



GEORFFREY BLACK

## Can Michigan City become the new New Buffalo?

A string of wins positions the postindustrial city along Lake Michigan for transformation | **By Dennis Rodkin**

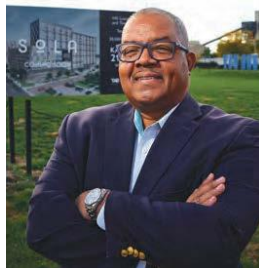
Clarence Hulse had already spent several years receiving potentially transformative news for his town, Michigan City, Ind., when state officials delivered another momentous gift in August, announcing they'll close the Indiana State Prison, which has stood on Michigan City's eastern end since 1860, toward the end of this decade.

"That's 100 acres that's a few minutes by bike from the Mt. Baldy parking lot" in Indiana Dunes National Park, Hulse said. "That's going to be prime land for development."

Closing the prison — whose most famous inmate was John Dillinger — is the latest piece of good news for Hulse, director of the economic development corporation in Michigan City, a Lake Michigan shoreline town of 32,000 people 59 miles from the Loop.

With some of Michigan City's biggest pockmarks being removed

See **MICHIGAN CITY** on Page 6



Clarence Hulse is director of the economic development corporation in Michigan City. | PHOTOS BY GEOFFREY BLACK

## Autoworkers didn't get all, but got a lot

The new UAW contracts with the Detroit Three stack up well when compared to labor's other recent deals with Deere, UPS and the airlines

**By John Pletz**

Autoworkers at the Detroit Three just negotiated the best contracts they've seen in a generation.

The deals, which were wrapped up late last month, are the latest in a string of strong settlements by labor unions in manufacturing and transportation, including Deere, UPS and the big traditional airlines: United, American and Delta.

Over 4½ years, autoworkers at Ford, Stellantis and General Motors will get 25% raises, in addition to annual cost-of-living adjustments that could increase pay 33% for workers at the top of the scale. That isn't quite the 40% that airline pilots at United,

American and Delta received in their four-year deals, nor the 35% raises in the five-year contract with UPS. But it's slightly higher, based on annualized raises, than the six-year agreement reached at Deere in late 2021.

Matt Frantzen, president of the UAW Local 1268 at the Stellantis plant in Belvidere, says the raises in this contract alone exceed the amount he's seen in all the deals signed since he became an autoworker in 1994.

"I haven't seen a deal this good in 30 years," he says, which he credited to United Auto Workers President Shawn Fain and the team that took over the UAW last year. But the biggest win was

See **UAW** on Page 16

## Northern Cook County homes see median property taxes jump

North, northwest suburban residential properties bear the brunt of a \$331M increase in 2022 bills

**By Leigh Giangreco**

The north and northwest suburbs saw a \$331 million increase in their 2022 Cook County property tax bills, with residential properties taking on most of the burden this year. Higher levies driven by school districts, the reversal of a COVID-era adjustment and a new provision in the

Illinois tax code that allowed taxing bodies to recover money from property owners fueled the hike.

Following Cook County's latest assessment, the median residential tax bill for residents in the north and northwest suburbs shot up by 15.7%, from \$6,056 to \$7,008. That spike represents the

See **TAXES** on Page 18

### HEALTH CARE

As winter looms, migrants' lack of reliable shelter could become a public crisis.

**PAGE 3**



### DINING

Five Chicago restaurants added to Michelin's Bib Gourmands list.

**PAGE 4**



# MICHIGAN CITY

From Page 1

and investment coming in by the hundreds of millions, the town is at a pivot point in its history. In a decade, it could be a very different place from a little industrial town that used to be best known as the home of the Sansabelt slacks that Johnny Carson and his sidekick Ed McMahon hawked.

Instead, if all goes right, it could become a new hub of Lake Michigan shoreline living, with expensive rentals for either short-term use or long-time living, a restaurant scene and a train ride to Chicago that makes driving over the Skyway and through Gary a thing of the past.

