined Chambers of Commerce event was held on 31 August featuring International speaker, Kevin Harrington. 100 people attended the event at Fitzzy's Loganholme, which was hosted by the Logan Chamber of Commerce.
 - 1.2. In conjunction with Centres Planning and Urban Design program engaged and appointed a health consultant to develop a Business Case for Health and Medical Investment in the City of Logan.

BRANCH OVERVIEW

1. Risks and Issues of Significance

- a. There were no risks or issues of significance during the month.

2. Branch Projects/Operations Update

- a. Branch projects update:
 - The development of the Destination Management Plan continued with further stakeholder engagement both inside and outside Council. The internal Tourism Working Group was formed and the first meeting is scheduled for the 6 September 2017.
 - The review and refresh of the destination website www.visitlogan.com.au commenced with agreement of activities and timelines. Subtle changes will be undertaken during September with more complex functionality being addressed in October.
- b. Other notable activities undertaken include:

Local Connections

- Nine local businesses were engaged during the month of August in the manufacturing, education and training and scientific services industries.
- Eighteen one-on-one mentoring sessions were held during the month, six initial meetings, 10 business advice sessions, one finance and one positioning session.
- One Effective Marketing Made Easy Course was delivered with 10 businesses attending.
- Another successful seminar in the Entrepreneurship series was held on 15 August in partnership with the Logan Campus of Griffith University. 140 people attended the seminar which focussed on the topic of branding and promotion.

IM1*

File No: 980392-1

Continued:

- There were over 3,000 unique views in 6,410 sessions on the loganjobs.com.au portal. Of these 36% were new and 64% were returning visitors. The high return rate demonstrates that the site is of value to those visiting. The average time on the site is 4 minutes which is high.
- Site visits were conducted with Queensland Reconstruction Authority to flood affected businesses in grant ineligible areas to understand the impact of the recent floods.

Industry Development and Investment Attraction

- Signature Beenleigh tourism project Spirits of the Red Sand was announced. Total project value of \$3M with total projected jobs of 120 over three years. Initial stage one jobs of 35 are currently being recruited. Officers connected the Beenleigh Historical Village and Museum with Queensland Tourism Industry Council and Department of Employment, Training and Education to commence three Skilling Queenslanders for Work programs to assist with site improvements for the new attraction.
- American automotive retail store (NAPA) has launched its first Australian franchise operation in Moss Street, Slacks Creek.
- Officers attended the Property Council of Australia half yearly Office Market Report breakfast gaining an understanding of the impact of Brisbane office market vacancies in attracting tenants to Springwood.
- Officers supported the Mayor and City Image Chair for their meeting with Minister Enoch on the progress of new tourism product in Logan.
- LOED hosted a table at the Beenleigh State High School Paddock to Plate luncheon and invited local food and agricultural related businesses, education and government agencies.
- Broader distribution of the Experience Logan brochure has commenced through Council's customer service centre and library network to tap into the visiting friends and relatives market.

Global Connections

- Officers attended a number of meetings in Sydney to meet investment enablers including Enterprise Singapore International, First Media and Colin Biggers and Paisley as well as National Australia Bank and Commonwealth Bank. The purpose of the meetings was to create awareness of the City of Logan and the investment and development opportunities that exist.
- The Branch updated Council's marketing collateral for the upcoming delegation to South Korea for the Mayor, Chief of Staff and Economic Development and Strategy Manager to attend the Asia Pacific Cities Summit and meetings program in Tokyo, Japan.
- The Branch coordinated three inbound delegations. Two were Sister City school student delegations from Shibukawa and Hirakata and one was a business delegation from China looking at property opportunities.

IM1*

File No: 980392-1

Continued:

- Officers engaged with Logan's Sister City, Hirakata, to discuss the upcoming Trade Mission to Japan to attend Hirakata City's 70th year celebrations and to introduce them to Shailer Park High School to explore the opportunity of a student exchange program.
- Officers participated in two trade related events. These were the Trade and Investment Queensland's Introduction to the Alibaba Ecosystem and the Australia China Business Council Food and Agri Working Group meeting.

