

# The Liaison

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## Housing Forum Presents the Bare Facts

More than three hundred developers, builders, financiers and interested local agency representatives gathered at Watertown's Dulles State Office Building on Thursday, January 26, 2006.

The featured event—the down and dirty facts on the Fort Drum expansion—and an opportunity to hear some straight answers about the much ballyhooed and oft misunderstood need for more housing units to be built in the Fort Drum region.

Speakers at the morning session of the Forum included both of New York's US Senators, Charles Schumer and Hillary Clinton, and Congressman John M. McHugh as well as representatives from the Department of Defense and the Department of the Army.



All speakers linked the Spring 2007 redeployment (return) of Fort Drum's troops with the urgency to begin work during the 2006 construction season.

During the afternoon session, Senator Jim Wright and Bob Juravich, chair of the FDRLO Housing Task Force, explained strategies developed to address the need from a local perspective. This includes an emphasis on initial use of existing infrastructure.

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## RFP Process Produces 240 New Multi-Family Units

The Fort Drum Regional Liaison Organization (FDRLO), the Development Authority of the North Country (DANC), and Jefferson County together announce the selection of two preferred developers who will, in total, build 240 units of multi-family housing on three separate sites.

Norstar Development, USA was selected as the preferred developer for two sites located on outer Washington Street, one in the City of Watertown and one in the Town of Watertown. These are adjoining sites, with

each site slated for 100 units of townhouse style homes. Norstar Development, USA previously announced the development of 91 units of housing on the former Cloverdale property located on Starbuck Avenue.

The DiMarco Group has been selected as the preferred developer for the third site which is located in the Village of Carthage. This site includes a planned build of 40 units of housing adjacent to the existing 801 housing project on Emjay Way.

(Continued on page 4)



John W. Deans, Chair

## Chair's Comments: A Big Step Forward

It is much too early to celebrate victory but another important step has been taken to address our community's housing challenge. The Housing Forum, held on February 26<sup>th</sup> and co-sponsored by FDRLO and the Fort Drum Installation, appears to have achieved its goals. First, it brought together, in one place and at the same time, the parties who can make housing happen- developers, builders, bankers and lending agencies as well as elected officials and representatives of the DOD, Department of the Army, Fort Drum and numerous local, state and federal agencies. And secondly, the Forum produced some unequivocal messages about Fort Drum's future and what most termed, the housing "opportunity" which its growth presents.

As the Forum opened, the 300 plus registrants heard MG Benjamin Freakley, Commanding General, 10<sup>th</sup> Mountain Division LI and Fort Drum, describe Fort Drum as "an enduring strategic asset that's growing." Then Senators Clinton and Schumer and Congressman McHugh each underscored why, from their vantage points, Fort Drum is here to stay. Relaying a recent conversation with the Army's Chief of Staff General Peter Schoomaker, Congressman McHugh noted the Chief had described Fort Drum as "good to go" and the 10<sup>th</sup> Mt Division as an "irreplaceable thread in the fabric of the US military." Bottom line, there is a long-term and unparalleled economic

development opportunity in the North Country that developers and the community must seize!

And what can be said in the aftermath of the Forum? Several good things seem in the offing. For one, DOD's Office of Economic Adjustment (OEA) and FDRLO are actively engaged in defining how best OEA can assist this post-BRAC community address growth, unlike so many others which are facing contraction. Also, thanks to the good work of Senator Wright, Assemblyman Aubertine and Assemblywoman Scozzafava, Governor Pataki and Jefferson County who together produced over \$9 million to support community-based housing initiatives, the first request for proposals on a potential two hundred housing units has generated a strong response.

Clearly, much remains to be done to address the needs of both our military and civilian communities for quality, affordable housing. Thanks, however, to the team approach that is increasingly strong at all levels and which was so in evidence at the Housing Forum, success is within reach. Consistent with our mission, FDRLO will remain committed to providing the best leadership possible to insure that the broad range of issues affecting both our military and civilian communities are addressed. On behalf of FDRLO, thank you for all you do; ours truly is work well worth doing.

