



OVERVIEW

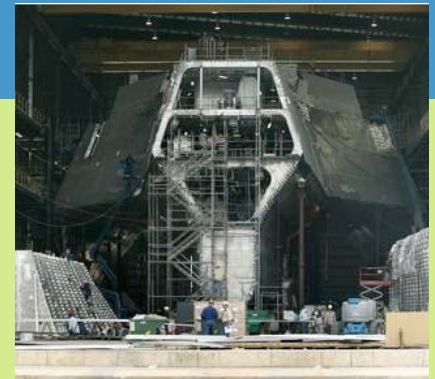
Alabama Act Number 91-635, as amended by Alabama Act No. 97-645, Act 99-590, Act 99-591, Act 2006-417 and Act 2007-300, authorizes the State Industrial Development Authority to sell bonds to make grants to counties, municipalities, local industrial development boards or authorities or economic development councils or authorities, airport authorities, port authorities or public corporations to pay for site preparation for land owned or possessed by lease by these entities.

Act 99-351 (the Act) requires entities seeking an Industrial Development Grant or certain other incentives to notify the Secretary of the Alabama Department of Commerce (the Secretary) 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)
- Project location
- Estimated capital investment
- Number of jobs created
- Projected date of first operation

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



ESTABLISHMENTS / EMPLOYMENT

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.

The size of the grant depends upon the amount of capital investment:

Capital Costs	Percentage of Capital Cost
Less than \$200,000	5.00%
\$ 200,000 to \$499,999	3.5% (minimum \$10,000)
\$ 500,000 to \$999,999	2.5% (minimum \$20,000)
\$ 1,000,000 to \$1,999,999	1.5% (minimum \$28,000)
\$ 2,000,000 to \$9,999,999	1.0% (minimum \$32,000)
\$10,000,000 and greater	0.75% (minimum \$100,000; maximum \$150,000)

