

**STATE OF ALABAMA
STATE INDUSTRIAL DEVELOPMENT AUTHORITY
100 N UNION STREET, SUITE 224
MONTGOMERY, ALABAMA 36130
PHONE (334) 353-1199**

Revised 2019

**Application Instructions
State of Alabama Industrial Development Grants**

Counties, municipalities, local industrial development boards or authorities, economic development councils or authorities, airport authorities, port authorities or public corporations or certain state agencies or departments (Grantees) may apply to the State Industrial Development Authority (SIDA) for industrial development grants. SIDA is authorized by Alabama Act No. 91-635, as amended by Alabama Act No. 97-645, Act 99-590, Act 99-591, Act 2006-417, Act 2007-300, Act 2011-215 and Act 2018-541 to issue grants for the preparation of **Project Sites**. Grant funds provided to a Grantee for use in the preparation of a **Project Site** may be utilized for (1) preparation of a means of access to the site; (2) provision for adequate drainage of the site to prevent the accumulation of excess natural waters thereon; (3) boundary and topographical surveying, clearing and grubbing, and excavating; (4) the reasonable rehabilitation of buildings and other structures; and, (5) other work relative to site preparation deemed necessary or appropriate.

In order to be eligible for an industrial development grant, the activity occupying the project site must be a **Qualifying Project**. Qualifying Project is defined as:

A project to be sponsored or undertaken by one or more investing companies (i) at which the predominant trade or business activity conducted will constitute industrial, warehousing or research activities, or (ii) which qualifies as a headquarters facility.

Industrial, Warehousing or Research Activity as defined below will be for Qualifying projects with Notification Letters dated prior to April 6, 2018:

Any trade or business described in 1987 Standard Industrial Classification Major Groups 20 to 39, inclusive, 50 and 51, Industrial Group Number 737, and Industry Numbers 0724, 8731, 8733 and 8734, as set forth in the Standard Industrial Classification Manual published by the United States Office of Management and Budget, and includes such trades and businesses as may be hereafter reclassified in any subsequent publication of the Standard Industrial Classification Manual or other industry classification system developed in conjunction with the United States Department of Commerce, or any process or treatment facility which recycles, reclaims, or converts materials, which include solids, or gases, to a reusable product.

Headquarters Facility defined in Section 40-18-372 (1) d. or f. and **Industrial, Warehousing or Research Activity** defined in Section 40-18-372 (1), pursuant to Act 2018-541 will be for Qualifying projects with Notification Letters dated on or after April 6, 2018:

a. Described by NAICS Code 1133, 115111, 2121, 22111, 221330, 31 (other than 311811), 32, 33, 423, 424, 482, 4862, 48691, 48699, 48819, 4882, 4883 (other than 48833), 493, 511, 5121 (other

than 51213), 51221, 517, 518 (without regard to the premise that data processing and related services be performed in conjunction with a third party), 51913, 52232, 54133 (if predominantly in furtherance of another activity described in this article), 54134 (if predominantly in furtherance of another activity described in this article), 54138, 5415, 541614, 5417, 55 (if not for the production of electricity), 561422 (other than establishments that originate telephone calls), 562213, 56291, 56292, 611512, 927, or 92811.

b. The production of biofuel as such term is defined in Section 2-2-90(c)(2).

c. The conduct of original investigations undertaken on a systematic basis to gain new knowledge or the application of research findings or other scientific knowledge to create new or significantly improved products or processes.

d. The national or regional headquarters for a company that conducts significant business operations outside the state and that will serve as the principal office of the company's principal operating officer with chief responsibility for the daily business operations of the company.

e. A commercial enterprise which is open to the public not less than 120 days during a calendar year and is designed to attract visitors from inside or outside of the State of Alabama, typically for its inherent cultural value, historical significance, natural or man-made beauty, or entertainment or amusement opportunities, including, but not limited to, a cultural or historical site, a botanical garden, a museum, a wildlife park or aquarium open to the public that cares for and displays a collection of animals or fish, an amusement park, a convention hotel and conference center, a water park, or a spectator venue or arena.

f. A target of the state's economic development efforts pursuant to the Accelerate Alabama Strategic Economic Development Plan adopted in January 2012 by the Alabama Economic Development Alliance, created by Executive Order Number 21 of the Governor on July 18, 2011, or any amended version or successor document thereto.

g. A type listed in a regulation adopted by the Department of Commerce, other than a regulation submitted as an emergency rule.

Notwithstanding the foregoing, a qualifying project may not engage predominantly in farming activities involving trees, animals, or crops, and a qualifying project may not engage predominantly in the retail sale of tangible personal property or services, and may not be a shopping center, restaurant, movie theater, bowling alley, fitness center, miniature golf course, nightclub, gaming facility, or establishment serving the local community. However, if such excluded activities are not the predominant activity at the project, and if the project is otherwise a qualifying project, then the project agreement may provide that the capital investment may include costs related to excluded activities that are ancillary to the primary business conducted as part of the project. This provision shall not be deemed to exclude customer service centers, call centers or headquarters otherwise allowed by this subdivision (1).

The amount of funds provided through the grant will be a percentage of the **Capital Costs** involved in the Qualifying Project. Expense items included within the definition of Capital Costs are specified in the Industrial Development Grant Application Form. For each item of expense claimed by the Grantee, documentation supporting the claim must be attached to the Grant Application.

Capital Costs	Percent of Capital Cost or Limit (Grant Amount)
less than \$200,000	5.0%
\$200,000 - \$499,999	3.5% (minimum \$10,000)
\$500,000 - \$999,999	2.5% (minimum \$20,000)
\$1,000,000 - \$1,999,999	1.5% (minimum \$28,000)
\$2,000,000 - \$9,999,999	1% (minimum \$32,000)
\$10,000,000 - -	.75% (minimum \$100,000; maximum \$150,000)

Act 99-51 as amended by 2018-541 (the Act) requires entities seeking an Industrial Development Grant or certain other incentives to notify the Secretary of Commerce of the general parameters of the Qualifying Project (Project). The Act requires the Secretary to transmit a letter acknowledging receipt of the notification (Notification Acknowledgement Letter). General parameters are defined as the following:

- Project name (the notification may be on an anonymous basis, i.e., “Project Alpha.”)
- Project location.
- Estimated capital investment.
- Number of jobs created by the project.
- Projected date of first operation.

Additionally, applications for Industrial Development Grants cannot be submitted to the SIDA until the construction of the Qualifying Project has been completed.

Supporting documentation required in addition to the application is as follows:

1. A copy of the Notification Acknowledgement Letter.
2. Legal description of the project site and address.
3. If the Grantee is a public corporation or authority, a certified copy of a Resolution directing the chairman or executive officer to apply.
4. A certification by a registered engineer, architect, or Grantee stating the actual Capital Costs and site preparation costs (List must be itemized).
5. If the Capital Costs of the Qualifying Project are to be financed by a bond issue or a commercial loan, verification of the issuance of the bond or the loan must be submitted.

If the Capital Costs are to be financed by the industry, the SIDA will accept:

- copies of paid invoices supporting the Capital Costs
- or -
- an affidavit, signed by the company president, stating that the Capital Costs claimed in the application are true and accurate, and that the company paid the Capital Costs from its own assets.

Completed Industrial Development Grant Application Form and all required supporting documentation should be submitted to:

Sandi Taylor
State Industrial Development Authority
c/o Dept of Finance - Debt Management
100 N Union Street, Suite 224
Montgomery, AL 36130-2601

Telephone: 334-353-1199
E-mail: sandi.taylor@finance.alabama.gov