FILED

JUL 0 2 2026

GALE A. NEULIEB
CITY CLERK
CITY OF MICHIGAN CITY

AGENDA

COMMON COUNCIL – IN PERSON - REGULAR MEETING

Tuesday, July 7, 2026

Meeting to be held at **6:30 p.m.**, local time,
in the Council Chambers, City Hall 100 E. Michigan Blvd.
and **Hosted by "Hybrid/Zoom" and streaming live on the Access LaPorte County Facebook page**
See attached to connect to "Hybrid/Zoom."

CALL TO ORDER BY COUNCIL PRESIDENT

PLEDGE OF ALLEGIANCE TO THE FLAG and PRAYER

ROLL CALL

APPROVAL OF MINUTES Regular Council (Hybrid/Zoom) June 16, 2026

REPORTS OF STANDING COMMITTEES

FINANCE COMMITTEE MEETING

CLAIMS DOCKET

July 7, 2026

Fund #2235 – Riverboat – Claims -		**$**	**0.00**
	EFT	**$**	**0.00**
Rainy Day (Fund 2236)		**$**	**0.00**
Rainy Day	**EFT**	**$**	**48,687.68**
Fund #2504 – Boyd Development -		**$**	**0.00**
	TOTAL CLAIMS	**$**	**48,687.68**

REPORTS FROM BOARDS AND COMMISSIONS

REPORTS OF SPECIAL or SELECT COMMITTEES

REPORTS FROM MAYOR OR OTHER CITY OFFICERS AND DEPARTMENTS

PETITIONS

COMMUNICATIONS

Correspondence was received in the Clerk's Office on June 30, 2026, from Carlie Dunn regarding the MCPD Flock System.

Public Access Counselor complaint #5743 and #5744 was received in the Clerk's Office on June 30, 2026, from President Tillman advising these two (2) formal complaints filed were denied do to there was no ODL violation.

Correspondence was received in the Clerk's Office on June 26, 2026, from Mayor Angie regarding the Conflict of Intrest statements from Michigan City Boards/Commission pursuant to Sec. 2-440 of the Michigan City Municipal Code.

Correspondence was received in the Clerk's Office on June 12, 2026, from IDEM regarding a permit renewal for Northern Indiana Public Service Company LLC (NIPSCO) permit number 091-49924-00021.

RESOLUTIONS **APPROVING SUBMISSION OF APPLICATION FOR A GRANT FOR THE CITY OF MICHIGAN CITY FROM THE INDIANA DEPARTMENT OF TRANSPORTATION-OFFICE OF AVIATION FOR AIRPORT PAVEMENT MAINTENANCE & SUPPORTING THE LOCAL MATCH FOR SAID GRANT**

Introduced by: Nancy Moldenhauer

ORDINANCES

ORDINANCE 1st Reading **APPROVING ADDITIONAL APPROPRIATION IN THE BUDGET OF THE GENERAL FUND FOR THE PURCHASE OF ROAD SALT & SUPPLIES FOR THE STREET DEPARTMENT, VEHICLE LIFT EXPENSE & MAINTENANCE EXPENSES FOR CENTRAL SERVICES, AND CITY HALL REPAIRS**

Introduced by: Tracie Tillman
Bryant Dabney
Dr. Vidya Kora
Tim Bietry

(**DECREASE** 1101.000 Unappropriated balance $345,000.00
INCREASE ACCOUNT# 2202.000.422.024 $170,000.00
Operating Supplies- Salt & Supplies **INCREASE** ACCOUNT#
1101.108.436.020 $150,000.00 (Repairs & Maintenance - Equipment)
INCREASE ACCOUNT# 1101.109.436.010 $25,000.00
(Repairs & Maintenance - Building)

ORDINANCE 1st Reading **APPROVING ADDITIONAL APPROPRIATION IN THE BUDGET OF THE RAINY DAY FUND FOR STREET & SIDEWALK REPAIR**

Introduced by: Don Przybylinski
Bryant Dabney
Dr. Vidya Kora
Tim Bietry

(**DECREASE** Rainy Day Fund #2236 Unappropriated balance $300,000.00 **INCREASE** ACCOUNT#2235.114.443.030 $200,000.00 Street Repair & Maintenance **INCREASE** ACCOUNT#2235.114.443.031 $100,000.00 Sidewalk Repair & Maintenance)

ORDINANCE 1st Reading **AUTHORIZING AND APPROVING A PAYMENT IN LIEU OF TAXES ("PILOT") AGREEMENT WITH GARDEN ESTATES PRESERVATION LLC**

Introduced by: Tracie Tillman
Dr. Vidya Kora
Bryant Dabney
Tim Bietry

ORDINANCE 1st Reading **AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA AMENDING THE TEXT OF THE MICHIGAN CITY COMPREHENSIVE ZONING ORDINANCE NO. 4120 (REFERRED TO AS THE HOUSING INFILL AMENDMENT)**

Introduced by: Bryant Dabney

NEW BUSINESS **FYI:** Mayor Angie is requesting the advice and consent of the members of the Michigan City Common Council regarding her appointment of Jennifer Chuprinkas to the Michigan City Historic Preservation Commission, term begins immediately and expires 3/31/2027.

UNFINISHED BUSINESS

NOMINATIONS: The Council has one (1) appointment to the Veterans Commission due to Danielle Corley resignation on June 2, 2026 (term will begin Immediately and expire 12/31/28)

NOTE: No applications have been received.

COMMENTS FROM THE PUBLIC

COMMENTS FROM THE COUNCIL

ADJOURNMENT

Gale A. Neulieb, City Clerk

You are invited to a Zoom webinar.
When: Tuesday, July 7, 2026, 6:30 PM Central Time (US and Canada)
Please click the link below to join the webinar:
https://us02web.zoom.us/j/84298000057?pwd=RXVRUkhobXI2aVE2R1lIR0VEVTl3dz09

Passcode : 463601 Webinar ID: 842 9800 0057 Passcode: 463601 Or One tap mobile:

MICHIGAN CITY COMMON COUNCIL

RESOLUTION NO. ____________

APPROVING SUBMISSION OF APPLICATION FOR A GRANT FOR THE CITY OF MICHIGAN CITY FROM THE INDIANA DEPARTMENT OF TRANSPORTATION-OFFICE OF AVIATION FOR AIRPORT PAVEMENT MAINTENANCE & SUPPORTING THE LOCAL MATCH FOR SAID GRANT

WHEREAS, pursuant to Sec. 2-325 of the Michigan City Municipal Code, the Michigan City Common Council must pre-approve all grant applications requiring a local match; and

WHEREAS, the City of Michigan City, Indiana intends to submit a grant application seeking funding through the Indiana Department of Transportation-Office of Aviation from the State/Local Grant Program for Airport Maintenance FY 2026; and

WHEREAS, the City of Michigan City will be requesting up to \$100,000.00 in state grant funds for the hangar taxilane crack sealing and painting and the City will be required to have up to \$33,333.33 match; and

WHEREAS, pursuant to Sec. 2-325, the City Controller has provided the following information pertaining to the Grant:

1. **Name of grantor and grant title:** Indiana Department of Transportation – Office of Aviation Airport Maintenance Grant Program.
2. **Why it is beneficial to the City to apply for this grant:** This grant will allow the Airport to preserve its airport pavement while significantly reducing the local financial burden.
3. **The purpose of the grant and the proposed use of grant funds:** This grant will be used for the crack sealing and painting the hangar taxilanes.
4. **The person who will be responsible for managing the grant for the City:** Tamiko Smith, City Controller & Ann Shaffer, Assistant City Controller.
5. **All relevant time frames and schedule, including any deadlines for submitting the application and closing out the grant:**
    a. The pre-approval form was sent on 6/5/2026. Airport received concurrence of eligibility.
    b. The grant application will be accepted from 7/15/26 to 12/31/26.
6. **The amount of any required or proposed City monetary match or voluntary contribution and the proposed source for the matching funds and contributions:**
    a. The maximum amount of match required from the City is: \$33,333.33.
    b. The matching funds are budgeted as follows: The 2026 City Operating Budget- G/L Account: 2209.000.439.090.
7. **The description of the types and sources of any in-kind match or contribution:** N/A
8. **Whether the Controller wishes to have a new, separate fund created for the grant**: No, the Controller does not wish to have a new, separate fund created for the Grant.

WHEREAS, all relevant information required by Sec. 2-325 is attached hereto and incorporated herein as **Exhibit A**-Notice of Application.

