



Guidelines for Tax Abatement in Economic Revitalization Area City of Michigan City, Indiana

The Economic Development Corporation Michigan City (EDCMC), working with the Mayor's Office, Michigan City Common Council, and the Michigan City Redevelopment Commission, has formulated guidelines for tax abatement requests within the Economic Revitalization Area. Each category has a threshold of acceptance and benchmarks for the number of years of tax abatement. The number of years of tax abatement may be increased or decreased by the Redevelopment Commission and/or the Common Council with the addition of positive or negative factors cited. Final authority rests with the Michigan City Common Council.

These guidelines are to be used as a starting point for negotiations within the City and TIF Districts with final decisions based on a project's return on investment (ROI) and community objectives. The EDCMC will use these guidelines in negotiations, however final decisions will always remain with the Michigan City Common Council. Large and unusual projects that do not meet these guidelines will be handled on a case by case basis and most likely require a development agreement with the Redevelopment Commission and/or the Michigan City Common Council. As provided by Indiana Code § 6-1.1-12.1-14, the City can impose a fifteen percent (15%) fee on the tax abatement each year where a tax abatement for real or personal property results in a deduction from assessed value of \$350,000 or more during the abatement period.

Applicants are required to complete an application, economic analysis, fee agreement, city resolution and State forms; and submit to the EDCMC before the complete application can proceed to a public hearing before the Michigan City Common Council. Please contact our office if you need general information or intend to pursue a tax abatement.

Manufacturing/Distribution

Threshold:

- Development/redevelopment not begun/Equipment not ordered.
- Minimum \$250,000 investment in personal property or \$500,000 investment in real property.
- Variances/special exceptions have passed initial staff review.

Benchmarks:

- Up to Seven (7) years – real estate.
- Up to Five (5) years - manufacturing equipment.

Positive Factors (increase years of abatement):

- Located in Industrial Areas or Designated Areas.
- More than one (1) job created/retained per \$100,000 investment.
- An increase in overall payroll based on new employees or increase in wages.
- Eligible Sectors – State of Indiana and Northwest Indiana Target Industries.
- Commitment to hire/retain residents of Michigan City including for construction.
- Commitment to hire local businesses for construction and other services.

- Jobs include benefits.
- Jobs pay more than MSA/county average.
- Job openings are posted on the state's free job site: www.indianacareerconnect.com.
- Company history of strong corporate citizenship and/ or community involvement/investment.

Negative Factors (decrease years of abatement):

- Location in TIF other than Designated Corridors.
- Jobs pay lower than county average.
- Prior tax abatement received.
- No TIF funds requested.

Commercial (Office)

Threshold:

- Development/redevelopment not begun.
- Commercial only eligible in designated corridors.
- Minimum \$500,000 investment in real property.
- Variances/special exceptions have passed initial staff review.

Benchmark:

- Three - Five (3-5) years – real estate only.

Positive Factors (increase years of abatement):

- Located in Industrial Areas or Designated Areas.
- An increase in overall payroll based on new employees or increase in wages.
- Eligible Sectors – Healthcare, IT, Call Centers, Finance, Insurance, Real Estate Sector.
- Commitment to hire/retain residents of Michigan City including for construction.
- Commitment to hire local businesses for construction and other services.
- Jobs include benefits.
- Jobs pay more than MSA/county average.
- Job openings are posted on the state's free job site: www.indianacareerconnect.com.
- Company history of strong corporate citizenship and/or community involvement/investment.

Negative Factors (decrease years of abatement):

- Location in TIF other than Designated Corridors.
- Jobs pay lower than county average.
- Prior tax abatement received.
- No TIF funds requested.

Economic Development Corporation Michigan City
Two Cadence Park Plaza
Michigan City, IN 46360
Phone: 219-873-1211
Email: info@edcmc.com
www.edcmc.com