

MICHIGAN CITY COMMON COUNCIL

4971
RESOLUTION NO. _____

FILED

SEP 03 2025

GALE A. NEULIEB
CITY CLERK
CITY OF MICHIGAN CITY

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY,
INDIANA GRANTING PHOENIX MICHIGAN CITY INVESTORS LLC AN
ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR A
VACANT BUILDING DEDUCTION PURSUANT TO INDIANA CODE 6-1.1-12.1**

WHEREAS, Deduction for Rehabilitated or Redevelopment of Real Property in Economic Revitalization Areas is authorized under Indiana Code 6-1.1-12.1 *et seq.* (the "Act") in the form of deductions of assessed value for: (i) qualified real property improvements under Section 3; (ii) the installation of qualified personal property under Section 4.5; and (iii) of the occupancy of an eligible vacant building primarily used for commercial or industrial purposes under Section 4.8 of the Act, each as a result of new development, redevelopment and/or rehabilitation; and

WHEREAS, Resolution No. 4960 (the "Cooper ERA Declaratory Resolution") of the Common Council of the City of Michigan City, Indiana (the "Common Council"), as approved and adopted on June 3, 2025 and as confirmed by resolution on August 4, 2025, that designated and established a certain area located within the City of Michigan City, Indiana (the "City"), as the Economic Revitalization Area (the "Cooper ERA"); and

WHEREAS, the Cooper ERA Resolution remains in full force and effect as adopted, approved, and confirmed such that the designation of the Cooper ERA and the effectiveness of the Cooper ERA Resolution expires on December 31, 2065; and

WHEREAS, **Phoenix Michigan City Investors LLC** (the "Company") pursuant to Section 4.8(a) and (b) of the Act has filed with the Common Council a **Statement of Benefits Vacant Building Deduction (FORM SB-1/VBD)** (the "Statement of Benefits") dated June 17, 2025 (reference **EXHIBIT A** attached hereto) which proposes the occupation and use of an eligible and qualified vacant building located at 402 Royal Road (Real Property Key Number: 46-01-26-400-008.000-022) by the Company as defined pursuant to Section 1(17) of the Act for the adaptive re-use for occupation of a vacant 387,581 square foot structure former manufacturing facility on approximately 67 acres currently zoned M1 (Light Industrial) for which the adaptive re-use has the opportunity to include the construction of an additional buildings and structures in the future, subject to public and utility infrastructure as well as business and market demand needs of the end user (the "Project"); and

WHEREAS, the Company anticipated initiation of the Project upon approval of economic development incentives by the City, with completion to be fully assessed no later than December 31, 2026 for the January 1, 2027 assessment date (the "First Assessment Date"); and

WHEREAS, the Economic Development Corporation, Michigan City, Indiana ("EDCMC") submitted to the Common Council, as the designating body, before the occupation and use of an eligible and qualified vacant building the following documents related to the Company's request for an assessed valuation deduction of an eligible and qualified vacant building within the Alliance ERA: (i) an

Application for Designation as an Economic Revitalization Area (the "Application"), including the necessary application fee; the Statement of Benefits as completed, and (iii) other supplemental information related to said request and the Application; and

WHEREAS, the Common Council has confirmed that the facility located at located at 402 Royal Road (Real Property Key Number: 46-01-26-400-008.000-022) is within the boundaries of the Cooper ERA; and, therefore the Common Council may make a determination pursuant to Section 4.8(b) and (e) of the Act based upon the evidence as to whether Company shall be allowed an assessed valuation deduction of an eligible vacant building.

NOW, THEREFORE, BE IT RESOLVED that the actions of the Common Council of the City of Michigan City, Indiana are based upon the evidence as presented by the Company after review of the Statement of Benefits as well as other pertinent information provided by the Economic Development Corporation, Michigan City, Indiana (the "EDCMC") and upon the following findings in the affirmative also pursuant to Section 4.8(e) of the Act, such that:

- (1) The estimated number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the Project and the occupation of the eligible vacant building;
- (2) The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the Project and the occupation of the eligible vacant building;
- (3) The Project and the estimates and expectations contained in the FORM SB-1/VBD are reasonably expected to result from the Project and the occupation of the eligible vacant building;
- (4) The occupation of the eligible vacant building will increase the tax base of the City and assist in the redevelopment, rehabilitation and development of the ERA; and
- (5) The totality of the benefits is sufficient to justify an assessed valuation deduction on the Project.