NOW, THEREFORE BE IT RESOLVED BY THE MICHIGAN CITY, INDIANA COMMON COUNCIL AS FOLLOWS:

1. The aforementioned "Whereas" sections are incorporated herein as if fully set forth herein.

2. The Michigan City Common Council approves the submission of the 2026 State/Local Grant Application for Airport Pavement Maintenance to the Indiana Department of Transportation-Office of Aviation and supports and commits to funding the local match for said Grant.

This Resolution shall be in full force and effect after passage by the Michigan City Common Council and approval by the Mayor.

INTRODUCED BY: ______________________________
Nancy Moldenhauer, Member
Michigan City Common Council

Passed by the Common Council of the City of Michigan City, Indiana this ________ day of __________________________, 2026.

____
Tracie Tillman, President
Michigan City Common Council

Approved/Vetoed (*circle action taken*) by me, this _______ day of _________________, 2026.

____
Angie Nelson Deuitch, Mayor
Michigan City, Indiana

ATTEST:

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

Prepared by Corporation Counsel Upon Request

NOTICE OF APPLICATION FOR A GRANT

Application is to be submitted to the Office of the City Controller concurrently with entity's submission of application to federal funding agency but no later than 30 days after submission.

Submit This Form To: tsmith@emichigancity.com

Submission Information

Notice of Application Submitted by:
Date Grant Application Submitted to Federal Funding Agency:

Program Point of Contact

First Name: Jessica	Address: 1300 IN-212	
Last Name: Ward	City: Michigan City	
Title: Airport Manager	State: IN	Zip code: 46360
Phone Number: 219-872-0121		
Email: jward@emichigancity.com		

Fiscal Point of Contact

First Name: Tamiko	Address: 100 E Michigan Blvd.	
Last Name: Smith	City: Michigan City	
Title: Controller	State: IN	Zip code:46360
Phone Number: 219-873-1404		
Email: tsmith@emichigancity.com		

Entity Information

Department**: Controller**
Division/Unit**: 101**
Unique Entity ID: NDAWL3JMFAN5

Grant Program and Service Information
All grant program descriptions below should be derived from the original grant application.

Program Description or Purpose: Airport Pavement Maintenance

EXHIBIT A

Expected Goals and Outcomes of Program: This grant will allow the Airport to preserve its airport pavement while significantly reducing the local financial burden.

Funding Source Information

Grant Name: Airport Maintenance Grant
Funding Agency: Indiana Dept of Transportation- Office of Aviation
CFDA Number: NA
Federal Assistance Type: Formula ☐ Project (Competitive) ☒ Other ☐
Type of Grant: New ☒ Continuing ☐

Grant Budget and Financial Information

Estimated Funding – Federal (SF-424, 18a)	$ 0
Estimated Funding – Applicant (SF-424, 18b)	$ up to $33,333.33
Estimated Funding – State (SF-424, 18c)	$ up to $100,000.00
Estimated Funding – Local (SF-424, 18d)	$ 0
Estimated Funding – Other (SF-424, 18e)	$ 0
Estimated Funding – Program Income (SF-424, 18f)	$ 0
Estimated Funding – TOTAL (SF-424, 18g)	$ up to $133,333.33

Local Match Requirement: Y ☒ N ☐	Total Local Match Required: Percentage of Award Required: 25% Date by which the match has to be met: Project Completion Comments:
Sources of Match: Cash ☒ In Kind ☐ To be met by: ☐State Resource ☐Other Entity (i.e. subrecipient or 3rd party)	2026 City Operating Budget- G/L Account 2209.000.439.090 Appropriation Number: Amount to be paid in current Fiscal Year: up to $33,333.33
Sources of Match: Cash ☐ In Kind ☐ To be met by: ☐State Resource ☐Other Entity (i.e. subrecipient or 3rd party)	Appropriation Type: Appropriation Number: Amount to be paid in current Fiscal Year:
Sources of Match: Cash ☐ In Kind ☐ To be met by: ☐State Resource ☐Non-state Resource (i.e. subrecipient or 3rd party)	Appropriation Type: Appropriation Number: Amount to be paid in current Fiscal Year: $

*****Include copy of application when submitting this form*****

EXHIBIT A

MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO.___________

APPROVING ADDITIONAL APPROPRIATION IN THE BUDGET OF THE GENERAL FUND FOR THE PURCHASE OF ROAD SALT & SUPPLIES FOR THE STREET DEPARTMENT, VEHICLE LIFT EXPENSE & MAINTENANCE EXPENSES FOR CENTRAL SERVICES, AND CITY HALL REPAIRS

WHEREAS, it has been demonstrated to the Common Council of the City of Michigan City that it is necessary to appropriate more money than was appropriated in the 2026 Annual Budget for the following:

A. Purchase of road salt and supplies for the Street Department in the amount of $170,000.00;
B. Provide funding for the vehicle lift purchased by the Central Services Department and provide maintenance expenses for said Department in the amount of $150,000.00; and
C. City Hall repairs in the amount of $25,000.00; and

WHEREAS, the City Controller has determined that sufficient unappropriated funds are available in the General Fund #1101.000 to be appropriated for that purpose.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Michigan City, La Porte County, Indiana, that for the expenses of the City the following additional sums of money are hereby appropriated out of the fund named and for the purpose specified above, subject to the laws governing the same:

	AMOUNT REQUESTED	AMOUNT APPROPRIATED
DECREASE 1101.000 Unappropriated balance	$345,000.00	
INCREASE ACCOUNT# 2202.000.422.024 Operating Supplies- Salt & Supplies		$170,000.00
INCREASE ACCOUNT# 1101.108.436.020 (Repairs & Maintenance - Equipment)		$150,000.00
INCREASE ACCOUNT# 1101.109.436.010 (Repairs & Maintenance - Building)		$ 25,000.00
TOTAL FOR FUND	**$345,000.00**	

This Ordinance to be effective upon passage by the Council, approval by the Mayor, any necessary publication, and any necessary approval by the Indiana Department of Local Government Finance.

INTRODUCED BY: ____________________________
Tracey Tillman, President
Michigan City Common Council

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Bryant Dabney, Member
Michigan City Common Council

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Dr. Vidya Kora, Member
Michigan City Common Council

____
Tim Bietry, Member
Michigan City Common Council

Passed by the Common Council of the City of Michigan City, Indiana, this ______ ______day of __________________, 2026 by a vote of ______________ to ________________ ______.

Tracie Tillman, President
Michigan City Common Council

Approved/Vetoed *(circle appropriate action)* by me, this _______ day of __________________ ______, 2026.

Angie Nelson Deuitch, Mayor
City of Michigan City, Indiana

ATTEST:

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

Prepared by Corporation Counsel Upon Request

MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO.___________

APPROVING ADDITIONAL APPROPRIATION IN THE BUDGET OF THE RAINY DAY FUND FOR STREET & SIDEWALK REPAIR

WHEREAS, it has been demonstrated to the Common Council of the City of Michigan City that it is necessary to appropriate more money than was appropriated in the 2026 Annual Budget to fund the repair and maintenance of streets and sidewalks; and

WHEREAS, the City Controller has determined that sufficient unappropriated funds are available in the Rainy Day Fund #2236 to be appropriated for that purpose.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Michigan City, La Porte County, Indiana, that for the expenses of the City the following additional sums of money are hereby appropriated out of the fund named and for the purpose specified above, subject to the laws governing the same:

	AMOUNT REQUESTED	AMOUNT APPROPRIATED
DECREASE Rainy Day Fund #2236 Unappropriated balance	$300,000.00	
INCREASE ACCOUNT#2235.114.443.030 Street Repair & Maintenance		$200,000.00
INCREASE ACCOUNT#2235.114.443.031 Sidewalk Repair & Maintenance		$100,000.00
TOTAL FOR FUND	**$300,000.00**	

This Ordinance to be effective upon passage by the Council, approval by the Mayor, any necessary publication, and any necessary approval by the Indiana Department of Local Government Finance.

INTRODUCED BY: ____________________________
Don Przybylinski, Member
Michigan City Common Council

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Bryant Dabney, Member
Michigan City Common Council

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Dr. Vidya Kora, Member
Michigan City Common Council

____
Tim Bietry, Member
Michigan City Common Council

Passed by the Common Council of the City of Michigan City, Indiana, this ______ ______day of __________________, 2025 by a vote of ________ to _________.

____
Tracie Tillman President
Michigan City Common Council

Approved/Vetoed (circle choice) by me, this ______ day of __________________, 2025.

