

Incentives

Updated: September 24, 2025

There are a number of City, State and Federal incentives a new business can apply for in support of building the local economy, from industrial property to obsolete property, historic buildings and new housing. Explore available programs below, or reach out to the City's Development Director for more information.

Brownfield Redevelopment Programs

[The City's Brownfield Redevelopment Authority](#) uses Tax Increment Financing to reimburse eligible costs in support of:

1. [Revitalizing contaminated or obsolete sites](#)
2. [Finance housing projects](#) for middle-income residents

Each brownfield redevelopment application is reviewed on a case-by-case basis, considering the specifics of the proposed plan and the intended future use of the property. [Applications are available via the City of St. Joseph's website.](#)

DDA Redevelopment Liquor Licenses

[Through the provisions of Public Act 16 of 2022](#), the Liquor Control Commission (LCC) may issue new public on-premises liquor licenses to local units of government. The City must first pass a resolution approving the applicant for an on-premise liquor license. [The application is available via the State of Michigan](#) and should be submitted along with the [St. Joseph application affidavit](#) (found on the DDA page of the City's website) to the City Clerk.

Payment in Lieu of Tax (PILOT)

PILOT (Payment in Lieu of Taxes) is an investment incentive negotiated between a tax authority and a developer to establish agreed-upon payments each year instead of the typical property taxes. Housing development PILOTs are most often multi-year agreements with payments based on a percentage of net collected rents derived from the housing development. These payments are distributed on a pro-rata bases to all local taxing jurisdictions.

Grants and Financing

Michigan Community Revitalization Program (MCRP)

[The Michigan Community Revitalization Program \(MCRP\)](#) provides access to development gap financing for community revitalization through grants, loans and other economic assistance for projects on contaminated, blighted, functionally obsolete or historic properties.

Michigan Business Development Program



[The Michigan Business Development Program](#) provides grants, loans, or other assistance to eligible businesses that create qualified new jobs and/or make qualified new investments in Michigan.

New Markets Tax Credit (NMTC)

[The New Markets Tax Credit \(NMTC\)](#) Program incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities. To apply for the credit, developers should reach out to certified Community Development Entities (CDEs). [A list of CDEs can be viewed on the Community Development Financial Institutions Fund website.](#)

Tax Abatements and Exemptions

Obsolete Property Rehabilitation Act (OPRA)

[The Obsolete Property Rehabilitation Act Exemption \(OPRA\)](#) provides property tax exemptions for commercial and commercial housing properties that are rehabilitated. Properties must meet eligibility requirements and be located in an OPRA District as defined by the City. The State Tax Commission (STC) is responsible for final approval and issuance of OPRA certificates. [Applications are available from the State of Michigan](#) and should be submitted to the St. Joseph City Clerk.

New Personal Property Exemption

[Public Act 328](#) affords a 100% property tax exemption for businesses located within eligible communities. This exemption is for all new personal property. The local government determines the number of years granted for the exemption, subject to review at the State level. [Applications are available from the State of Michigan](#) and should be submitted to the St. Joseph City Clerk.

Neighborhood Enterprise Zone (NEZ)

[The Neighborhood Enterprise Zone \(NEZ\) Act Public Act 147 of 1992](#), as amended, provides tax exemptions for the development and rehabilitation of residential housing located within eligible distressed communities. [Applications are available through the State of Michigan](#) and should be submitted to the St. Joseph City Clerk.

Commercial Property

Commercial Redevelopment Act

[Public Act 255 of 1978](#), as amended, encourages the replacement, restoration and new construction of commercial property by abating property taxes for up to 12 years. [The application for a Commercial Facilities Exemption Certificate](#) is available through the State of Michigan and should be submitted to the St. Joseph City Clerk.

Commercial Rehabilitation Act

[Public Act 210 of 2005](#), as amended, encourages the rehabilitation of commercial property by abating the property taxes generated for new investment for a period up to 10 years. [The application for a Commercial Rehabilitation Exemption Certificate](#) is available through the State



of Michigan and should be submitted to the St. Joseph City Clerk, along with the legal description of the property.

Industrial

Industrial Facilities Exemption (PA 198)

[The Plant Rehabilitation and Industrial Development Districts Act](#), (known as the Industrial Facilities Exemption) Public Act 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and promote the establishment of high-tech facilities. An Industrial Development District (IDD) of a Plant Rehabilitation District (PRD) must be created prior to initiating a project.

Historic Preservation Tax Credits

Federal Tax Credit

A 20% federal income tax credit is available for depreciable historic resources rehabilitated for commercial, industrial, agricultural, or rental residential properties. To qualify for the credit, the historic resource must be listed in the National Register of Historic Places either individually or as part of a registered historic district. The National Park Service, the Internal Revenue Service, and the State Historic Preservation Office administer the federal tax credit program. [Learn more about the Federal Historic Tax Credit.](#) Completed applications are submitted via the State Historic Preservation Office.

Michigan Historic Preservation Tax Credit

A state income tax credit of up to 25% is available for the qualified rehabilitation of certified historic commercial and residential properties. The State Historic Preservation Office administers the program in partnership with the Michigan Department of Treasury. [Learn more about the Michigan Historic Tax Credit.](#)

Grants

Build MI Community Grant Initiative

[The Build MI Community Grant](#) is an initiative designed to promote private investment in Michigan Communities. Administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF), this tool is designed to re-activate underutilized or vacant space by promoting redevelopment projects taken on by developers and property owners with limited real estate development experience. The initiative provides access to real estate development gap financing and technical assistance for small scale, incremental redevelopment projects.

Other Resources

Federal

Small Business Administration



[The Small Business Administration](#) provides resources for businesses regarding loans, disaster assistance, investment opportunities and grants.

SCORE

[SCORE](#) is a federal program that connects a network of volunteer business mentors with small business clients to assist with business plans, launch management and growth.

State

Michigan Economic Development Corporation (MEDC)

[The Michigan Economic Development Corporation \(MEDC\)](#) offers many funding incentives geared toward gap financing for community and business development infrastructure and acquisition projects.

Michigan Small Business Development Center (SBDC)

[The Michigan Small Business Development Center \(SBDC\)](#) provides business plan development, market research, workshops, financial management, strategic planning, human resources, and organizational development.

Local

Women's Business Center

[The Women's Business Center](#) supports entrepreneurs with starting and growing their business.