In Michigan City, the hits keep coming, so many of them so far that Hulse says "I'm just glad they're not all happening at once, so we can take this one piece at a time. We're only going to get one chance to do it right."

When it's all done a decade from now, Hulse and others hope the city has 10,000 additional residents and an array of hotels, restaurants and short-term rentals to accommodate visitors to the national park and Michigan City's pretty beach. Two notable first steps happened in October: Sola, a \$280 million development of condos, hotels and restaurants spearheaded by prominent Chicago development firm Farpoint, and 11th Street Central, an \$80 million mix of apartments, commercial space and parking near the South Shore train station from an Indianapolis developer, Flaherty & Collins Properties, both broke ground.

If all goes as planned, "Michigan City is going to be so cool," says Joe Farina, a restaurateur who has venues in the South Loop and Oak Park and last year opened Cafe Farina on Franklin Street in Michigan City.

The downtown area, now somewhat sleepy and marked by several blocks of vacant land a short walk from the lakefront, "is going to be a very vibrant, year-round community, as opposed to just swelling on summer weekends" says Scott Goodman, head of Farpoint. "A lot more walking and biking and use of the lakefront, an active bar and restaurant scene."

## Not a sure thing

It's not a sure thing. Michigan City is relying heavily on tax-increment financing districts to lure projects in. Farpoint and others have moved dirt but haven't started construction, and a dramatic change in the U.S. or local economy could intervene before the next steps are taken. And while organized opposition hasn't yet sprung up to fight the displacement that a downtown renaissance can generate, there's still time.

Joining the prison closure in making this an opportune time for Michigan City are:

- The General Motors and Samsung SDI announcement in June that they'll build a \$3 billion elec-



The planned shutdown of NIPSCO's coal-burning electricity plant will ultimately remove the giant concrete tower, frequently mistaken for a nuclear plant, that looms over parts of Michigan City. PHOTOS BY GEOFFREY BLACK

tric vehicle battery cell plant in New Carlisle, 30 minutes east of Michigan City and entirely too small at 1,870 people to house all the holders of the 1,700 jobs it's expected to create. While many of them will live in South Bend, about 25 minutes from New Carlisle, "we can get a lot of them to come (in our direction) because of the energy here," Hulse says, "and we have the beach."

- The \$649 million double-tracking of the South Shore rail line, which will add more frequent trains and cut the commute into Chicago by about 20 minutes, to an hour and 20 minutes, faster than the trip can be made by car. Announced in 2014, the double-tracking is scheduled for completion in May.

- Shutdown of the coal-burning electricity plant that occupies 123 acres and a mile of shoreline adjacent to the national park. In 2018, electric utility NIPSCO announced it will close the plant within a decade. The shutdown won't only free up another first-rate parcel, but also will ultimately remove the giant concrete tower, frequently mistaken for a nuclear plant, that looms over the lakefront.

- Elevation of the Indiana Dunes from national lakeshore to national park in 2019, raising the profile of the long-loved natural area. The park, which abuts Michigan City, now attracts over 2.8 million visitors a year, up by more than a million from typical attendance before its status upgrade.

- The pandemic, which heightened people's ability to work remotely from pleasantly distant spots like southwest Michigan and northwest Indiana. Long overlooked by second-home buyers headed just past it to Long Beach, Michiana or New Buffalo, Michigan City is both more affordable and replete with empty



or underutilized sites.

Of all these enhancements, "there's no overemphasizing the double-tracking of the South Shore," Goodman says. "It's making Michigan City so much easier to reach from the big metropolitan area, Chicago."

Goodman, Hulse and others expect the shorter train ride to bring in not only short-term visitors but new long-term residents, who can hang onto their connections to work, family and doctors in Chicago. When faster service starts in mid-2024, getting to Michigan City by train from downtown Chicago will take about the same time as a ride to Naperville, Schaumburg or Libertyville.