____
Angie Nelson Deuitch, Mayor
City of Michigan City, Indiana

ATTEST:

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

Prepared by Corporation Counsel Upon Request

MICHIGAN CITY, INDIANA
MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO. __________

AUTHORIZING AND APPROVING A PAYMENT IN LIEU OF TAXES ("PILOT") AGREEMENT WITH GARDEN ESTATES PRESERVATION LLC

WHEREAS, The City of Michigan City, LaPorte County, Indiana ("City") is a duly organized municipal corporation and political subdivision under the laws of the State of Indiana, governed by its duly elected Common Council (the "Council"); and

WHEREAS, Garden Estates Preservation LLC ("Owner") intends to acquire certain real estate in the City, located at 909 Pine Tree Court (the "Real Estate") currently the site of the Garden Estates West Apartment complex that participates in the Low-Income Housing Tax Credit ("LIHTC") Program pursuant to the Tax Reform Act of 1986 under the Indiana Housing and Community Development Authority ("IHCDA") and Section 8 Project Based Rental Assistance ("PBRA") programs of the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, The Owner intends to rehabilitate, renovate, and continue to operate the Real Estate, built in 1970 as an affordable housing community consisting of 174 apartments units for low-income families playing a vital role in providing affordable housing options for low-income families, helping to create stable living conditions and support community integration for vulnerable populations (the "Project"); and

WHEREAS, The Owner intends to invest $15,600,000 to improve, renovate, and continue to operate the Project for the purpose of providing affordable housing to income eligible persons under the federal LIHTC program in 26 U.S.C. 42 ("Low-Income Housing Tax Credit Program") and the applicable State of Indiana Qualified Allocation Plan ("QAC"); and

WHEREAS, The Project, as a LIHTC property, is subject to an extended use agreement under 26 U.S.C. 42 ("Extended Use Agreement") as administered by the IHCDA for a period of at least thirty (30) years, which Extended Use Agreement will be assigned to Owner by an Assignment and Assumption of Extended Use Agreement and Assignment and Assumption of Land Use Restriction Agreement to provide for affordable housing for a period of at least thirty (30) years; and

WHEREAS, Pursuant to the Extended Use Agreement, the Project, as a LIHTC property, will only be permitted to rent to residents whose incomes are 60% or less of the area median gross income ("AGI") and considered low-income by HUD (the "Restricted Residents"); and

WHEREAS, Pursuant to the Extended Use Agreement, the Project, as LIHTC property, will be limited to charging rents as determined in accordance with the Extended Use Agreement or, as applicable, any Housing Assistance Payments Contract related to the Project (the

"Restricted Rents"); and

WHEREAS, upon taking fee simple title, the Owner will qualify as a "property owner" under Indiana Code 36-1-8-14.3(d) of real property; and

WHEREAS, Pursuant to Indiana Code ("IC") 6-1.1-10-16.7, the Owner will be exempt from the requirement to pay property taxes on real property included in the Project if the following IC requirements and conditions are satisfied:

(1) The improvements on the Real Estate are constructed, rehabilitated, or acquired for the purpose of providing housing to income eligible persons pursuant to the federal HUD LIHTC program under 26 U.S.C. 42;

(2) The Real Estate and Project are subject to an extended use agreement under 26 U.S.C. 42 as administered by the IHCDA; and

(3) The Owner of the Real Estate and of the Project seeks to enter into an agreement to make payments in lieu of taxes (a "PILOT") prepared under IC 36-1-8-14.3 and the City and the Owner have documented this agreement in a written agreement (the "PILOT Agreement") as attached hereto as **EXHIBIT A**; and

WHEREAS, The terms and conditions of the PILOT are contained in the PILOT Agreement under EXHIBIT A and Section 1.2 of the PILOT Agreement sets forth the annual PILOT payable by Owner of the Real Estate, including all subsequent owners, in amount equal to 25 % of the estimated annual tax liability of $133,970, with a 1% increase **per annum adjustment for a period of 20-years** from the date Owner takes fee simple title to the Real Estate (the "PILOT Period"); and

WHEREAS, The terms and conditions of the PILOT contained in the PILOT Agreement under EXHIBIT A and Section 1.2 of the PILOT Agreement sets forth the the annual PILOT payable by Owner of the Real Estate is due and payable in full annually to the City on May 10 of each calendar year during the PILOT Period to coincide with the first installment of tax liability due of all owners of tangible property in the State of Indiana; and

WHEREAS, Any payments received under the PILOT Agreement shall be deposited in the City's Affordable Housing Fund pursuant to IC 36-1-8-14.3(h) and used for any purpose for which the affordable housing fund may be used.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, LAPORTE COUNTY, INDIANA, THAT:

SECTION 1. The Common Council hereby authorizes and approves the PILOT Agreement as attached hereto under EXHIBIT A and authorizes its execution by the Mayor as the Executive on behalf of the City after it has been finalized by the City and Owner of the Project.

SECTION 2. In accordance with I.C. 36-1-8-14.3(e), upon taking fee simple title to the Real Estate, the Owner as the property owner defined under I.C. 36-1-8-14.3(d) has consented to this Ordinance and said PILOT Agreement, which shall be illustrated by the City and the Owner executing the PILOT Agreement in substantially the same form of the attached. The Ordinance shall remain in full force and effect until the end of the 20-year PILOT Period outlined in the PILOT Agreement, unless repealed or modified by the City as the governing body prior to the expiration of the PILOT Period under the PILOT Agreement, subject to approval of the Owner as the property owner.

SECTION 3. The City Clerk is hereby directed to record an executed copy of this Ordinance and a Clerk's Office certified copy of the executed PILOT Agreement with the Office of the LaPorte County Recorder's Office.

SECTION 4. The City Clerk is hereby further directed to file (date stamped) the Ordinance as recorded including a copy of the certified executed PILOT Agreement for assessment and tax purposes with the:

- Office of the LaPorte County Assessor (acting at the Coolspring Township Assessor); and
- Office of the LaPorte County Auditor.

SECTION 5. The City Clerk is hereby further directed to file the fully recorded and filed Ordinance including a copy of the certified executed PILOT Agreement with the:

- Records of the City's Common Council; and
- Owner of the Real Estate.

SECTION 6. By adopting this Ordinance, authorizing the City and Mayor to finalize and execute the PILOT Agreement, and authorizing the payments contemplated by the PILOT Agreement, the City has undertaken all required municipal action contained within IC 36-1-8-14.3.

SECTION 7. If any section, sentence or provision of this Ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 8. This Ordinance shall be effective and in full force and effect from and after (i) its passage by the Common Council of the City of Michigan City, LaPorte County, Indiana and approval of the Mayor as the executive and (ii) delivery of the deed to the Real Estate to Owner, including all other requirements of the Indiana Code.

INTRODUCED BY: ______________________________

Tracie Tillman, President
Michigan City Common Council

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Dr. Vidya Kora, Member
Michigan City Common Council

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Bryant Dabney, Member
Michigan City Common Council

____
Tim Bietry, Member
Michigan City Common Council

Passed by the Common Council of the City of Michigan City, Indiana, this ______ ______day of ___________________, 2026 by a vote of _______________ to _______________ ______.

____
Tracie Tillman, President
Michigan City Common Council

Approved/Vetoed *(circle appropriate action)* by me, this _______ day of ___________________ ______, 2026.

____
Angie Nelson Deuitch, Mayor
City of Michigan City, Indiana

ATTEST:

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

MICHIGAN CITY, INDIANA
MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO. ___________

EXHIBIT A
PILOT AGREEMENT:

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Between:

The City of Michigan City, LaPorte County, Indiana,
a municipal corporation and political subdivision of the state of Indiana

And

Garden Estates Preservation LLC,
A foreign limited liability company registered in the state of Indiana (Business ID: 202604151991004), with its principal office at 250 W. 55th Street, Floor 35, New York, New York 10019-9710

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "PILOT Agreement") is entered into this _____ day of __________________ , 2026 (the "Effective Date") by, among, and between the **CITY OF MICHIGAN CITY, LAPORTE COUNTY, INDIANA** (the "City"), a municipal corporation and political subdivision of the state of Indiana, and **GARDEN ESTATES PRESERVATION LLC**, a Delaware limited liability company, and its permitted successors and assigns (collectively the "Owner"), together the City and the Owner may be herein referred to collectively as the "Parties."