BE IT FURTHER RESOLVED that the facility structures located at 402 Royal Road (Real Property Key Number: 46-01-26-400-008.000-022) are real property currently zoned for industrial purposes M1 (Light Industrial).

BE IT FURTHER RESOLVED that the Company has proposed the occupation and use of an eligible and qualified vacant building as defined pursuant to Section 1(17) of the Act M1 (Light Industrial) for the purposes and occupancy of the eligible vacant building as part of the Project is a permitted land use, pursuant to the City's Zoning Requirement under the Permitted Uses-Processing of the M1 (Light Industrial) zoning district.

BE IT FURTHER RESOLVED that the structures and facilities M1 (Light Industrial) have been unoccupied and vacant for at least one (1) year before the Company purchased said real property for proposed occupation of the eligible vacant building.

BE IT FURTHER RESOLVED that pursuant to Section 2(k) of the Act, the Common Council acknowledges that the Project is located within a designated allocation area of the Redevelopment

Commission of Michigan City, Indiana under Indiana Code 36-7-14-39 or Indiana Code 35-7-15.1-26, namely the **Eastside Allocation Area** (also known as the “**212 East Economic Development Area Allocation Area**”) designated pursuant to Declaratory Resolution No. 3-15 approved on February 23, 2015 as amended by amending Declaratory Resolution No. 1-22 as approved on January 24, 2022.

BE IT FURTHER RESOLVED that the Common Council has considered the following factors under Section 17 in connection with the Project: (i) the total amount of investment in real and personal property; (ii) the number of new full-time equivalent jobs to be created as a result of the Project; (iii) the average wage of the new employees resulting from the Project compared to the state minimum wage; and (iv) the infrastructure requirements for the investment in the Project.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from of an eligible vacant building for a period of ten (10) years to **Phoenix Michigan City Investors LLC** in accordance with Section 4.8(f), (g) and (h) and Section 17(b) of the Act as it relates to the Project and as identified on the Statement of Benefits.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction of the Project of an eligible vacant building shall be made by the appropriate local Michigan Township Assessor, the LaPorte County Assessor, Indiana agency, review board, or State of Indiana agency.

BE IT FURTHER RESOLVED that pursuant to Sections 4.8(h) and 17 of the Act, the Common Council, based upon its affirmation of criteria pursuant to Sections 4.8(e) and 17 as stated previously hereby approves a deduction percentage schedule applicable to the amount of assessed valuation deduction of the Project of an eligible vacant building over said a ten (10) year period as more specifically identified in **EXHIBIT B** attached hereto.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as set forth as identified in **EXHIBIT B** shall begin upon full assessment of the Project on the First Assessment Date (anticipated to be January 1, 2027) by the appropriate assessing authority, regardless of the expiration date of the Cooper ERA as established by the Cooper ERA Resolution.

BE IT FURTHER RESOLVED that the Company has agreed to the following imposed reasonable condition for approval of an assessed valuation deduction for an eligible vacant building as herein specified and authorized under Section 2(i)(6) of the Act and to be included under Item B (page 2) of the approved FORM SB-1/VBD:

Condition #1: The Company understands and agrees that the annual deduction to be applied **shall be limited annually to \$500,000 of assessed valuation** during the ten (10) year abatement period as a result of ERA assessed valuation deductions from an eligible vacant building. The City from the first year of the abatement period for which a real property vacant building assessed valuation deduction is applied and for the duration of the ten (10) year abatement period shall annually cause to be prepared a schedule monitoring the annual, total and cumulative tax savings realized. This Resolution and the real property tax deductions granted herein shall be subject to the terms and conditions of the Taxpayer Agreement, between the City and Lavendar Fields Holdings LLC.

