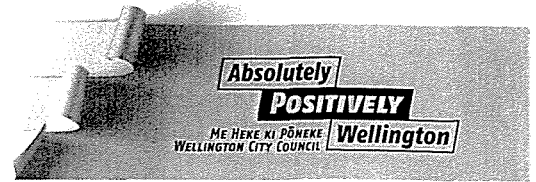


**Economic Development Fund
Minutes of meeting 13 August 2013**



Attendance

1. The meeting was attended by:

- The Mayor Wade-Brown
- Councillor Morrison
- Councillor Coughlan

Officers in attendance were:

- Kevin Lavery
- Derek Fry
- Danny McComb

Matters Discussed

2. The panel considered a proposal for the provision of an Economic Development Grant to CallActive Pty Limited.
3. The grant request was for NZ\$300,000 to assist with the costs of establishing and growing a new call centre operation in the Wellington CBD.
4. Officers recommended the provision of the grant through a suspensory loan agreement that would link the provision of the grant to the delivery of agreed outcomes.
5. The key outcomes are the creation of 200 new full time equivalent jobs in the Wellington CBD within 12 months and the retention of those jobs for a further 12 months.
6. The panel noted that the growth ambitions of CallActive did not come through in the paper and the Chief Executive explained the plans of CallActive went beyond the creation of 200 jobs and that the business had plans to expand substantially beyond the 200 job mark and had taken options on additional floorspace in the Guardian Trust Building to accommodate future growth.
7. The increase in jobs was viewed as a key benefit of the proposal and also the ancillary benefits to students seeking work to support their studies and getting woman back into the workforce.
8. There was discussion around the process whereby the proposal was essentially fully worked up by Officers prior to coming to the panel and the opportunity for the panel to do anything other than rubber stamp the proposal was limited.

The panel requested early engagement on these types of discussions and that future meetings also include a scan of what items were on the horizon, however retaining the ability to be nimble was important.

9. Councillor Coughlan questioned what level of incentive, if any, was made available to CallActive to locate its operations in Auckland. Officers advised that they were unaware of the substance of any discussions with Auckland and in line with our own approach to these matters we would expect these to be confidential between the parties.
10. The panel noted that a formal funding request had been received from CallActive and Councillor Coughlan requested that a copy of the letter be circulated to the panel for their information.
11. Councillor Coughlan asked why the funding was a grant and not provided by a repayable loan. Officers advised that they were responding to a funding request for a grant and had negotiated the level of the grant request from \$350k down to \$300k and had protected the job creation outcomes of the grant through the suspensory loan.

Decision

12. The panel agreed the recommendations of the paper.
 - I. **That** the Committee agree to the provision of an Economic Development Grant of \$300,000 to CallActive Pty Limited from the \$3m Economic Development Initiatives Fund.
 - II. **That** the Chief Executive be authorised to finalise and execute the formal grant agreement on the terms as outlined in the paper. The grant will be payable in full on the satisfactory execution of the agreement.
 - III. **That** Officers are requested to report back to the Committee periodically on the milestone targets and the status of the suspensory loan and consequential loan reductions.