BACKGROUND & RECITALS

WHEREAS, Owner intends to acquire certain real estate in the City of Michigan City, LaPorte County, Indiana, located at 909 Pine Tree Court and identified as Parcel Identification Number ("PIN") 46-05-08-451-001.000-009 (the "Real Estate") currently the site of the Garden Estates West Apartment complex that participates in the Low-Income Housing Tax Credit ("LIHTC") Program pursuant to the Tax Reform Act of 1986 under the Indiana Housing and Community Development Authority ("IHCDA") and Section 8 Project Based Rental Assistance ("PBRA") programs of the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, The Owner intends to rehabilitate, renovate, and continue to operate the Real Estate, built in 1970 as an affordable housing community consisting of 174 apartments units for low-income families playing a vital role in providing affordable housing options for low-income families, helping to create stable living conditions and support community integration for vulnerable populations (the "Project"); and

WHEREAS, The Owner intends to invest $15,600,000 to improve, renovate, and continue to operate the Project for the purpose of providing affordable housing to income eligible persons under the federal LIHTC program of 26 U.S.C. 42 ("Low-Income Housing Tax Credit Program") pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and an applicable state of Indiana Qualified Allocation Plan ("QAC"); and

WHEREAS, Pursuant to Indiana Code ("IC") 6-1.1-10-16.7, the Owner will be exempt from the requirement to pay property taxes on real property included in the Project if the following IC requirements are satisfied:

1) The improvements on the real property were constructed, rehabilitated, or acquired for the purpose of providing housing to income eligible persons under Low-Income Housing Tax Credit Property as administered by the Indiana Housing and Community Development Authority ("IHCDA");
2) The real property is subject to an extended use agreement under 26 U.S.C. 42 as administered by the IHCDA; and
3) The owner of the property has entered into an agreement to make payments in lieu of taxes under IC 36-1-8-14.3 (the "PILOT Statute"); and

WHEREAS, the Owner anticipates and, upon receipt from IHCDA, will provide the City and the Common Council as the legislative body with documentation showing that:

1) The improvements on the Real Estate will be rehabilitated utilizing the Low-Income Housing Tax Credit Program; and furthermore,
2) The Project will be subject to an extended use agreement under 26 U.S.C. 42 ("Extended Use Agreement") as administered by the IHCDA for a period of at least thirty (30) years; and

WHEREAS, The Owner represents and warrants that Owner will enter into and record an Assignment and Assumption of Land Use Restriction and an Assignment and Assumption of Extended Use Agreement to provide affordable housing for a period of at least thirty (30) years when Owner takes fee simple title to the Real Estate; and

WHEREAS, The Owner further represents and warrants that they will ensure the Project is operated as an affordable housing community and an affordable housing project as further detailed in Revenue Procedure 96-32, as the Low-Income Housing Guideline as published by the Internal Revenue Service, for the term of this PILOT Agreement and the Extended Use Agreement; and

WHEREAS, This PILOT Agreement has been drafted to comply with the requirements under PILOT Statute; and

WHEREAS, the City represents that it has or will undertake all necessary and appropriate actions within its control contained within the PILOT Statute to ensure this PILOT Agreement satisfies all necessary requirements of the PILOT Statute so as to permit the Owner to be approved for real property tax exemption under IC 6 1.1-10-16.7; and

WHEREAS, The Owner represents that it will: (i) timely file its application (the "Property Tax Exemption Application") with the Office of the LaPorte County, Indiana Assessor, acting as the Coolspring Township assessment official, requesting pursuant to IC 6-1.1-10-16.7 an exemption from its obligation to pay real property taxes, and (ii) timely file any applications to renew any such exemption if required by law to do so; and

WHEREAS, The Owner has agreed to: (i) make payments in lieu of taxes to the City for public safety services, more specifically police, fire and ambulatory services, and (ii) ensure the Project is properly maintained and kept up to building codes standards of the state of Indiana and the City; and

WHEREAS, The Parties have agreed that, if the real property contained on the Real Estate becomes fully exempt from the payment of property taxes under IC 6-1.1-10-16.7, the Owner will make payments to the City pursuant to the terms and conditions of this PILOT Agreement; and

NOW, THEREFORE, in consideration of the foregoing premises, mutual covenants and the sum of Twenty-Five and 00/100 Dollars ($25.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

BODY OF THE PILOT AGREEMENT

SECTION 1 Payments in Lieu of Taxes

Section 1.1 (a) The Owner represents and warrants that it has or will undertake all appropriate action(s) for the real property of the Real Estate to be exempt under IC 6-1.1-10-16.7, and during the term of this Agreement, the Owner covenants and agrees it shall at all times materially comply with the requirements of IC 6-1.1-10-16.7, as applicable to Owner and the Project.

(b) The Owner agrees to maintain the Project as an affordable apartment community consisting of an affordable housing facility providing affordable housing to income eligible persons under the federal Low-Income Housing Tax Credit Program pursuant to the Code and an applicable state of Indiana QAC.

(c) The Owner agrees to maintain a clean premises in material compliance with applicable local, state, and federal codes, rules, and regulations for the Real Estate at the Project, provided however, that Owner shall not be in breach hereunder if it diligently pursues a cure upon receipt of notice of any violation.

(d) The Owner acknowledges that this PILOT Agreement in and of itself does not confer any property tax exemption on the Project and that in order to obtain any such property tax exemption or a partial exemption, the Owner must timely file its Property Tax Exemption Application, including renewal applications, if any are required, with the Office of the LaPorte County Assessor, acting as the Coolspring Township assessment official, requesting an exemption pursuant to IC 6-1.1-10-16.7 from the Owner's obligation to pay all or a portion of its real property taxes due and payable on the assessment of the Project.

(e) The City agrees to assist the Owner in ensuring the real property of the Project is fully exempt from property tax if the Owner has satisfied all requirements to obtain exemption under IC 6-l.1-10-16.7.

Section 1.2 The Owner, including all subsequent owners, shall pay to the City an amount equal to the appropriate PILOT year as shown on the PILOT schedule. The PILOT amount ("PILOT Payment") shall be equal to 25 % of the estimated annual tax liability of $133,970, with a 1% increase per annum adjustment to the PILOT payment for a period of 20-years commencing when the Owner takes fee simple title to the Property (the "PILOT Period") pursuant to **SCHEDULE A** titled the PILOT Schedule, as included herein below.

[Remainder of this page intentionally left blank]

SCHEDULE A: PILOT Schedule

Project Year	Assessment Year	Collection Year	Annual PILOT Payment*
1	2027	2028	$ 16,746
2	2028	2029	$ 33,827
3	2029	2030	$ 34,166
4	2030	2031	$ 34,507
5	2031	2032	$ 34,852
6	2032	2033	$ 35,201
7	2033	2034	$ 35,553
8	2034	2035	$ 35,908
9	2035	2036	$ 36,268
10	2036	2037	$ 36,630
11	2037	2038	$ 36,997
12	2038	2039	$ 37,367
13	2039	2040	$ 37,740
14	2040	2041	$ 38,118
15	2041	2042	$ 38,499
16	2042	2043	$ 38,884
17	2043	2044	$ 39,273
18	2044	2045	$ 39,665
19	2045	2046	$ 40,062
20	2046	2047	$ 40,463
		Total (20-Years):	**$ 720,725**

*The 2027 PILOT Payment (due in 2028) is an estimate based on Owner closing on the Real Estate on July 1, 2027 with the actual 2027 PILOT Payment to be calculated based on the closing date.

Section 1.3. The Owner shall be responsible for each annual PILOT Payment due and payable in full for the appropriate PILOT year as shown on the PILOT Schedule and shall direct said PILOT Payment to the City as addressed and delivered to the City Controller on or before each May 10 of each calendar year of the PILOT Period, being consistent with the first installment of tangible property taxes in the state of Indiana. Each annual PILOT Payment due and payable in full for the appropriate PILOT year shall be paid in lieu of property taxes for the tax year in question that would have been payable by Owner if Owner was a non-exempt taxpayer.

Section 1.4 The Owner shall be responsible for all PILOT Payments when due and payable. The Owner shall also be responsible and liable for all penalties, costs, and expenses imposed under Indiana law including IC 6-1.1-22-1 *et seq.* and IC 6-1.1-37-1 or any statute which amends or replaces them for delinquent payments of any PILOT Payment.

[Remainder of this page intentionally left blank]

Section 1.5 Remedies for Owner's failure to satisfy the requirements of Section 1.1 and/or Section 1.4 are outlined in SECTION 3 of this PILOT Agreement. The PILOT Payment required by SECTION 3 of this PILOT Agreement shall only become due if Real Estate at the Project has been exempt from real property tax under IC 6-1.1-10-16.7. To the extent that the Real Estate at the Project is not fully exempt in any year of the PILOT Period, the Owner shall have no obligation to make PILOT Payment due and payable in full for the appropriate PILOT year as shown on the PILOT Schedule, and the Parties will move through the cure period and termination outlined in SECTION 3 such that the Owner must pay real property taxes as billed the Office of the LaPorte County, Indiana Treasurer as calculated for the Project based upon the DLGF certified tax rate (by Budget Order) for Tax Unit 009 (Michigan City-Coolspring Township) under applicable law pursuant to application of the most current Assessment Manual which contains the rules for assessing real property in the state of Indiana.

