

## ECONOMIC DEVELOPMENT INCENTIVES FRAMEWORK

### **Purpose:**

The Central Highlands Regional Council (CHRC) is committed to the promotion of high quality economic development in all parts of the region, and to an ongoing improvement in the quality of life for its citizens through its Community and Corporate Plan. The purpose of this framework is to facilitate this development through the provision of development incentive packages that will relate to economic development, across all industries and will be considered separately to the development application process and any future reduction of infrastructures charges as supported by Council.

### **Preamble:**

CHRC is committed to providing businesses a positive economic environment consistent with Council's corporate outcomes.

- *Building and maintaining quality infrastructure*
- *Strong, vibrant communities*
- *Proactive, engaged leadership*
- *Supporting our local economy*

It is acknowledged by Council that circumstances may arise where an investment project may not otherwise establish in the region in the absence of incentives. In some cases, investment projects that would have a positive impact on the economy may require additional incentives to overcome a short-term impediment to establish in the region.

### **Context:**

Insofar as the Council's objectives are generally served by the enhancement and expansion of the local economy, the Council will, **on a case-by-case basis**, give consideration to providing development incentive packages as stimulation for economic development in the region.

1. Development incentive packages apply to both new facilities and structures and for the expansion or modernisation of existing facilities and structures across all industries.
2. Development Incentives packages may be granted in a lump sum, paid in instalments and may be tied to project or development goals.

Development Incentive packages will not be ordinarily considered for projects which would be developed without such incentives unless it can be demonstrated that higher development standards or other development and community goals will be achieved through the use of the incentive.

Any consideration will be provided in accordance with Council's adopted local laws, policies, procedures and minimum requirements and will be subject to the availability of adequate funds within Council's adopted and or revised budget.

**Budget amount set aside for development incentives - \$150,000** (*sourced via November Revised Budget up to 30 June 2015*)

Nothing in this framework shall imply or suggest that the Council is under any obligation to provide any incentive to any applicant.

All applicants shall be considered on a case-by-case basis.

#### Minimum requirements

The project shall:

1. Be consistent with Council's vision, mission and outcomes
2. Be in accordance with Council's (soon to be adopted new) planning scheme (*and in particular be consistent with the Strategic Framework and any relevant local area structure plan*)
3. Have no significant negative environmental impacts on the community (e.g. significant pollution or hazardous waste or noise)
4. Stimulate local employment and/or commercial/rural activity which will benefit existing businesses and the community
5. Not be considered to compete with existing businesses to the extent of being a detriment to the local economy as a whole
6. Clearly improve the quality of life for residents of the region
7. Serve as a catalyst to attract or retain other high quality commercial, industrial business, community, rural or cultural heritage developments and tourism developments
8. Provide evidence of pre-lodgement meeting (if applicable) with relevant Council officers
9. Lawfully established business if applying for rates remissions

### Category

The Development Incentive packages available will be economic (for example as an incentive package to locate, relocate or improve new or existing businesses) and assessment criteria will be in accordance with adopted Council procedures, with the final determination being made by Council.

### **Incentives available for consideration:**

The components of the incentive available will be at the discretion of CHRC by negotiation with the applicant and relate specifically to the needs of the project and the benefit to the Central Highlands economy.

The following are examples of areas of incentives available for consideration:

- Rates remissions (new and established businesses);
- Reduction or elimination of fees and charges (*charged back to the relevant programme*);
- Time schedule for payment of fees and charges;
- Joint marketing/promotions packages.

Incentives are not limited to these areas and the applicant may also apply for other specific incentives relative to each project to be considered by Council.

Incentives may also be available from other sources and levels of governments and these may be considered with each application.

### **Procedure for assessment of economic development incentive packages:**

1. Application shall be made to Council on the approved application form and should also be accompanied by supporting information to assist in the assessment of the request
2. The application must comply with the minimum criteria outlined in the framework before proceeding further with any additional assessment
3. The application will then be assessed against the following eligibility criteria:
  - a). Involve the creation of at least ten (10) full time equivalent positions or investment of at least \$1 million;
  - b). Demonstrate commercial viability in the absence of incentives;

- c). Have a demonstrated need/justification to overcome a short term resource or infrastructure impediment to development in the region;
- d). Not involve a significant detriment to and/or substitution for existing businesses in the Central Highlands; *e.g. A pioneering project may meet this requirement.*
- e). Be expected to provide a significant net economic benefit to the Central Highlands region.
- f). Completed within two (2) years of date of Decision Notice (if applicable).

As a guide, projects that are likely to satisfy these criteria might:

1. Be in an industry sector consistent with the delivery on Council's Corporate and Strategic Goals for the development of the local economy, or;
2. Establish or assist in the expansion of important economic infrastructure, or;
3. Fill a gap in an existing business or rural sector, or;
4. Establish a catalyst project for development or industry, or;
5. Promote viable local development where the Central Highlands has a unique or competitive advantage, or
6. A project Council believes adequately addresses the framework requirements.

A report on the application/s will be forwarded to Council's "Enterprise Central Highlands" Sub-Committee (including the Mayor, Deputy Mayor, two (2) other Councillors, CEO, General Manager Communities and General Manager CHDC) with a recommended incentives package for the eligible project.

The Sub-Committee will consider the application and make a recommendation to Council for consideration.

Should the Council determine that it is in the **best economic interests** to provide development incentives to a particular proposal, a resolution shall be adopted declaring that under the framework and criteria established herein, the application is eligible for a development incentive package.

The resolution shall further authorise the Mayor and the Chief Executive Officer to execute a contract with the applicant governing the provision of the incentive package if considered necessary.

Any agreement so adopted must include at least the following specific items:

1. Description of the type of incentive provided
2. Amount of the incentive and timeframe for payment
3. Method for calculating the value of the incentive
4. Duration of the incentive
5. Legal description of the property
6. Type, number, and location of planned improvements
7. Relevant performance measures to which the development shall adhere or attain in order to receive the incentive package.

**NOTE:**

If the “*Enterprise Central Highlands*” Sub-Committee or CHRC determine the types of businesses considered appropriate to attract to the area, greater support may be provided for this category. Projects outside of this category may receive support depending upon outcomes of the assessment & recommendation of the “*Enterprise Central Highlands*” Sub-Committee.