



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 (“City Council”), and the Michigan City Redevelopment Commission, has formulated guidelines for tax abatement requests within the Economic Revitalization Area in Michigan City. Each category of abatement has a threshold of acceptance and benchmarks for the length of the abatement. The abatement length may be increased or decreased based on cited positive or negative factors.

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, the final decision rests 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 may require a development agreement with the Redevelopment Commission and/or the Michigan City Common Council.

In order to receive the EDCMC’s assistance with the abatement application, applicants are required to complete and submit to the EDCMC an application, resolution and signed exhibits, and a statement of benefits form. Please contact our office in the early stages of planning, if you need general information, or intend to pursue a tax abatement.

All tax abatement requests must fall under the State of Indiana Code (I.C.) 6-1.1-12.1, et seq. general statute.

Manufacturing/Distribution Business/FIRE/Healthcare

Threshold:

- Real Estate development/redevelopment not commenced begun/Equipment not installed.
- Minimum \$1,000,000 investment in real property or \$1,000,000 investment in personal property.
- Variances/special exceptions have passed initial planning staff review.

Benchmarks:

- Real Estate – Up to Seven (7) years
- Personal Property - Up to Five (5) years

Commercial Building

Threshold:

- Real estate development/redevelopment not commenced.
- Commercial only eligible in designated corridors.
- Minimum \$1,000,000 investment in real property.
- Variances/special exceptions have passed initial planning staff review.

Benchmark:

- Real Estate – Up to seven years. (Eligible for real estate only)

Positive Factors (that may affect value/years of abatement):

- Located in Commercial/Industrial Areas or Designated Areas.
- An increase in overall payroll based on new employees or increase in wages.
- Eligible Sectors – State of Indiana/Northwest Indiana/City of Michigan City Target Industries.
- Make an effort to hire/retain residents of Michigan City.
- Make an effort to hire local businesses for construction and other services.
- Jobs that include benefits.
- Jobs pay more than MSA/county average.
- Job openings are posted on the state’s free job site: www.indianacareerconnect.com.
- Company demonstrates history of strong corporate citizenship and/ or community involvement/investment within Michigan City.

Negative Factors (that may affect years/value of abatement):

- Location in TIF other than Designated Corridors.
- Jobs pay lower than county average.
- TIF funds requested.

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