



Mentor Incentive Grant (MIG) Guidelines

The Mentor Incentive Grant (MIG) is a performance-based incentive program that encourages business attraction, as well as expansion and retention of existing businesses, which results in increased income tax receipts for the City of Mentor and additional revenue within the community. The MIG can be used in combination with the Community Reinvestment Area (CRA) program, the Mentor Small Business Loan Program, Mentor Economic Assistance Corporation (MEACO) Small Business Administration 504 Loans, or other County, State and JobsOhio loans and incentives.

A company must make an investment in real property (leases, building purchase, expansion, or new construction) and/or in machinery and equipment, and create or maintain payroll at an agreed upon level to receive the grant. The grant agreement will specify the starting payroll, estimated annual payroll increases, percentages used to calculate the grant, and the terms of the grant. The greater a company exceeds the initial payroll threshold, the more it benefits from the incentive grant. The grant can be for multiple years, and the term will be determined by the amount of investment being made by the applicant. The Mentor Incentive Grant is not a refund or rebate of any income taxes collected by the City; all grant payments are made from non-tax City revenues.

Grant recipients are required to maintain membership in the Mentor Area Chamber of Commerce for the duration of the grant. The City of Mentor will deduct two percent (2%) annually from grant payments to be placed into the Mentor Economic Development Fund. To the extent of being practical, businesses are encouraged to purchase goods and services from businesses in Mentor with grant proceeds.

TERM OF GRANT

In order to qualify, an **existing Mentor company** must propose a level of investment (see Table 1) consisting of an extended or new property lease, real property investment, and personal property investment linked to new job creation. A **company relocating** to Mentor must demonstrate a similar level of investment and job creation. The term of the grant is based upon the level of investment and job creation. Terms can range from three to ten years.

Investment

Real Property

Property Lease

Personal Property

Factors

Value of building purchase, expansion, or new construction (value of land is excluded).

Value of lease and leasehold improvements. Grant term will not exceed the term of the lease agreement.

Value of new or relocated machinery and equipment, additional immediate investment, and value of new inventory.

<u>Value of Investment</u>	<u>Term of Grant</u>
\$ 500,000	3 years
\$ 750,000	4 years
\$1,000,000	5 years
\$1,500,000	6 years
\$2,000,000	7 years
\$2,500,000	8 years
\$3,000,000	9 years
\$4,000,000 +	10 years

AMOUNT OF GRANT

The amount of the grant for a new company to Mentor is determined by the company’s initial payroll. In the case of an existing Mentor company, the grant amount is determined by the additional payroll created.

CITY PAYROLL

\$525,000 - \$876,000
 \$876,001 - \$1,750,000
 \$1,750,001 - \$2,625,000
 \$2,625,001 - \$3,500,000
 \$3,500,001 +

GRANT AMOUNT

Grant amount equivalent to 10% of City payroll taxes paid
 Grant amount equivalent to 20% of City payroll taxes paid
 Grant amount equivalent to 30% of City payroll taxes paid
 Grant amount equivalent to 40% of City payroll taxes paid
 Grant amount equivalent to 50% of City payroll taxes paid

EXAMPLE BASED ON GUIDELINES

Investment = \$5,000,000
 New Payroll = \$2,000,000 (new annual payroll to City of Mentor)
 Potential MIG = 30% (grant equivalent to 30% of City payroll taxes paid)
 Term = 10 Years
 Calculation = \$2,000,000 payroll X .02 City Payroll Tax = \$40,000 in new payroll taxes paid
 \$40,000 X 30% MIG = **\$12,000 Annual Grant Amount to business for 10 years**

FOR ADDITIONAL INFORMATION CONTACT:

Ronald M. Traub, *Director, Economic & Community Development*
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Thomas W. Thielman, *Economic Development Administrator*
Thielman@CityofMentor.com

Department of Economic & Community Development

City of Mentor, 8500 Civic Center Boulevard
 Mentor, Ohio 44060

Phone: 440-974-5740 Fax: 440-205-3605

www.cityofmentor.com

MENTOR INCENTIVE GRANT APPLICATION

APPLICANT INFORMATION

Business Name: _____

Current Address: _____ City: _____

State/Zip: _____ Phone: _____

NAICS Code: _____ Web: _____

Project Address: _____

Contact Name: _____ Phone: _____

Email: _____ Fax: _____

Briefly describe business: _____

Project start date: _____

Estimated completion date: _____

PROJECT

Briefly describe proposed project, including costs (i.e. equipment purchases, building renovations, building purchase, cost of lease, length of lease, and all costs associated with the project). Additional documentation may be attached.

Total Project Cost: \$ _____

Land, Building, Renovation, New Construction \$ _____

Machinery & Equipment \$ _____

Research & Development, Other Costs: \$ _____

CURRENT PAYROLL & PAYROLL PROJECTIONS

Payroll for the current year \$ _____ As of _____

Previous Two Years of Payroll \$ _____ Year _____

\$ _____ Year _____

Number of employees (current) # _____ Year _____

Number of employees previous two years # _____ Year _____

_____ Year _____

Projected payroll when project completed \$ _____ Year _____

Projected payroll for subsequent year(s):

20____, \$ _____	20____, \$ _____	20____, \$ _____
20____, \$ _____	20____, \$ _____	20____, \$ _____
20____, \$ _____	20____, \$ _____	20____, \$ _____

Projected number of jobs for subsequent year(s):

20____, # _____	20____, # _____	20____, # _____
20____, # _____	20____, # _____	20____, # _____
20____, # _____	20____, # _____	20____, # _____

“But for” the City’s assistance the project may not proceed.

(Print Name & Title)

(Signature)

(Date)

Please submit to:
Ronald M. Traub, Director
Department of Economic & Community Development
City of Mentor
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Phone: 440-974-5739 Fax: 440-205-3605
Email: traub@cityofmentor.com