For information.

During discussion on Item IM1, the time being 8.32 am, Councillor Dalley attended the meeting.

The City Image Committee recommended:

That the report be received.

Adopted by Council at its meeting of 19/09/2017 Minute No 281/2017

IM2 File No: 1006362-1 Id No: 11226856
INVESTMENT ATTRACTION INCENTIVE FUND
REPORT OF: ECONOMIC DEVELOPMENT & STRATEGY MANAGER

Created: 08/08/2017

REPORT OVERVIEW

PURPOSE OF REPORT

This report seeks approval of the framework and guidelines that will regulate the management of the Investment Attraction Incentive Fund, the purpose of which is to directly encourage the attraction of business activities that provide capital investment and new job creation through the application of financial incentives.

EXECUTIVE SUMMARY

As a part of the 2017-18 Budget, Council established the Investment Attraction Incentive Fund. The Investment Attraction Fund provides for \$1.5 million over 2017-2018, 2018-2019 and 2019-2020 for the purpose of attracting investment from business operations and projects that provide significant economic benefit and job creation for the City of Logan.

This report and supporting documentation (Investment Attraction Incentive Guidelines) provide the framework for determining the eligibility, assessment and administration of the fund pool for potential allocation to eligible businesses and projects.

The report makes three recommendations:

1. That the Investment Attraction Incentive Fund Guidelines, as attached to the report of the Economic Development & Strategy Manager dated 8 August 2017 (Id: 11229916), be endorsed for implementation.
2. That an Investment Attraction Incentive Fund Panel be established, consisting of Chair, City Image Committee; Chair, City Growth Committee; Director, Strategy and Sustainability; and Manager, Economic Development and Strategy to review applications and make recommendations on the level of incentives offered for consideration of Council.
3. That the Economic Development & Strategy Manager be requested to prepare an annual report to a future City Image Committee meeting detailing funds allocated and outcomes achieved for each of the financial years from 2017-18, 2018-19 and 2019-2020.

Criteria: Direction

CORPORATE PLAN PRIORITY

ET - ECONOMIC TRANSFORMATION

ET2 Investments, partnerships and innovation support economic growth in the city

REPORT DETAIL**BACKGROUND**

As a part of the 2017/18 Budget, Council established the Investment Attraction Incentive Fund to facilitate an increase in economic development activity for the City of Logan through the application of financial incentives that directly encourage the attraction of business activities that provide capital investment and new job creation.

At its meeting of 04/05/2017, the Committee of the Whole recommended:

That the service enhancement be supported - an allocation fund pool of up to \$500,000 for 2017/2018/, 2018/2019 and 2019/2020 for the purpose of attracting investment from business operations and projects that provide significant economic benefit and job creation for the City of Logan.

DISCUSSION

The core criteria for the Investment Attraction Fund is that a business which has a successful application can demonstrate a significant net economic benefit to the City of Logan that delivers both capital investment and genuine ongoing job creation. It is proposed that the incentive will only apply for those industries recognised as key target sectors and emerging industries as defined within the Economic Development Strategy 2016-2021.

More specifically, the following core guidelines and key eligibility criteria would be employed:

- the project provides a significant net economic and community benefit to the City of Logan equivalent to a minimum of five (5) times the dollar value amount of the incentive applied;
- a minimum capital investment of \$2 million;
- a minimum of ten (10) Full Time Equivalent (FTE) jobs created – these must be genuine ‘new’ jobs, not transported or relocated workforce;
- the project is contestable, i.e. the company is or has been (and can provide evidence) of consideration of other locations and would not otherwise happen in the City of Logan;
- there is proven commercial viability of the activity in the absence of any financial assistance through a fully costed business/project plan;
- the business must be a current operational business of more than two years and either have, or can obtain an Australian Business Number (ABN); and
- the project does not cause significant detriment to, and/or be in substitution for, existing businesses in the City.