Section 1.6 The Owner hereby reserves the right to contest and appeal the amount of any real property assessment of the Real Estate of the Project. Any such challenge will not affect the timely payment of the annual PILOT Payment described in Section 1.2 pursuant to SCHEDULE A titled the PILOT Schedule.

SECTION 2 Recording and Filing of the PILOT Agreement and the PILOT Ordinance

Section 2.1 The City Clerk shall record this PILOT Agreement upon execution and signatures by both Parties with the Office of the LaPorte County, Indiana Recorder within ten (10) business days of the Effective Date to preserve and protect fully the rights of the Parties, including the Owner's obligation to pay each PILOT Payment during the Payment Period and all subsequent penalties, interest, and costs resulting from any delinquency related thereto.

Section 2.2 The City Clerk upon City Common Council approval shall record the PILOT Ordinance with the Office of the LaPorte County, Indiana Recorder within ten (10) business days of the Effective Date to preserve and protect fully the rights of the Parties with respect to the approval of this PILOT Agreement pursuant to the PILOT Statute, including all other statutory requirements of the state of Indiana.

Section 2.3 The City Clerk is hereby further directed to file (date stamped) the recorded the PILOT Agreement and the associated PILOT Ordinance, as recorded, within ten (10) business days of the Effective Date for assessment and tax purposes with the:

- Office of the LaPorte County Assessor (acting at the Coolspring Township Assessor); and
- Office of the LaPorte County Auditor.

Section 2.4 The City Clerk is hereby further directed to file the fully recorded and filed PILOT Agreement and the associated PILOT Ordinance, as recorded, within ten (10) business days of the Effective Date, with the:

- Records of the City's Common Council; and
- Owner of the Real Estate.

SECTION 3 Failure to Perform; Cure Period; and Termination

Section 3.1 Automatic Termination

(a) This PILOT Agreement shall automatically terminate, by no action of the Parties, and shall be of no force or effect between or among the Parties if Owner fails to receive fee simple title to the Real Estate or upon the expiration of the Payment Period and the remittance of the final PILOT Payment due and payable as described in Section 1.2 pursuant to SCHEDULE A titled the PILOT Schedule.

(b) Notwithstanding the foregoing, the Parties may mutually agree to extend this PILOT Agreement in writing prior to the expiration of the Payment Period.

Section 3.2 Conveyance of Property

(a) Upon conveyance of the Owner's title to the Project to any party which meets the requirements of IC 6-1.1-10-16.7, this PILOT Agreement shall remain in full force and effect.

(b) The City acknowledges and agrees the Owner may assign this PILOT Agreement and the obligations thereunder as a part of the sale of the Real Estate and the Project.

(c) The Owner's obligation to pay the PILOT Payments as described in Section 1.2 pursuant to SCHEDULE A titled the PILOT Schedule shall terminate upon Owner's conveyance of its title to the Real Estate and the Project to a permitted successor and an assigned owner of the Real Estate and the Project. However, this PILOT Agreement will be assigned to a permitted successor and/or assigned owner of the Real Estate and the Project if they meet the requirements of Section 1.1, Subsections (a), (b), (c), and (d) including written consent to this PILOT Agreement pursuant to IC 6-1.1-10-16.7(a)(3).

(d) Upon conveyance of fee title to the Real Estate and Project to any other successor and/or assigned owner that does not meet the requirements of IC 6-1.1-10-16.7, this PILOT Agreement shall become null and void and of no further force or effect; provided however, the Owner shall remain obligated for payment of the applicable pro rata amount of the PILOT Payment due and payable as described in Section 1.2 pursuant to SCHEDULE A titled the PILOT Schedule with respect to Real Estate and Project up to the date when a purchaser either assumes the obligations hereunder or the Real Estate and the Project is no longer exempt under IC 6-1.1-10-16.7.

(e) Notwithstanding anything hereto to the contrary, the City acknowledges that Owner may collaterally assign this PILOT Agreement to an Institutional Lender and its successors and assigns, as security for one or more loan (each, a "Loan") encumbering the Project. The City agrees that the tax exemption authorized by the PILOT Agreement shall not terminate due to a foreclose or a deed in lieu of foreclosure of any mortgage or deed of trust in favor of institutional lender (a "Foreclosure Action") provided that the transferee :(i) is an institutional lender or controlled by an institutional lender, or (ii) otherwise complies with the terms of this PILOT Agreement subsequent to the Foreclosure Action. As used herein, "Institutional Lender" means any entity providing construction, bridge, or permanent financing, any governmental entity including, but not limited to federal, state or local housing finance agencies, state or local government entities, banks, mortgage companies, insurance companies, tax credit equity investors and their respective successors and assigns.

(f) All foreclosure protections listed herein only apply to lenders who notify the City prior to any such assignment or transfer to a successor and who agree and consent in writing to this PILOT Agreement's terms. However, Owner shall not be released from responsibilities listed in this PILOT Agreement until such time that the Institutional Lender has issued a formal assumption of obligation related to the Real Estate and the Project. In the event any Institutional Lender refuses to assume the terms of this PILOT Agreement, the Owner remains responsible until the PILOT Agreement is terminated pursuant to Section 3.4 herein.

Section 3.3 Breach and Cure

(a) In the event that Owner fails to make a timely payment pursuant to Section 1.2 consistent with SCHEDULE A titled the PILOT Schedule, the Owner shall pay to the City an additional ten percent (10%) of the PILOT Payment due and payable to the applicable PILOT year (the "Penalty Payment") no later than December 31 of the calendar year in which PILOT Payment is due and payable.

(b) If the Owner fails to make the required PILOT Payment plus the Penalty Payment on or before December 31 of the calendar year in which PILOT Payment is due and payable, the City may at its sole discretion elect to: (i) extend the repayment period in writing to an identified date agreeable to the Parties, or (ii) terminate this PILOT Agreement breach of this PILOT Agreement's PILOT Payment terms.

(c) In the event the Owner fails to satisfy any other requirements listed in Section 1.1 and/or Section 1.4, the City shall notify Owner in writing by USPS certified mail/return receipt of such a PILOT Agreement default and breach. The Owner then shall have one hundred twenty (120) days from the effective date of said notice to cure the reason for default (the "Cure Period"); provided, however, that if the nature of the default is such that it cannot be reasonably cured within such period, Owner shall not be deemed to be in default so long as Owner has commenced and is diligently pursuing completion of such cure. The City may in its sole discretion elect to extend the Cure Period beyond the one hundred twenty (120) day period in writing and shall notify Owner in writing by USPS certified mail/return receipt of such Cure Period extension. Upon expiration of the Cure Period, as may have been extended, this PILOT Agreement may be terminated upon notice from the City in writing to the Owner by USPS certified mail/return receipt that such default has not been cured within the Cure Period.

(d) Upon an event of breach or default, so long as an Institutional Lender or its successors, assigns, nominee and/or designee, holds a mortgage on the Real Estate and the Project, the City agrees to deliver a copy the written notice set forth in this Section 3.3 above to said identified Institutional Lender as provided by the Owner. The Institutional Lender will have the right, but not the obligation, to cure such violation(s) within sixty (60) days following the expiration of the Cure Period, as may be extended, of any breach, default, or violation of this PILOT Agreement as provided to Owner hereunder, more specifically Subsection (c).

Section 3.4 Mutual Termination

(a) The Parties hereto may mutually agree to terminate this PILOT Agreement at any time.

(b) An agreement to terminate this PILOT Agreement shall be in writing and executed by all Parties hereto (the "Termination Agreement").

(c) Upon mutual termination pursuant under this Section 3.4, this PILOT Agreement shall become null and void, and of no further force or effect between or among the Parties.

Section 3.5 Pro Rata PILOT Payment upon Termination

(a) The Owner shall liable and remain obligated for payment of the applicable pro rata amount of the PILOT Payment due and payable as described in Section 1.2 pursuant to SCHEDULE A titled the PILOT Schedule with respect to Real Estate and Project to the extent that the Real Estate and Project remain fully exempt from property tax under IC 6-1.1-10-16.7 up to the date when this PILOT Agreement is terminated pursuant to the Termination Agreement.

(b) The Owner shall receive a credit for all PILOT Payments already paid as described in Section 1.2 pursuant to SCHEDULE A titled the PILOT Schedule with respect to Real Estate and Project.

