



## Mentor Incentive Grant (MIG) Guidelines

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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*  
[Traub@CityofMentor.com](mailto:Traub@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](http://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  
8500 Civic Center Boulevard, Mentor, Ohio 44060  
Phone: 440-974-5739 Fax: 440-205-3605  
Email: traub@cityofmentor.com