BE IT FURTHER RESOLVED that the Common Council waives the imposition a fee on the tax savings realized by the Company pursuant to Section 14 of the Act as a result of the application of an ERA deduction.

BE IT FURTHER RESOLVED that the Common Council as the designating body at its discretion may impose a claw back provision attached hereto under **EXHIBIT C** for tax savings for any tax years in which the Company does not reasonably comply with the Statement of Benefits (FORM SB-1/VBD), the annual filings required pursuant to the Act, and the conditions of this Resolution during the 10 (ten) year abatement period for which an ERA assessed valuation deduction is applied.

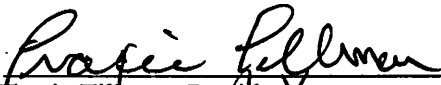
BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the Michigan Township Assessor and the Office of the LaPorte County, Indiana Auditor as it applies to this Resolution and the approval of the Company's ERA assessed valuation deduction related specifically to the Project of an eligible vacant building, which includes the following documents or information:

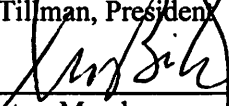
1. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. An approved and signed copy of the meeting minutes which approved this Resolution and the Statement of Benefits.

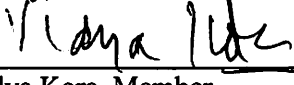
BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect from and after its passage and adoption by the Common Council and upon the signature of the Mayor of the City as the executive of the City.

INTRODUCED BY:


Tracie Tillman, President

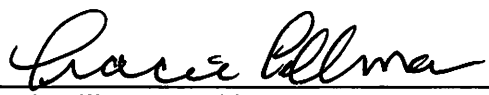

Tim Bietry, Member


Dr. Vidya Kora, Member

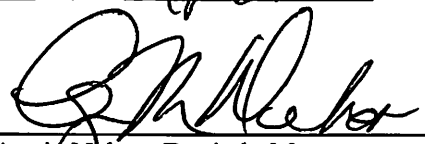

Bryant Dabney, Member


Greg Coulter, Member

Passed by the Common Council of the City of Michigan City, Indiana this 2nd day of September, 2025.


Tracie Tillman, President
Michigan City Common Council

Approved/Vetoed (circle action taken) by me, this 3 day of September, 2025.


Angie Nelson Deutch, Mayor
Michigan City, Indiana

ATTEST:

Gale A. Neulieb, Clerk
City of Michigan City, Indiana

Prepared by Harris Law Firm, P.C. Upon Request

EXHIBIT A

Economic Revitalization Area -
Assessed Valuation Deduction Schedule FORM SB-1/VBD:
Phoenix Michigan City Investors LLC

(See attached)



STATEMENT OF BENEFITS VACANT BUILDING DEDUCTION

State Form 55182 (R2 / 1-21)

Prescribed by the Department of Local Government Finance

20__ PAY 20__

FORM SB-1 / VBD

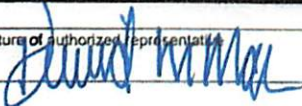
This statement is being completed for real property that qualifies as an "eligible vacant building" as defined by IC 6-1.1-12.1-1(17).

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise, this statement must be submitted to the designating body BEFORE the occupation of the eligible vacant building for which the person wishes to claim a deduction.
2. To obtain a vacant building deduction, a Form 322/VBD must be filed with the county auditor before May 10 in the year in which the property owner or his tenant occupies the vacant building or not later than thirty (30) days after the assessment notice is mailed to the property owner if it was mailed after April 10. If the property owner misses the May 10 deadline in the initial year of occupation, he can apply between January 1 and May 10 of a subsequent year.
3. A property owner who files the Form 322/VBD must provide the county auditor and the designating body with a Form CF-1/VBD to show compliance with the approved Form SB-1/VBD. The Form CF-1/VBD must also be updated each year in which the deduction is applicable.