(c) Upon termination of this PILOT Agreement, the Parties hereto agree that all other provisions of this PILOT Agreement, except for this Section 3.5 shall become null and void and of no further force or effect between the Parties.

SECTION 4 General Provisions

Section 4.1 Captions and Headings; Incorporation of Background & Recitals

The captions and headings of various articles, sections, subsections, exhibits, schedules, or tables referenced herein are for convenience only and are not to be considered as defining or limiting in any way, the scope or intent of the provisions hereof. Notwithstanding the foregoing, each of the Background & Recitals clauses (the "Whereas Clauses") referenced herein are incorporated and expressly made a part hereof.

Section 4.2 Entire PILOT Agreement

This PILOT Agreement constitutes the entire agreement of the Parties, and all prior discussions, negotiations and document drafts are merged herein.

[Remainder of this page intentionally left blank]

Section 4.3 Notices

(a) Any written notice, demand, request or other communication which any Party hereto may be required or may desire to give hereunder shall be in writing, addressed as follows and shall be deemed to have been properly given if hand-delivered (effective upon delivery and date/time stamped upon delivery), if sent by reputable overnight courier, charges prepaid (effective the business day following delivery to such courier) or if mailed as required by this PILOT Agreement by United States via USPS registered or certified mail/return receipt requested (effective two business days after mailing):

If to the Owner of the Real Estate and Property:

Garden Estates Preservation LLC c/o Fairstead
Attention: General Counsel
250 W. 55th Street, 35th Floor
New York, NY 10019-9710

If to the City:

City of Michigan City
Office of the Mayor - Michigan City Hall
100 E. Michigan Boulevard
Michigan City, IN 46360

City of Michigan City
Office of the Clerk - Michigan City Hall
100 E. Michigan Boulevard
Michigan City, IN 46360

City of Michigan City
C/O Corporation Counsel
Legal Department - Michigan City Hall
100 E. Michigan Boulevard
Michigan City, IN 46360

or at such other address(es) as the Parties deemed necessary to receive and be served notices in writing to the party seeking or desiring to serve notice as a place for the service of notice.

(b) Notices given in any other manner of format shall be deemed effective only upon receipt.

Section 4.4 Modification, Amendment, or Waiver

A modification, waiver, amendment, discharge, or change of this PILOT Agreement shall not be valid unless the same is in writing and signed by all Parties to this PILOT Agreement.

Section 4.5 Governing Law

This PILOT Agreement shall be governed by and construed under the laws of the state of Indiana, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this PILOT Agreement. Any action or proceeding arising out of this PILOT Agreement will be litigated in the courts located in LaPorte County, Indiana. Each party consents and submits to the jurisdiction of any local, state, or federal court located in LaPorte County, Indiana.

Section 4.6 Timely Performance and Expediency

Timely performance and expediency related to the necessary approvals for the implementation of this PILOT Agreement is hereby declared to be critical whereby prompt action is necessary for its success and for the investment of the Owner in the Real Estate and the Property. Therefore, both Parties agree to the timely performance and expedient action(s) related to the approval of this PILOT Agreement and its associated documents, exhibits, schedules, or tables, and of every part hereof is imperative.

Section 4.7 Counterparts

This PILOT Agreement and any amendments hereof may be executed in one or more counterparts, each of which when so executed and delivered pursuant to Section 4.3 shall be deemed to be an original, and all of which taken together, shall constitute one and the same instrument.

Section 4.8 Severability

If any provision of this PILOT Agreement is determined by a court having jurisdiction to be illegal, invalid, or unenforceable under any present or future law, the remainder of this PILOT Agreement will not be affected thereby. It is the intention of the Parties that if any provision is so held to be illegal, invalid or unenforceable. there will be added in lieu thereof a provision as similar in terms to such provision as is possible that is legal, valid and enforceable. Notwithstanding the foregoing, to the extent that the Real Estate and the Project are not fully exempt from property tax, this Section 4.8 is null and void.

Section 4.9 No Joint Venture

Nothing contained in this PILOT Agreement will be construed to constitute any Party as a joint venturer with the City or to constitute a partnership between any Party and the City.

Section 4.10 Construction

The Parties acknowledge that: (i) each party and each party's legal counsel have reviewed and revised this PILOT Agreement, and (ii) the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this PILOT Agreement or any amendments or exhibits hereto.

Section 4.11 Authorization

The persons executing and delivering this PILOT Agreement on behalf of the Parties hereto represent and warrant to the other party that such person is duly authorized to act for and on behalf of said party, and execute and deliver this PILOT Agreement in such capacity as is indicated below.

Section 4.12 Assignment and Successor

(a) This PILOT Agreement shall be binding upon City, and the Owner, and all successor, grantees, or assignees of the Owner with respect to the Real Estate and the Project (or any portion thereof) which would otherwise qualify for PILOT under applicable state of Indiana law and be entitled to claim an exemption for real property taxes imposed on the Real Estate and the Project.

(b) Any assignment or transfer of this PILOT Agreement as a security for one or more loans must be approved by the City in writing prior, which approval shall be promptly given, to the assignment or transfer, regardless of this PILOT Agreement's contemplation of such possible assignment or transfer.

Section 4.13 Recording

(a) The City at the Owner's expense (for reimbursement to the City) will cause this PILOT Agreement and any other instruments of further assurance to be promptly recorded, filed, and/or registered as directed under a Section 2 herein titled Recording and Filing of the PILOT Agreement and the PILOT Ordinance.

(b) This PILOT Agreement and any other instruments of further assurance including all modification(s), waiver(s), amendment(s), discharge(s), or change of this PILOT Agreement or the PILOT shall at all times be timely recorded, filed and registered within ten (10) business days of the Effective Date, in such manner and in such places as may be required by law to preserve and protect fully the rights of the Parties hereunder as to Real Estate and the Property, and all of the property that may be mortgaged.

IN WITNESS WHEREOF, the undersigned Parties have caused the execution of this PILOT Agreement by their duly authorized officers as of the Effective Date.

Execution of the PILOT Agreement on the following pages

[Remainder of this page intentionally left blank]

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Between:

The City of Michigan City, LaPorte County, Indiana,
a municipal corporation and political subdivision of the state of Indiana

And

Garden Estates Preservation LLC
A foreign limited liability company registered in the state of Indiana (Business ID:202604151991004), with its principal office at 250 W. 55th Street, Floor 35, New York, New York 10019-9710

CITY OF MICHIGAN CITY, INDIANA

____
Angie Nelson Deuitch, Mayor
City of Michigan City, Indiana

NOTARY

STATE OF INDIANA)
) **SS:**
COUNTY OF LAPORTE)

Before me, a Notary Public, in and for said County and State, personally appeared the Honorable Angie Nelson Deuitch in her capacity as the Mayor of the City of Michigan City, LaPorte County, Indiana, and who, having been duly sworn, state that any and all representations and warranties contained therein are true and correct in all material respects.

Witness my hand and Notarial Seal this ______ day of ____________________, 2026.

____
Notary Public

____
Printed Signature

____
Notary Number

My Commission Expires: ____________________________________

My County of Residence: ____________________________________

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Between:

The City of Michigan City, LaPorte County, Indiana,
a municipal corporation and political subdivision of the state of Indiana

And

Garden Estates Preservation LLC,
A foreign limited liability company registered in the state of Indiana (Business ID:202604151991004), with its principal office at 250 W. 55th Street, Floor 35, New York, New York 10019-9710

OWNER OF THE PROJECT:

GARDEN ESTATES PRESERVATION LLC
A foreign limited liability company,
Registered in the state of Indiana –
(Business ID:202604151991004),

BY:

____
Noah Hale, Authorized Signatory
Garden Estates Preservation LLC

NOTARY

STATE OF _________________)
)   **SS:**
COUNTY OF _______________)

Before me, a Notary Public, in and for said County and State, personally appeared Noah Hale in his capacity as the Authorized Signatory of Garden Estates Preservation LLC, and who, having been duly sworn, state that any and all representations and warranties contained therein are true and correct in all material respects.

Witness my hand and Notarial Seal this ______ day of ______________________, 2026.