"The Indiana Dunes historically was a day-tripper's paradise," says Rob Harte, a developer who's been working on southwest Michigan and northwest Indiana projects for a decade and now heads NWI Development. "For Chicago people, it was 'Let's drive over for the day, see it and leave.' But with all these changes, a significant amount of growth is going to be the people coming for a longer stay."

It's not only big developers like Farpoint who are climbing aboard.

Rodion Galperin, who works in corporate marketing and lives in the Chicago suburbs, now owns a small portfolio of six rental units in the suburbs. He's looking into buying a few more,

in Michigan City.

"For my generation, a lot of whom live in the city so they don't have to have cars," says the 40-year-old, "that rail line will make it possible to work in downtown Chicago but commute to where you can live affordably. It makes so much sense."

## Lower property taxes

Another factor drawing his interest, Galperin says, is Indiana's low taxes, compared to notoriously high rates in the Chicago area. The effective property tax rate in Illinois is 2.23%, which puts it close behind New Jersey for the highest-taxing state in the country, according to a February report from WalletHub. Indiana's rate is 0.83%, roughly one-third of Illinois' rate and tied for 21st-lowest among the states. On a \$245,000 home, an Indiana homeowner would pay \$2,021 in property taxes annually, while their Illinois counterpart pays \$5,465.

"It just keeps going up in Illinois, and I don't want to pay these tax rates," Galperin says. "I'd rather invest in a place like Michigan City."

Pat Coughlin, the ReMax County Wide 1st agent Galperin is working with, says the lower taxes will also appeal to longtime Chicagoans looking to cut expenses in retirement. "The money you save is significant," says Coughlin, a lifelong Chicagoan who with her husband and fellow

agent, Don Schillo, moved from Lisle, in the western suburbs, to Long Beach in 2019.

Beyond the savings, Coughlin says, Michigan City's appeal to retirees or empty nesters comes from the natural splendor of the dunes and the soon-to-arrive ease of getting back to Chicago. The revitalization effort, she says, "is an important layer added to it, because it's going to be like a vacation town."

With so much change coming, the prospect of gentrification and displacement inevitably pops up. Will Michigan City's evolution into a resort-and-retirement town push out long-established residents?

It's a potentially volatile issue in a small, postindustrial city where 28% of residents are Black and the poverty rate of 21% is nearly twice the national level. Episodes of unrest in the city's past, both decades ago and in recent years, highlighted resentments among the Black community over issues such as policing. It's not hard to envision the possibility that those resentments might fuel a backlash against the transformation program if Black residents or members of other marginalized groups feel excluded from or negatively affected by a city initiative that brings in a lot of new residents and drives up housing costs.

Hulse believes careful planning can not only prevent displacement but accomplish the opposite: attract new residents with moderate incomes as well as the affluent. "People shouldn't have to drive in from Chesterton to work in Michigan City restaurants," he says. The two towns are 15 miles apart.

"We want them to live here and work here," Hulse says. Working with the Brookings Institution, Michigan City officials and a cluster of nonprofits in August released a road map, called Vibrant Michigan City, Economic Prosperity for All. Its goals include "create housing options for all, specifically safe and affordable options" and "develop job readiness skills and eliminate barriers to employment."

"If we're going to make all this change, we have to do it for all, not for some," Hulse says. In the short term, that includes being emphatic that applicants must include a grocery store and an affordable housing element when responding to a request for proposals that will go out in January for development of an empty 3-acre parcel adjacent to the downtown blocks.

Later, if the city gets control of the land vacated by the prison or by NIPSCO, "we'll have the same idea," he says, "that even on these prime pieces of land you're going to have to do something for us if you want our approval."

Hulse also wants to ensure small-business entrepreneurs get a piece of the pie. What he's been telling them, he says, is "go over to Chicago and look at the (neighborhood) train stations. What are the businesses within a mile that are doing well? Coffee shops, financial services? Bring us some of those."