A further condition related to eligibility is that the project commences (confirmed financial commitment to proposed location) within twelve months and operational within twenty four months of written confirmation that the Investment Attraction Incentive Fund application has been successful.

Whilst the intention is primarily for the attraction of new business, there may be occasions where the incentive could be accessed by an existing business seeking to expand or relocate due to increased productivity requirements, or addition of other business streams where significant additional ongoing economic impact can be demonstrated.

Assessment of proponent eligibility will be in accordance with the Investment Attraction Incentive Fund Guidelines (Id: 11163279) included as a Background Paper One. Initial assessment against the guideline criteria will be carried out at Branch level and where appropriate, recommended for further action and decision.

It is recommended that an Investment Attraction Incentive Fund Panel be formed to review recommendations and determine the appropriate level of incentive to be offered to the applicant, with final approval to be given by Council.

It is further suggested that the Investment Attraction Incentive Fund Panel consist of the following members:

- Chair, City Image Committee;
- Chair, City Growth Committee;
- Director, Strategy and Sustainability; and
- Manager, Economic Development and Strategy.

Any offer of financial relief or assistance will be subject to continued monitoring of agreed milestones and reporting criteria as determined within the guidelines, as well as any additional requirements stipulated by the assessment panel.

CONSULTATION

Consultation has occurred with all available councillors in preparation of this report.

CONCLUSION

The purpose of the Investment Attraction Incentive Fund is to directly encourage the attraction of business activities that provide capital investment and new job creation through the application of financial incentives. Strict eligibility and assessment and criteria, as laid out in the Investment Attraction Incentive Fund Guidelines (Id: 11163279) will be utilised to determine suitable candidacy of proponents.

RECOMMENDATION

IT IS RECOMMENDED:-

1. That the Investment Attraction Incentive Fund Guidelines, as attached to the report of the Economic Development & Strategy Manager dated 8 August 2017 (Id: 11226856), be endorsed for implementation.
2. That an Investment Attraction Incentive Fund Panel be established to review applications and make recommendations on the level of incentives offered for consideration of Council consisting of:
 - (a) Chairperson of the City Image Committee;
 - (b) Chairperson of the City Growth Committee;

IM2

File No: 1006362-1

Continued:

- (c) Director of Strategy & Sustainability; and
 - (d) Manager of Economic Development & Strategy.
3. That the Economic Development & Strategy Manager be requested to prepare an annual report to a future City Image Committee meeting detailing funds allocated and outcomes achieved for each of the financial years from 2017-18, 2018-19 and 2019-2020.

During discussion on Item IM2, the time being 8.41 am, Councillor Swenson attended the meeting.

The City Image Committee recommended:

1. That the Investment Attraction Incentive Fund Guidelines, as attached to the report of the Economic Development & Strategy Manager dated 8 August 2017 (Id: 11226856), be endorsed for implementation.
2. That an Investment Attraction Incentive Fund Panel be established to review applications and be delegated authority to make recommendations on the level of incentives offered consisting of:
 - (a) Chairperson of the City Image Committee;
 - (b) Chairperson of the City Growth Committee;
 - (c) Chairperson of the City Treasury Committee;
 - (d) Director of Strategy & Sustainability; and
 - (e) Economic Development & Strategy Manager.
3. That the Economic Development & Strategy Manager be requested to prepare an annual report to a future City Image Committee meeting detailing funds allocated and outcomes achieved for each of the financial years from 2017-18, 2018-19 and 2019-2020.

Against: Councillor Bradley

280/2017 **Resolved:** Cr L W Smith, Cr Swenson

1. That the Investment Attraction Incentive Fund Guidelines, as attached to the report of the Economic Development & Strategy Manager dated 8 August 2017 (Id: 11226856), be endorsed for implementation.
2. That an Investment Attraction Incentive Fund Panel be established to review applications, following consultation with the Divisional Councillor, and be delegated authority to decide applications on the level of incentives offered consisting of:
 - (a) Chairperson of the City Image Committee;
 - (b) Chairperson of the City Growth Committee;
 - (c) Chairperson of the City Treasury Committee;
 - (d) Director of Strategy & Sustainability; and

IM2

File No: 1006362-1

Continued:

(e) Manager of Economic Development & Strategy.