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer Phoenix Michigan City Investors LLC (including its affiliates and successors)					
Address of taxpayer (number and street, city, state, and ZIP code) 402 Royal Road, Michigan City, Indiana 46360					
Name of contact person Richard Hall		Telephone number (317) 231-7516		E-mail address rhall@btlaw.com	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body Common Council of Michigan City, Indiana				Resolution number	
Location of property 402 Royal Road, Michigan City, Indiana 46360		County LaPorte		DLGF taxing district number 022	
Description of eligible vacant building that the property owner or tenant will occupy (use additional sheets if necessary). Lavender Fields Holdings LLC may purchase an existing building and entire 67 acre parcel of land or lease the same, and develop a data center to include without limitation one or more data center buildings, as well as certain other buildings, structures, and infrastructure.				Estimated occupancy date (month, day, year) 7/31/25	
				Estimated date placed-in-use (month, day, year) 12/31/26	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED PROJECT					
Current Number 0	Salaries 0.00	Number Retained 0	Salaries 0.00	Number Additional 30	Salaries 1,971,060.00
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
REAL ESTATE IMPROVEMENTS					
		COST		ASSESSED VALUE	
Current values		750,600.00		750,600.00	
Plus estimated values of proposed project		257,000,000.00		257,000,000.00	
Less values of any property being replaced		0.00		0.00	
Net estimated values upon completion of project		257,750,600.00		257,750,600.00	
SECTION 5 EFFORTS TO SELL OR LEASE VACANT BUILDING					
Described efforts by the owner or previous owner to sell, lease, or rent the building during period of vacancy: Owner has used national marketing platforms, active engagement with the real estate brokerage community, and local signage, in the same manner that it uses such means to market its national portfolio.					
Show amount for which the building was offered for sale, lease, or rent during period of vacancy. The property was offered without a lease price because the price was dependent upon the ultimate use and related upgrades required.					
List any other benefits resulting from the occupancy of the eligible vacant building.					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 		Title Manager		Date signed (month, day, year) 6/17/25	

FOR USE OF THE DESIGNATING BODY

We find that the applicant meets the general standards in the resolution adopted or to be adopted by this body. Said resolution, passed or to be passed under IC 6-1.1-12.1, provides for the following limitations:

A. The designated area has been limited to a period of time not to exceed 40 calendar years* (see below). The date this designation expires is December 31, 2065. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

B. The amount of the deduction applicable is limited to \$ 500,000.00.

C. Other limitations or conditions (specify) An imposed fee is waived.

D. Number of years allowed: ☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5 (* see below)
☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☒ Year 10

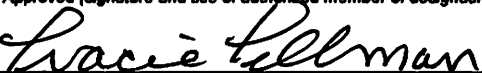
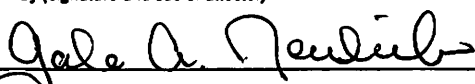
E. For a statement of benefits approved after June 30, 2013, did the designating body adopt an abatement schedule per IC 6-1.1-12.1-17?

☒ Yes ☐ No

If yes, attach a copy of the abatement schedule to this form.

If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body) 	Telephone number (219) 873-1400	Date signed (month, day, year) 9/2/2025
Printed name of authorized member of designating body Tracie Tillman, President - Common Council	Name of designating body Common Council of the City of Michigan City, Indiana	
Attested by (signature and title of attester) 	Printed name of attester Gale A. Neulieb, Clerk	

If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-1

(17) "Eligible vacant building" means a building that:

(A) is zoned for commercial or industrial purposes; and

(B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

EXHIBIT B

Economic Revitalization Area
Assessed Valuation Deduction Schedule Pursuant to a FORM SB-1/VBD:
Phoenix Michigan City Investors LLC
(Pursuant to Indiana Code 6-1.1-12.1, Section 4.8(h) and Section 17)

Approved Abatement Period Schedule:

Real Property Vacant Building Deduction:

- a. *Occupancy redevelopment, rehabilitation and use of an approximate 387,581 square feet of vacant facilities between July 1, 2025 and December 31, 2026 as fully assessed on January 1, 2027;*
- b. *Limited to the assessed valuation of real property improvements upon full assessment of the Project on the First Assessment Date (anticipated being January 1, 2027); and*
- c. *Annual Deduction annually limited to \$500,000 (see Note B-FORM SB-1 VBD); subject to the terms and conditions of the Taxpayer Agreement between the City and Lavendar Fields Holdings LLC.*

d.c.

