

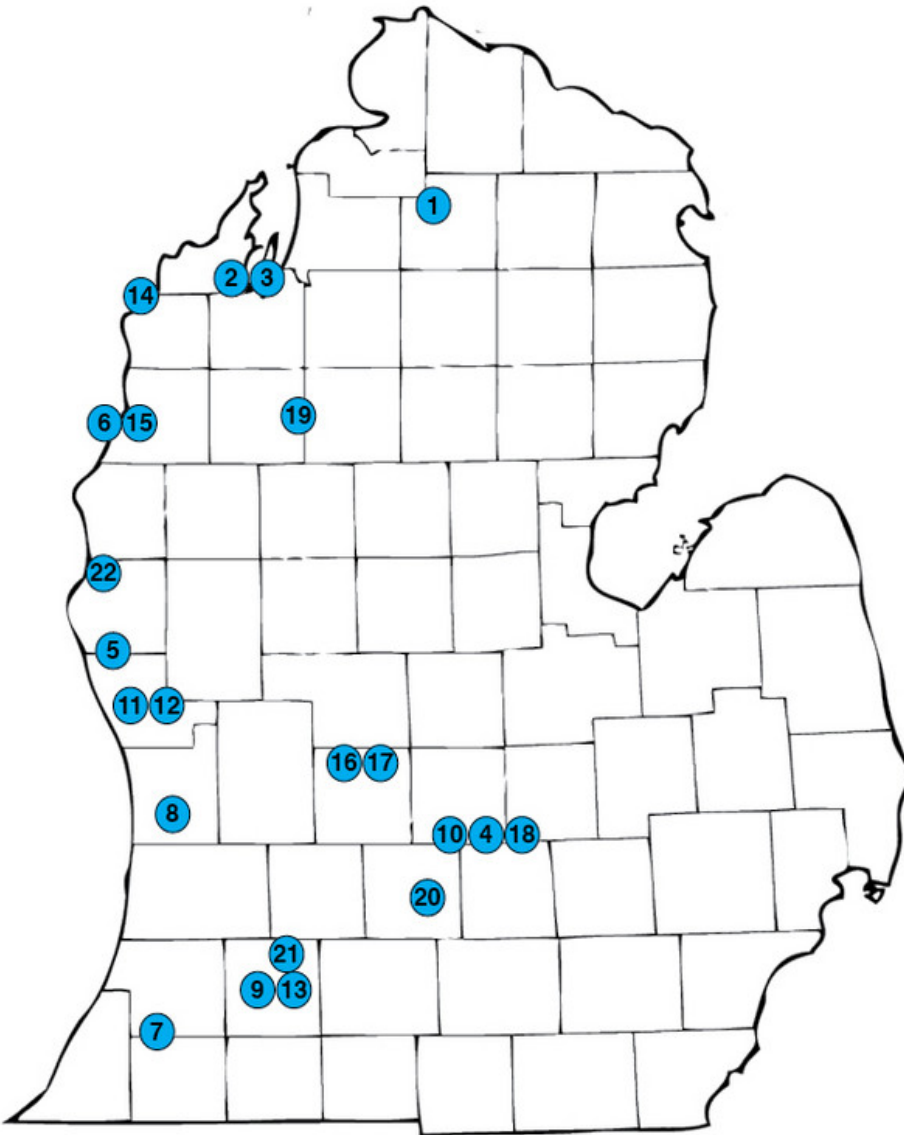
From: hollanderdevelopment.com website

Welcome to Hollander Development Corporation, serving communities throughout the state of Michigan since 1979. Committed to creating affordable, high-quality apartment communities which are responsive to local needs, we specialize in:

- Multifamily housing for families and seniors
- The Federal Low-Income Housing Tax Credit (LIHTC) Program
- Michigan State Housing Development Authority (MSHDA) lending programs
- Development consulting and non-profit partnerships

Portfolio

Click on the links below to explore our portfolio of properties (under construction).