3. That the Deputy Mayor be authorised as a proxy member of the Investment Attraction Incentive Fund Panel in the case that one of the Councillor panel members is unavailable.
4. That the Director Organisational Services be authorised as a proxy member of the Investment Attraction Incentive Fund Panel in the case that one of the Executive Members is unavailable.
5. That the Economic Development & Strategy Manager be requested to prepare an annual report to a future City Image Committee meeting detailing funds allocated and outcomes achieved for each of the financial years from 2017-18, 2018-19 and 2019-2020.

Against: Councillors Bradley and Schwarz

Adopted by Council at its meeting of 19/09/2017 Minute No 280/2017

Background Papers



Investment Attraction Incentives 2017-2020 Guidelines and Application Requirements

Economic Development Strategy Branch

Background Papers

OVERVIEW AND INTENT

The City of Logan Investment Attraction Incentives are 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, diversity and value-add to the wider regional economy beyond the growth of the business itself.

The Investment Attraction Incentive 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; and
- support growth of other companies.

KEY TARGET SECTORS

The Investment Attraction Incentives Package is specifically targeted to businesses in the following industries:

- advanced manufacturing;
- transport and logistics;
- health and medical;
- professional and business services;
- emerging and innovative industries;
- agricultural and bio-technology; and
- tourism infrastructure.

MINIMUM ELIGIBILITY CRITERIA

All applications for the City of Logan Incentives Package will be assessed on a case-by-case basis. The following minimum eligibility criteria have been developed to ensure the efficacy and targeted use of financial incentives.

- project provides a significant net economic and community benefit to the City of Logan equivalent to a minimum of five (5) times the dollar value amount of the incentive applied;
- a minimum capital investment of \$2 million;
- a minimum of ten (10) Full Time Equivalent (FTE) jobs created – these must be genuine 'new' jobs, not transported or relocated workforce;
- project is contestable, i.e. the company is or has been (and can provide evidence) of consideration of other locations and would not otherwise happen in the City of Logan;
- proven commercial viability of the activity in the absence of any financial assistance through a fully costed business/project plan;
- be a current operational business of more than two years and either have, or can obtain an Australian Business Number (ABN) and;
- project does not cause significant detriment to, and/or be in substitution for, existing businesses in the City.

Background Papers

A further condition related to eligibility is that the project commences (confirmed financial commitment to proposed location) within twelve months and operational within twenty four months of written confirmation that the Investment Attraction Incentive Fund 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, importing, 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.

Council's Investment Attraction Incentive Fund does not apply to cases where investment assistance is required by Council to support a business threatened by closure or down-sizing. Financial assistance cannot be provided retrospectively.

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 following assessment guideline details the project information that is required from proponents in order to enable Council to assess a proposal for incentives under the Investment Attraction Incentive Fund Guidelines.

The information requirements are set out in three parts as follows:

- Part A: Detailed information on proposed project
- Part B: Specific additional information in relation to Eligibility Criteria
- Excel Tables: Detailed information on capital investment, employment and operational expenditure aspects of proposed projects

Background Papers

Part A – Project Details

Provide a detailed description of the proposed project including, where relevant, the following information.

1. Project Description

- a) Description of new project;
- b) Description of products/services to be offered as part of project;
- c) Time line projections for project detailing milestones from years 1 to 5 (including construction/commissioning period);
- d) Details of proposed location and premises at which proposed project will be conducted.