Year of Abatement Period	Anticipated Assessment Date	Deduction Percentage
Year One (1) ^c	January 1, 2027	50%
Year Two (2) ^c	January 1, 2028	50%
Year Three (3) ^c	January 1, 2029	50%
Year Four (4) ^c	January 1, 2030	50%
Year Five (5) ^c	January 1, 2031	50%
Year Six (6) ^c	January 1, 2032	50%
Year Seven (7) ^c	January 1, 2033	50%
Year Eight (8) ^c	January 1, 2034	50%
Year Nine (9) ^c	January 1, 2035	50%
Year Ten (10) ^c	January 1, 2036	50%

Note B (FORM SB-1/VBD): Condition #1: The Company understands and agrees that the annual deduction to be applied shall be annually limited to \$500,000 of assessed valuation during the ten (10) year abatement period as a result of ERA assessed valuation deductions from an eligible vacant building. The City from the first year of the abatement period for which a real property vacant building assessed valuation deduction is applied and for the duration of the ten (10) year abatement period shall annually cause to be prepared a schedule monitoring the annual, total and cumulative tax savings realized. The real property tax deductions granted herein shall be subject to the terms and conditions of the Taxpayer Agreement between the City and Lavendar Fields Holdings LLC.

EXHIBIT C

**Clawback Provision:
Phoenix Michigan City Investors LLC**

Michigan City, Indiana City of Michigan City

Assessed Valuation Deductions (Tax Abatement): Claw Back Provision

The Common Council of the City of Michigan, Indiana (the "City") has prepared the following Claw Back Provision in the event an entity to which an assessed valuation deduction (Tax Abatement) pursuant to Indiana Code 6-1.1-12-1 is approved vis-à-vis a FORM SB-1 or other form for which assessed valuation deductions are approved by Common Council official action and is found to be non-compliant in accordance with Indiana Code 6-1.1-12-1-5.9.

SECTION I. If an approved assessed valuation deduction applicant does not obtain or meet any one of the following criteria as identified on an approved FORM SB-1:

- **Ninety percent (90%) of the level of salaries of retained and additional employees because of a project identified in Section 2 of an approved Statement of Benefits as set forth in Section 3 within the time frame (the "Estimated Completion Date") set forth in the same Statement of Benefits; and**
- **Ninety percent (90%) of the number of retained and additional employees because of a project identified in Section 2 of an approved Statement of Benefits as set forth in Section 3 within the time frame (the "Estimated Completion Date") set forth in the same Statement of Benefits;**
- **Ninety percent (90%) of the cost of tangible property because of a project identified in Section 2 of an approved Statement of Benefits as set forth in Section 4 within the time frame (the "Estimated Completion Date") set forth in the same Statement of Benefits;**

the City's Common Council, as the designating body following the procedures of Indiana Code 6-1.1-12-1-5.9, may impose this Claw Back Provision requiring the applicant to pay back tax savings realized during the prior assessment year for taxes due and payable for non-compliance because of an assessed valuation deduction proportional to the extent of the deficiency of the criteria listed above. A determination by resolution to impose this Claw Back Provision and its provisions is at the sole discretion of the City's Common Council as the designating body and may be dependent upon various factors and variables uniquely applicable to each approved Statement of Benefits.

SECTION II. This Claw Back Provision may be imposed by the City's Common Council as the designating body during the approved period of the assessed valuation deduction as documented in the resolution approving a Statement of Benefits (FORM SB-1) and for a period of one year after and subsequent to the final assessment date applicable to the approved abatement period of an assessed valuation deduction applicant as documented in the resolution approving a Statement of Benefits (FORM SB-1).