1. Alpine Haus, Gaylord
2. Bay Hill, Traverse City
3. Bay Hill II, Traverse City
4. Deerpath II, East Lansing
5. Harbour Pointe, Montague
6. **Horizon Pointe, Manistee, built 2002, 49 apartments**
7. Metea Court, Buchanan
8. Pine Creek, Holland Township
9. Oakland Drive, Portage
10. Aspen Hollow, Lansing
11. Nelson Place, Muskegon
12. Royale Glen, Muskegon
13. Spring Manor, Portage
14. Gateway Village, Frankfort
15. **Reitz Park, Manistee, built 2002, 48 apartments**
16. Valley View I & II, Ionia
17. Valley View III, Ionia
18. 1777 Haslett Road, East Lansing
19. Northland Meadow, Cadillac
20. Riverview Village, Eaton Rapids
21. Mill Park, Parchment
22. Lake Pointe, Hart

Other Subsidized housing in Manistee:

Century Terrace, 219 total units
 Manistee Place, built 1975, 46 apartments
 Cherry Hills Apartments, built 1979,

Terms:

PILOT – Payment In Lieu Of Taxes

Median Household Income – half the households are above, half are below

Average Median Income (AMI) – the average of all incomes for a defined group

The devil is in the detail. The last developer to propose housing in the City was Third Coast. They were promoting an \$8.4 million project at the corner of US 31 and Memorial Drive. But wait, it was only going to have a “value” of \$2.2 million because the rents collected would be subsidized. So, the “taxable value” would only be half of that, \$1.1 million. The project was going to be developed with \$8 million of MSHDA “Tax Credits” and very little developer equity. The developer was going to get a \$985,000 “developer fee” and \$550,000 of “construction profit.”

Non-Homestead Millage rate - 59.2819 (non-owner occupied) A \$100,000 “taxable value” home would have a \$5,928.19 tax bill. A \$1.1 million taxable value would have \$65,210 tax bill.

Net Rent – rents collected minus utilities and expenses. The last development estimated \$189,000 a year for 42 units. The proposed PILOT was 2% of that value, \$3,780 instead of the millage tax, and advantage of \$61,430 and only 5.8% of the taxes.

A developer's dream! If you build a \$350,000 home, it is taxed on \$175,000 for a tax bill of \$10,374.33 a year. An individual homeowner, non-homestead, would pay 3 times more in taxes than the developer. The home owner's income does not matter in the taxable value of the home – cash flow is not an issue. This concept is considered "community partnering." Some would say it is like "putting lipstick on a pig."

The tax revenue of Manistee has grown only one of the past 8 years. Complains in "lost revenue sharing" from the State are often cited for financial plight – yet we give millions of tax dollar concessions to developers to attract more low-income residents to the community and further erode of median household income. I'm thankful Save-A-Lot came to town but in truth, our demographics (low-income) fit their target market. Family Fare and Meijer's are in Filer and Manistee Townships where median family incomes are over \$6,000 higher – about a 10% disparity.

More to come as details come forth – there is a City Council Work Session on December 11th to discuss the Joe Hollander PILOT – no details are being provided to the public before then (unless there are attachments to the agenda that will be posted on December 6th).

I've heard that we "need to do something rather than nothing" and will get more value from the proposed development property than we do now. I've also heard we need to "try something new or different." We have been offering developers PILOTs for decades – been doing that – its not "something new." Building more low-income housing in the City of Manistee will further increase the gap between City and County median household income levels. Offering a PILOT, even with a Municipal Service Agreement, will surrender tax revenue for a 35 – 45-year time into the million-dollar range. Its time for our more affluent neighboring townships and villages to pick up some population diversity as opposed to making the City of Manistee the low-income mecca of the County.

Don't take me wrong and class me as against low-income families – I just don't understand why the City of Manistee taxpayer is responsible for providing 90% of the housing and services when we are only 24% of the County population. You won't see or hear any County Commissioners promoting such a development for their districts (other than Batzer and Goodman who do little to promote the City of Manistee). We're digging into our Street and Refuse funds for revenue to provide services now with reducing staff or service levels so how is giving away tens of thousands of dollars a year in tax revenue going to help?