2. Project Expenditure Details

Provide an overview of the proposed capital expenditure and one-off (non-operational) costs associated with the project. Information required includes, where relevant, the following information:

- a) Amount of capital expenditure for project into the following categories:
- b) land and buildings,
- c) plant and equipment,
- d) technology,
- e) intellectual property,
- f) infrastructure,
- g) Other one-off establishment costs eg. relocation and training
(To assist assessment, this information can be provided in Table A2.1 in the accompanying excel spreadsheets)

3. Project Employment Details

Provide an overview of the proposed employment associated with the project. Information required includes, where relevant, the following information:

Construction/Establishment

- a) Details of employees, sub-contractors and consultants to be involved in the design, construction and commissioning of the project. *(Refer to attached Table A3.2 in the accompanying excel spreadsheets)*
- b) Projected average salary for employees and contractors involved in construction or establishment of project

Operation

- a) Breakdown of existing employment levels by category and skills base on a full-time equivalent (FTE) basis, and the average salary level by category *(Refer to attached Table A3.1 in the accompanying excel spreadsheets)*
- b) Details of all employees for proposed project on a FTE basis and projected average salary by category listed for each of the ramping up years *(Refer to attached Table A3.3 in the accompanying excel spreadsheets)*
- c) Number of employees to be (1) sourced locally and (2) relocated from elsewhere *(Refer to attached Tables A3.1 and A3.3 in the accompanying excel spreadsheets)*
- d) Details of the number of employees to be relocated from other company facilities and the expenses to be incurred in doing so during the initial start-up phase

Background Papers

Part B – Eligibility Criteria

In addition to the information provided in Part A, further specific information is required from the proponent as to how the project meets both the eligibility and assessment criteria of the Scheme.

SPECIFIC ELIGIBILITY CRITERIA

Eligibility Criterion 1

Proven commercial viability of the activity in the absence of any financial assistance through a fully costed business/project plan

Provide the following background information on the project:

- a) Name of Company (and Trading Name if different)
- b) ABN
- c) Website address
- d) Name & Address of parent company
- e) List full names of Directors and their Dates of Birth
- f) History of company and overview of existing company operations (including the current number of employees)
- g) Operating entity corporate structure showing directors, executive management and other key personnel (flow chart)
- h) Details of any actual or contemplated court action, other proceedings or investigations against the operating entity, associated companies and / or directors of the operating entity
- i) Provide information regarding the management capability within the company (including technical, operational and management expertise) for establishing and operating such a project
- j) Signed historical audited financials for the group and operating entity for last three years
- k) List all previous applications for financial support and/or assistance by either the State or Federal Government to the company or associated entities and the outcomes of such applications.
- l) List all current applications for financial support and/or assistance with either the State or Federal Government to the company or associated entities.

Eligibility Criterion 2

Demonstrate that the Project is commercially viable in the absence of incentives.

Provide information demonstrating the likely commercial viability of the proposed project. Where possible a detailed business plan outlining sales and expenditure projections for the project should be provided.

In assessing the likely commercial viability, the following information is sought where appropriate:

- a) Project Market projections
- b) Potential markets for new products/services
- c) Market research findings
- d) Marketing strategies
- e) Project Financial Projections

Background Papers

- f) 5 year financial projections including balance sheet, profit and loss statement and cash flows (showing key assumptions and sensitivity analysis for key variables)
- g) Major clients
- h) Proportion of sales intrastate, interstate and overseas

Project Funding

Detail where funding for project is to be sourced eg. parent company, internal funds, bank financing:

- a) details of finance – from where being sourced and terms and conditions
- b) levels of debt and equity (external to the Group) before and after project
- c) timing of funding/financial injections
- d) copies of documentation supporting any financing arrangements
- e) Details of existing banking arrangements
- f) Bank used to provide the performance bank guarantee
- g) Alternative funding arrangements in place should the primary source of funds fail or fall through
- h) Project Risk Management
- i) Risk assessment of the project/operation

Eligibility Criterion 3

Demonstrate the Project is Contestable.

- a) Provide details on the potential sites being considered for the project - including relative costings and an assessment of the relative advantages and disadvantages of potential sites.