____
Notary Public

____
Printed Signature

____
Notary Number

My Commission Expires:
____

My County of Residence:
____

MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO. ____

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA AMENDING THE TEXT OF THE MICHIGAN CITY COMPREHENSIVE ZONING ORDINANCE NO. 4120 (REFERRED TO AS THE HOUSING INFILL AMENDMENT)

WHEREAS, the Plan Commission of the City of Michigan City, Indiana (the "Plan Commission") has the responsibility, in accordance with Appendix C - Joint Zoning Ordinance of the City of Michigan City Municipal Code (also referred to herein as "the Municipal Code") and Section 27.03 of the Michigan City Comprehensive Zoning Ordinance No. 4120 (also referred to herein as "the Zoning Code") and in accordance with Indiana Code 36-7-4-605, to act as an advisory board to the Common Council of the City of Michigan City concerning the Zoning Code of the City of Michigan City, Indiana; and,

WHEREAS, the Plan Commission may, pursuant to Indiana Code 36-7-4-602(b), initiate a proposal to amend or partially repeal the text of the Zoning Code; and,

WHEREAS, the Plan Commission has: considered the study performed by the Planning Department on housing needs in Michigan City and the report submitted to the Plan Commission; reviewed and studied the recommendations provided by its own Planning Department staff concerning the make-up of residential housing and neighborhoods in Michigan City and the acute housing shortage therein; considered the proposals made by its staff; reviewed the proposed amendment to the Zoning Code submitted by its staff and referred to as the "Housing Infill Amendment"; and received and discussed the proposals at its meeting held on May 26, 2026; and,

WHEREAS, as presented to, and approved by, the Plan Commission at its public meeting held on May 26, 2026, the Housing Infill Amendment adds new rules concerning minimum housing square footage and setbacks within the R1E and R1D districts, and adds a few complimentary, and deletes a few contradictory, provisions found in the existing Zoning Code; and,

WHEREAS, upon notice having been duly published and a public hearing held, the Plan Commission: made findings of fact; approved the Housing Infill Amendment, a copy of which is in the offices of the Plan Commission and the Michigan City Clerk; and approved and adopted Plan Commission Resolution No. 01-2026, certified its approval and favorable recommendation, and forwarded this with a favorable recommendation to the Common Council of the City of Michigan City, Indiana (the "Common Council") with the recommendation that the Common Council approve and adopt the Housing Infill Amendment; and,

WHEREAS, pursuant to Indiana Code 36-7-4-607, the Common Council has the authority and duty to consider, adopt, reject or amend changes to the Zoning Code; and, as evidenced by Resolution 01-2026, the Plan Commission filed with the Common Council Resolution 01-2026 together with Exhibit A to said Resolution, which is the entire text of the proposed amendment and which is incorporated into this Ordinance and made a part hereof; and,

WHEREAS, upon notice having been duly published, the Common Council considered the Housing Infill Amendment at the regular monthly meeting of the Common Council held on May 26, 2026; and,

WHEREAS, the Michigan City Common Council has reviewed Resolution 01-2026 of the Plan Commission of the City of Michigan City, Indiana, Exhibit A, the Findings of Fact contained therein, and related information and has received and considered comments from the public regarding the proposed Zoning Code changes contained in the Housing Infill Amendment which adds new rules concerning minimum housing square footage and setbacks in the R1E and R1D

Districts, adds and deletes certain provisions related to minimum floor areas; and,

WHEREAS, the Michigan City Common Council has determined that amending the Zoning Code to adopt and incorporate the Housing Infill Amendment would be in the best interests of the entire City of Michigan City, Indiana; and,

WHEREAS, the Michigan City Common Council now finds that the Zoning Code should be amended to incorporate the changes in the Housing Infill Amendment as delivered to the Common Council by the Plan Commission and certified to the Common Council with a favorable recommendation by the Plan Commission as set forth in the Plan Commission Resolution No. 01-2026.

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA:

Section 1. That the foregoing recitals are incorporated herein by reference.

Section 2. That, after review of the Plan Commission Resolution No. 01-2026 and the related Findings of Fact and other information contained therein, and after review of the Housing Infill Amendment together with **Exhibit A**, which was provided to the Common Council with said Resolution and attached hereto and incorporated herein as Exhibit A, having given due consideration to how the proposed Zoning Code changes will affect or conform to: 1) the City's Comprehensive Plan; 2) the current conditions and the character of current structures and uses in the entire City of Michigan City; 3) the most desirable uses for which residential property in the City of Michigan City is adapted; 4) the need to conserve property values throughout the City of Michigan City; and 5) whether the proposed changes are consistent with responsible development and growth in the City of Michigan City; and having considered all of the evidence in the record before it and applying the appropriate standards to guide its determination, the Common Council now adopts the Housing Infill Amendment and **Exhibit A** and approves all of the changes to the current Zoning Code contained in said Housing Infill Amendment and **Exhibit A.**

Section 3. That from and after the passage and publication of this ordinance, the amendments and additions described above shall be included in the Zoning Code which is hereby amended and revised accordingly.

Section 4. That this Ordinance, after its passage and approval by the Mayor of Michigan City, Indiana, shall be published once each week for two consecutive weeks in the LaPorte Herald Dispatch, a daily newspaper of general circulation.

INTRODUCED BY: ______________________________

Bryant Dabney, Member
Michigan City Common Council

Adopted this ____ day of ___________, 2026 by the Common Council of the City of Michigan City, Indiana.

____
Tracie Tillman, President
Michigan City Common Council

This Ordinance is approved/vetoed (circle choice) by me this ___ day of __________, 2026.

____
Angie Nelson Deuitch, Mayor
City of Michigan City, Indiana

ATTEST:____________________

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

EXHIBIT A

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA AMENDING THE TEXT OF THE MICHIGAN CITY COMPREHENSIVE ZONING ORDINANCE NO. 4120

The Michigan City Comprehensive Zoning Ordinance No. 4120 referred to herein as "the Zoning Code" is amended to incorporate the following additions and deletions:

1. Article 04 Single Family Residential Districts shall be amended by the following:

   (a) deleting Table 04.04 in its entirety and replacing it with the following which shall be added to Section 04.04.:

Neighborhood Preservation Table

Table 04.04
Building Dimensional Requirements (a)

District	Max. building height (b)		Min. setbacks (ft.) (c, d, e, f, g, m)						% Lot coverage (j)		Min. floor area (m)	
	Height (ft.)	Height (st.)	Front yard	Interior Side yard [1]	Side Street Yard	Total both sides	Rear yard	Water-way (h, i)	Building	Imper. surface	Total (sq. ft.)	First floor (sq. ft.)
R1A - Single family residential	35	2.5	40	15	40	30	25	75	35%	45%	1000	800
R1B - Single family residential	35	2.5	25	10	25	20	25	75	35%	45%	1000	800
R1C - Single family residential	35	2.5	25	5	25	15	25	75	45%	55%	1000	800
R1D - Single family residential[1]	35	2.5	20	5	20	15	20	75	45%	55%	1000	800
R1E - Waterfront residential[2]	35	2.5	20	7	20	14	20	75	50%	55%	1000	800

Table Notes:
1. See Subsection (m) below.
2. See Subsection (k) below.

   (b) deleting Subsection (1)(3) Neighborhood Conservation to the end of Article 04 in its entirety.

2. Article 04 Single Family Residential Districts shall be amended by adding the following new Subsection 04.04(m) to follow existing Subsection 04.04(l)(3)d.2:

(m) *Neighborhood Conservation for Infill Housing*

a. *Purpose*. The City includes areas that have been developed for many years. Therefore, applying regulations to existing development has created situations in which existing lot dimensions and buildings and structures do not strictly comply with the requirements, even though they complied at the time they were permitted and constructed. The fact that these nonconformities were at onetime conforming means that they are now deemed "legally nonconforming" and therefore, are permitted to continue without substantive changes until site, building or structure, or land use changes are proposed.

b. The purpose of this Subsection is to enable reinvestment on developed, nonconforming lots and new investment on vacant lots provided property improvements preserve and are compatible with the character and bulk and scale of development. A demonstration of conformance may warrant compliance with the standards of this Section or may allow adaptation to alternate development standards by the enforcement official without requiring hardship or a variance process. Further, lawfully constructed buildings, structures, and platted lots may be deemed conforming rather than nonconforming.

c. *Applicability*. Within the R1E and R1D districts, a number of properties are nonconforming by reason of the lot area, width, or width-to-depth ratio, and due to the percent of building or impermeable surface coverage. These nonconformities effect both developed and vacant lots, as applicable. A nonconforming designation imposes limitations on the ability to alter, expand, improve, or replace buildings as provided in Section 29.02, *Nonconforming Structures and Buildings*, and Section 29.03, *Nonconforming Lots*. Furthermore, such designation may also affect loan approval or require variances prior to property improvement. These limitations deter investment and reinvestment and the ability to sustain a quality character and economic integrity of the neighborhood over time.

d. *Declaration of Conformity*. Subject to the exceptions set out in Subsection (4)(c)(4) below:

   1. Lots that lawfully existed as of January 1, 2019, are deemed "conforming" with respect to lot area, lot width, and the width-to-depth ratio provided the lot is subject to an approved and recorded subdivision plat for which no metes-and-bounds adjustments have been made to the lot boundaries;

