

SOUTH BEND

THESE DAYS, DOING BUSINESS IN THE CITY OF SOUTH BEND AND THE STATE OF INDIANA IS EASIER AND BETTER THAN EVER.



“Indiana ranked 11th in *Site Selection Magazine’s* Annual State Business Climate Rankings in 2008 resulting from favorable changes to Indiana’s tax structure.”

A GREAT DESTINATION FOR BUSINESS.

According to Forbes.com in 2009, South Bend ranked sixth among 200 U.S. metropolitan areas in terms of the best cost of living, and 28th for doing business. Meanwhile, Indiana ranked 11th in *Site Selection Magazine’s* Annual State Business Climate Rankings in 2008 resulting from favorable changes to Indiana’s tax structure that have been well-received by corporate leaders.

Boasting a tri-modal airport, commuter and freight rail connections and two interstate highways, South Bend is strategically positioned at the center of the second-largest overnight, over-the-road distribution zone in North America, reaching more than 41 million U.S. residents. When it comes to gas, electric, water and wastewater utility rates, South Bend also compares favorably with other Midwestern metropolitan areas.

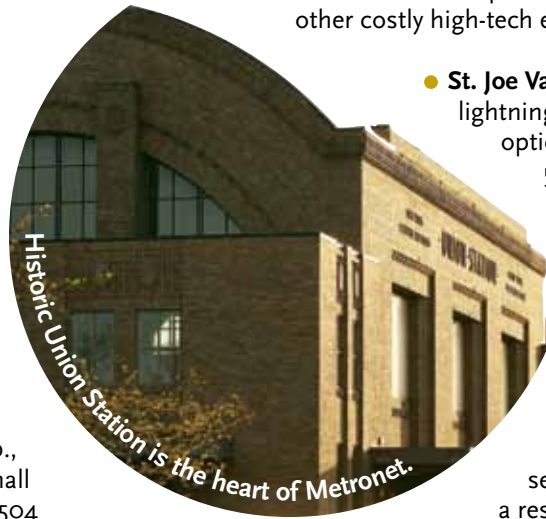
The City of South Bend has several tools available to help business get ahead:

- **Tax Abatements** – Whether for businesses to improve property and acquire equipment or for the construction of new residences, tax abatements provide key tax relief that enables developers to ensure a project’s success. This phased deduction on the increase in taxes generated by new investment both assists the developer as well as the local community.
- **Tax Increment Financing (TIF) districts** – South Bend has two economic development areas and five redevelopment areas. Within these areas, TIF districts are established to enable the incremental increase in taxes resulting from new development to underwrite new investment in infrastructure. Through the South Bend Redevelopment Commission, the City has implemented aggressive strategies to boost economic development.
- **Industrial Revenue Bonds** – Also known as Private Activity Bonds, these tax-exempt bonds, issued by government entities, help lower financing costs for

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businesses by providing tax-exempt interest to investors. The bonds are eligible for new construction, property acquisition, renovating existing facilities or equipment purchases. They may not be used for refinancing existing property.

- **Industrial Revolving Loan Fund** – The Industrial Revolving Loan Fund’s mission is to provide gap financing to retain and expand existing businesses, to assist start-up businesses as well as to create and/or retain manufacturing jobs. With fixed rates that are generally below market rates, the loan fund’s gap financing is used to supplement traditional financing sources. The loans may be used to buy real estate; construct buildings; acquire equipment, supplies or materials; or simply to allow a business to have adequate working capital.
- **Other loan programs** – Through the Business Development Corp., small businesses can access Small Business Administration (SBA) 504 loans. These provide long-term, fixed-rate financing for the purchase of real estate or equipment, or for construction costs. With 10- to 20-year terms, these loans need only 10 percent borrower equity – 50 percent are bank-funded, with the remainder provided by the SBA.



- **State incentives** – City officials work collaboratively with officials from the State of Indiana to assemble incentives for projects. The state’s EDGE program (Economic Development for a Growing Economy tax credit) rewards companies that create jobs and contribute to the state’s growth through refundable tax credits. The 21st Century Fund stimulates the process of diversifying the state’s economy by developing and commercializing advanced technologies in Indiana. Through the Venture Capital Investment Tax Credit, investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana income tax liability. And data-intensive businesses can benefit tremendously from legislation enacted in 2009, offering property tax breaks on computers, fiber optic cable and other costly high-tech equipment.

- **St. Joe Valley Metronet** – It’s a lightning-fast network of fiber optic cable more than 50 miles long – and growing. South Bend’s Metronet provides a high-speed data transfer infrastructure with virtually unlimited bandwidth. It lets customers to choose any carrier offering its services in the area. As a result, Metronet offers its users considerable flexibility, cost savings and security. Most importantly, it positions this region for high-tech economic development on a level playing field with major U.S. cities. Because of the Metronet, South Bend is one of the most affordable, accessible and secure options for this kind of Internet connectivity and data transfer – a level exceeding that which is available in most larger cities. While other municipalities have established similar kinds of networks, in 2005 South Bend became the first U.S. city to use the steel underground conduit linking its traffic signals for the network. The Metronet’s unique innovation – a focus on being a vendor-neutral gateway – has ushered in a new competitive environment for local and long-haul providers of telecommunications services.

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UNIVERSITY OF NOTRE DAME

Tax abatements, TIF districts,
revenue bonds, loan programs,
state incentives, dark fiber ...
South Bend has the business-
friendly ideas and solutions that
make it a compelling site selection.

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