Eligibility Criterion 4

Demonstrate the Project provides a significant Net Economic Benefit to the City including an increase in sustainable jobs.

In addition to the information provided in Part A, the following information on the project is also required:

- b) Detailed break-up of operational costs associated with the proposed project (raw materials, utilities, repair and maintenance etc.) for the ramp-up and full operation periods. *(Refer to attached Table B1 in the accompanying excel spreadsheets)*
- c) Details of projected sales and annual operating profit for the proposed project. In relation to projected sales, the percentage break-up to be sold (i) locally, (ii) rest of the State; and (iii) others. *(Select one of the scenarios (1) – (3) specified in Tables B2(a) – (d))*
- d) The dollar values of items such as (i) export, (ii) imported inputs, (iii) import substitution at both construction and operational phases, and (iv) import taxes, where relevant.
- e) Other general benefits to the economy (including research and development partnerships with Queensland based institutions) in Queensland including both regional and state level.

Background Papers

APPLICATION PROCESS

- a) Initial meeting with Council Investment Attraction Team (mandatory).
- b) Initial assessment by Investment Attraction Team to determine eligibility.
- c) If eligibility determined, application form completed and supporting information and documentation submitted.
- d) Assessment of application undertaken and recommendations made to Council.
- e) Decision made on application and any conditions determined.
- f) Applicant advised of outcome.
- g) If successful, applicant provided with formal offer and contractual agreement.
- h) Reporting and milestones established through contractual agreement.
- i) 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.

IM3 File No: 99-2 Id No: 11302128

*Confidential Deputation
Refer to Confidential Agenda in accordance with
Section 275.(1)(h) of the Local Government Regulation 2012*
BRAND DEVELOPMENT WORKSHOP

REPORT OF: MARKETING & EVENTS MANAGER

Created: 04/09/2017

REPORT OVERVIEW

PURPOSE OF REPORT

The purpose of this confidential report is to seek Councillor input and support to develop brand foundations and agree on core components of brand and positioning direction to inform the narrative and imagery for a unified City of Logan brand.

Representatives from leading creative agency Clemenger will be in attendance to conduct the workshop with Councillors and key stakeholders, with outcomes from the workshop to then guide the development of visual brand identifier concepts for review and testing.

Criteria: Direction

CORPORATE PLAN PRIORITY

II - IMAGE AND IDENTITY

II1 We are an innovative, dynamic, city of the future

Submitted under separate cover is a confidential presentation report relating to the above matter.

For consideration.

During confidential discussion on Item IM3, the time being 10.13 am, Councillor Dalley left the meeting.

During confidential discussion on Item IM3, the time being 10.15 am, Councillor Dalley returned to the meeting.

During confidential discussion on Item IM3, the time being 10.20 am, Councillor Swenson left the meeting.

During confidential discussion on Item IM3, the time being 11.11 am, Councillors Lutton, Breene, Smith and Power left the meeting.

During confidential discussion on Item IM3, the time being 11.12 am, Councillors Lutton and Breene returned to the meeting.

During confidential discussion on Item IM3, the time being 11.13 am, Councillors Smith and Power returned to the meeting.

The general discussions, opinions of others and documentation presented to the closed meeting are to be kept confidential until otherwise resolved by Council.

At this stage of the meeting the time being 11.39 am, moved Councillor Lutton seconded Councillor Bradley, the meeting was re-opened to the public in accordance with Section 274 of the *Local Government Regulation 2012*.

The City Image Committee recommended:

1. That the Marketing & Events Manager be requested to utilise the outcomes of the creative workshop held on 13 September 2017 to inform the development of the visual brand identifier concepts for review and testing.
2. That the Marketing & Events Manager be requested to provide a report to a future City Image Committee meeting providing tested visual concepts and creative rationales for consideration.
3. That the Corporate Governance Manager be requested to place the confidential report of the Marketing and Events Manager dated 4 September 2017 (Id: 11302047) into the public records in 12 months.

Adopted by Council at its meeting of 19/09/2017 Minute No 281/2017