   2. Principal and accessory buildings or structures that lawfully existed as of January 1, 2019, or that were the subject of an active building permit, are conforming with respect to building coverage;

   3. Any addition to or alteration of a principal or accessory building or structure and the cumulative lot coverage, including building and impervious surface coverage, after January 1, 2019, must comply with the following:

      a. *Developed Lots*:

         1. The standards of Table 04.04, *Building Dimensional Requirements*;

         2. Minor modifications approved by the Enforcement Official, or a designee, that do not exceed five percent of any required dimensional standard of this Ordinance and which may be demonstrated not to impose

material impacts on public rights-of-way, easements, or adjacent properties;

3. If a proposed building or structure modification or expansion does not and may not comply with the standards of Table 04.04, *Building Dimensional Requirements*, then the application shall be evaluated according to the alternate standards outlined below; and then

4. As allowed by a variance authorized by the Board of Zoning Appeals.

b. *Undeveloped Lots*:

1. The standards of Table 04.04, *Building Dimensional Requirements*, or if the subject lot is nonconforming as of January 1, 2019:

2. The alternate standards outlined below.

e. *Exceptions*. A declaration of conformity however, does not make the following conforming:

1. A primary plat that was approved by the City but for which secondary plat approval was not granted within 120 days;

2. Construction of a principal structure on more than one lot of record without approval of a replat;

3. Principal or accessory buildings or structures that were constructed or modified without or in violation of required permits;

4. Principal or accessory buildings or structures that encroach into public rights-of-way or easements (including The Esplanade);

5. Buildings that were permitted and constructed as a single-family detached dwelling and later converted to a two-family unit or multiplex (three to five units) without required permits, or were not in conformance with the applicable zoning designation; and

6. Accessory buildings or structures that were located within a setback without approval of a variance.

f. *Alternative Standards*.

1. *Generally*. Alternative setbacks may be applied only if demonstrated that the standards of this Subsection are met, and:

a. The proposed construction does not interfere with a planned expansion of right-of-way, and if right-of-way expansion is planned, the encroachment is evaluated as if the right-of-way has been expanded;

b. The proposed construction does not result in interference with any easement;

c. Drainage onto abutting properties or rights-of-way does not significantly alter or substantially change the conditions before the proposed development;

d. The proposed construction does not result in a nonconformity with respect to the building code on either the lot proposed for development or abutting lots;

e. If the parcel that abuts the improvement is used for residential purposes, the proposed construction is built to building code standards that would allow construction of the abutting lot to be built to the same standard along the same setback line; and

2. The proposed construction does not reduce the area provided for parking to fewer spaces than required by subsection f. number 7.

3. *Front Setback Averaging* Figure 04.03). Front setbacks may be reduced to the average front setback along the same side of the same street segment in the same zoning district, provided that:

   a. The lot proposed for development and any lot that encroaches a public right-of-way or easement is not counted in the calculation; and

   b. If the lot takes vehicular access from the front, the proposed driveway must be:

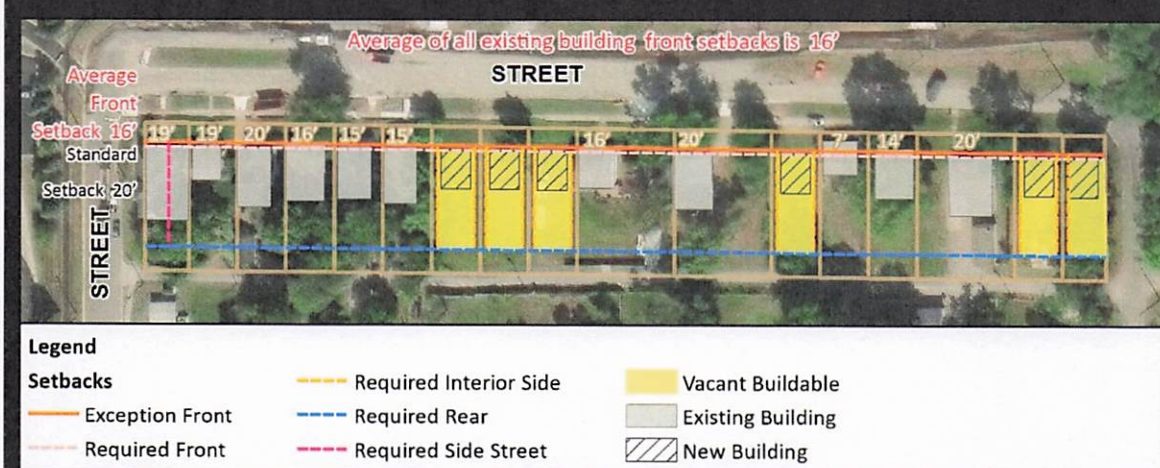
      1. Of sufficient length to provide parking behind the averaged front yard setback or Side Street Yard setback if a corner lot.

      2. Of sufficient width for a vehicle and not less than nine feet or more than 18 feet in width.

   c. Minimum of four house is along the same side of the same street segment:

      1. If less than four houses are located on the same side of the same street segment then the opposite side of the street will be used.

Figure 04.03
Front Setback Averaging



4. *Interior Side and Rear Yard Setbacks.* The interior side and rear yard setbacks can be the average prevailing setbacks on the lots on either side or within two lots of the same street frontage, provided no interior side setback may be less than five feet (5')and still maintaining no less than ten feet (10')between adjacent

structures. No rear setback may be less than twelve feet (12') but must still meet parking standards as provided in 8. *Parking Standards for Neighborhood Conservation*.

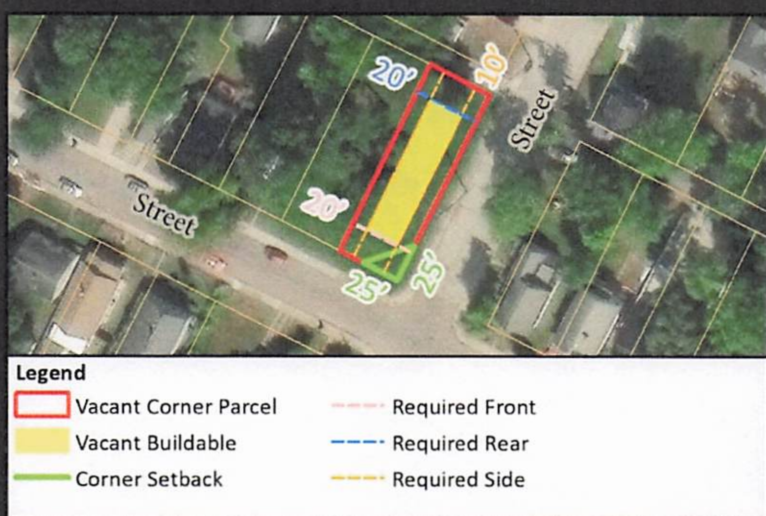
5. *Side Street Yard Setback* (Figure 04.05). In the instance of a corner lot, the side street setback can be reduced to ten feet (10')but no structure can encroach into the corner clearance triangle as defined in *Section 15.06 Corner Clearance*.

6. *Building Coverage Ratio*. The Enforcement Official may approve additional building coverage up to ten percent greater than that required Table 04.04, *Building Dimensional Requirements*, if it is demonstrated that:

a. The increased building coverage does not increase the extent of any other nonconformity present on the property;

b. The impact will be no greater than it was before the construction of the additional building coverage; and

Figure 04.05
Side and Corner Clearance



c. The increased building coverage does not increase the extent of any other nonconformity present on the property;

d. The impact will be no greater than it was before the construction of the additional building coverage; and

e. The bulk (volume) of the building is not greater than that of a building that could be constructed at the maximum building coverage as set out in Table 04.04, *Building Dimensional Requirements*.

7. *Minimum Total Floor Area Averaging*. Minimum floor area may be reduced to the average total floor area of buildings along the same side of the same street segment in the same zoning district with a minimum of 650 square feet building footprint total. If less than four houses are located on the same side of the same street segment, then the opposite side of the same street of the segment street can be used.

8. *Parking Standards for Neighborhood Conservation*. Parking must still account for the required off-street parking area in accordance with *ARTICLE 18. - PARKING AND TRANSPORTATION PROVISIONS*. For the purposes of

this section (1) Neighborhood Infill, a dwelling unit may reduce the required residential parking standard to a 1:1 ratio where on-street parking is allowed directly in front or to the side of the lot. Off-street parking cannot be provided within the front yard setbacks.

END of Exhibit "A"