



MENTOR INCENTIVE GRANT (MIG) GUIDELINES

A performance based incentive program to encourage business attraction & the retention of existing businesses which will result in increased income tax receipts for the City of Mentor and additional economic development within the community. This grant program was created to serve as an alternate to the Enterprise Zone program that provides for real & personal property tax abatement. The grant can be used in combination with the Community Reinvestment Area program, revolving loan program, MEACO SBA loans, or State loans and incentives. To the extent of being practical, businesses will purchase goods and services from businesses in Mentor with grant proceeds.

A company must make an investment in building and/or machinery & equipment and create and maintain a 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; the term will be determined by the level of investment being made. The grant itself is not a refund or rebate of any taxes collected by the city; grants are 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 and provide an internship and scholarship based upon negotiated terms.

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 initial investment and job creation. Terms can range from three to ten years.

Table 1

<u>Investment</u>	<u>Factors</u>
Real Property	Value of building (land value excluded)
Property Lease	Term and value of lease, value of leasehold improvements (note: term of grant not to exceed lease term)
Personal Property	Value of new or relocated M&E, additional immediate investment, and 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.

<u>Payroll</u>	<u>Grant Amount</u>
\$525,000 - \$876,000	0.002% of payroll / 10% of City Payroll Taxes Paid
\$876,001 - \$1,750,000	0.004% of payroll / 20% of City Payroll Taxes Paid
\$1,750,001 - \$2,625,000	0.006% of payroll / 30% of City Payroll Taxes Paid
\$2,625,0001 - \$3,500,000	0.008% of payroll / 40% of City Payroll Taxes Paid
\$3,500,0001 - +	0.010% of payroll / 50% of City Payroll Taxes Paid

NONPAYMENT PROVISION

Payroll thresholds are established as part of the grant agreement. Should the company fail to achieve the payroll threshold for a given year as determined by the Director of Finance, the grant is subject to non-payment.

FOR ADDITIONAL INFORMATION CONTACT

Ronald M. Traub, *Director, Economic & Community Development*
Traub@CityofMentor.com

Thomas W. Thielman, *Economic Development Administrator*
Thielman@CityofMentor.com

Department of Economic & Community Development

City of Mentor
8500 Civic Center Blvd.
Mentor, Ohio 44060

Phone: 440-974-5740 or 440-974-5739
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, bldg. 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 \$ _____

R & D, 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____, _____ jobs	20____, _____ jobs	20____, _____ jobs
20____, _____ jobs	20____, _____ jobs	20____, _____ jobs
20____, _____ jobs	20____, _____ jobs	20____, _____ jobs

"But for" the City's assistance the project may not proceed.

(Print Name & Title) (Signature) (Date)

Please submit to the:
Department of Economic & Community Development
City of Mentor
8500 Civic Center Boulevard, Mentor, Ohio 44060
Attn: Ronald M. Traub, Director Economic & Community Development
Phone: 440-974-5739
Fax: 440-205-3605
Email: traub@cityofmentor.com