

PRESSRELEASE

Mayor's Office • 100 East Michigan Blvd. • Michigan City, IN 46360 • (219)873-1400 • Fax: (219)873-1515

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Michigan City Urban Enterprise Association Receives Approval for Re-designation

Michigan City, IN (November 7, 2003) – Mayor Chuck Oberlie announced that State of Indiana has approved the redesignation of the city's enterprise zone. The city has operated an enterprise zone since the program's inception in 1984.

"The Michigan City Urban Enterprise Association has existed for almost twenty years, contributing financial and resource support to our community," said Mayor Oberlie. "The Council members, neighborhood groups and the UEA's board members all felt this designation was good for the community and the citizens affected by the UEA, and together we approved the process of application for re-designation."

In 1983, the Indiana General Assembly passed legislation that provided for the creation of enterprise zones; their purpose is to stimulate local community and business redevelopment in distressed urban areas. The program seeks to improve the quality of life within the zone through economic incentives and by building public-private partnerships aimed at strengthening local capacity for human and economic development. It is a comprehensive redevelopment program requiring the coordinated effort of business, government and residents in a cooperative managing structure. Michigan City's enterprise zone is one of 27 in the entire state of Indiana.

The Indiana Enterprise Zone Program is governed by the 20-member Indiana State Enterprise Zone Board and staffed by the Indiana Department of Commerce. The Board has broad powers to designate, review, approve and disqualify enterprise zones. A local Urban Enterprise Association administers each local enterprise zone. UEAs serve as catalysts for zone development, promote the zone to outside groups and individuals, and act as a liaison between and among businesses, residents, and state and local governments.

Qualified businesses located in enterprise zones are eligible for tax abatements, credits and exemptions. A business' tax savings must be reinvested in the business or a business' employees who reside in the enterprise zone or be contributed to the local UEA. If a business's tax savings amount to more than \$1,000, it must submit a 1% registration fee to the Department of Commerce for administrative purposes.

"Michigan City's enterprise zone will continue to favorably impact the businesses which participate in our programs for the next three years," said Clyde Zeek, director of the Michigan City UEA. "However, the Indiana Legislature has passed a law that eliminates inventory taxes payable in 2007, and this will effect the operations of the Michigan City enterprise zone and its activities. There will be no source of revenue and no allowance for businesses within the zone to gain any benefits from this designation."

Zeek continued, "Mayor Oberlie, who was instrumental in the original application and designation of the Michigan City Enterprise Zone, led the presentation at the State Board of Commerce meeting, which approved the re-designation. Joining me to speak in support for this were James Baldwin, current president of the local Enterprise Zone Board and Tony Rodriguez, Director of the Michigan City Economic Development Corporation. Longtime employee Kathleen Nicholson, current business manager, was an important part of this process. She has been part of the urban enterprise zone and its operation for over a decade and was very much a part of this success re-designation."

Mayor Oberlie said, "The enterprise zone has been for good for the community, and its activities have had a positive effect. The zone comprises an area of approximately 3.8 miles, and over the past twenty years, the enterprise zone has done much to improve that area. The UEA has been a major supporter of economic development efforts within the zone and in the community as a whole. In the past three years, revenues from the inventory taxes collected by the zone have gone to improve that area of our city. The sidewalk program, one of the major improvements in our neighborhoods, was a joint effort supported by the City of Michigan City and the enterprise zone revenue."

The Michigan City UEA will continue to work with neighborhood groups to improve the physical appearance and perceived impression of the area inside the enterprise zone while initiating economic development within the zone and promoting awareness of zone residents and local media about the opportunities and long term benefits of the zone.

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Contact: Clyde Zeek, UEA Director

Phone: 219/873-2300

E-mail: mcuea@adsnet.com