John W. Deans

**Fort Drum ...  
"an enduring  
strategic asset  
that's growing."**

*MG Benjamin Freakley*

***Bottom line, there is a long-term and unparalleled economic development opportunity in the North Country that developers and the community must seize!***

## State DOT Projects Move Forward

The last year has seen a good deal of activity relative to the development of the Fort Drum Connector project. Preliminary design work is continuing as is work on the Environmental Impact Statement. The Department of Transportation is continuing conversations with residents, local leaders and also with the Fort Drum Connector Stakeholders Advisory Committee, a group of local representatives from towns, public safety organizations, Fort Drum, DOT and consultant personnel.

With the recent expansion of Fort Drum, local communities have been struggling with development pressures along Route 11 and other areas close to Fort Drum. DOT is

taking a lead role in assisting the communities with long term planning during this transition. A separate DOT consultant contract, via the DOT Mobility Section, has been established to help determine a master plan for the Town of LeRay, along Rte 11.

The Department also has a separate Capital project to address access management and traffic safety in the business section of Route 11, just south of the gate. The Department is also coordinating multiple plans, projects and schedules between the Towns, developers and DOT to ensure that these projects come together as part of a cohesive broad-based solution to local growth related issues.



## FDRHPO Develops Mission

The Fort Drum Regional Health Planning Organization (FDRHPO) has adopted Mission and Vision Statements intended to project the group as a facilitator in the delivery of health care services to the Fort Drum and North Country community. Specifically the organization hopes to **plan and evaluate to ensure quality health care services are provided to meet the needs of the Military Mission by enhancing our response to the military community while building a strong North Country health care system.**

The Board of the FDRHPO chartered its first two committees to study the delivery of Behavioral Health Services and Emergency Medical Services/Disaster Preparedness. Larry Tingley representing the Jefferson County Community Services Board chairs the Behavioral Health committee. Gregory Brunelle, Jefferson County's Emergency Medical Services director chairs the EMS committee. Tingley and Brunelle are members of the FDRHPO Board.

Both committees have begun their independent work by gathering individuals with particular interest in their specialties to sit on the committees. The Organization expects to form additional committees to look at Access to Care and Quality Standards.

The FDRHPO was created by Congress as a pilot project for the Department of Defense. The pilot was planned as a way to test initiatives that build cooperative health care arrangements between military installations and local and regional health care systems. The FDRHPO is one of two pilot projects in the nation.

Congressman John M. McHugh introduced the legislation and carried the bill through the legislative process in Congress to create the pilot project.

The Fort Drum Regional Liaison Organization is represented on the Board of the FDRHPO.



**“...committees have begun their independent work by gathering individuals with particular interest in their specialties...”**



## What's Really Been Happening in the Housing Arena

Over the past months, numerous large scale housing developments have been proposed in towns and villages across the North Country. Potential



developers of these projects must rightly go through the very public process of seeking planning approval.

This approval process often seems to involve a multiplicity of hurdles, large and small, that ultimately keep the proposals in the public eye.

Nevertheless, one may begin to wonder just what, if anything, has been built at any given time. To provide an answer to that question, the Jefferson County

Department of Planning

initiated a data collection system to keep track of what housing units are being built. The data is being tabulated by calendar quarters. The first year's data are in.

Based on the number of "certificates of occupancy" issued in 2005, Jefferson County reports completion of the following new units of housing :

New Single Family Homes	245
New Mobile Homes	76
New Multi-family	22
Rehab projects resulting in new units	45
<b>Total New Units</b>	<b>388</b>

Nearly four hundred units—that represents a significant amount of building by a number of builders addressing the community need and market for new housing.

Recent historical data to compare 2005 to past years is not available. Nevertheless, anyone who has lived in the area for even a few years acknowledges the significant local effort that has occurred in all sections of the county over the past year.

Will 2006 be as successful? It's difficult to predict. Based on building permits issued during the past year, there is potential for 458 new units in the first three categories listed above. This number is up by 134 new units from the year before, 2004. These are very encouraging numbers! We thank the Jefferson County Planning for their work in this area.

## RFP Results

*(Continued from page 1)*

Both developers have considerable experience in the development and management of multi-family housing. FDRLO Chairman, John Deans, notes "I am pleased to announce the selection of two very experienced housing developers who collectively have put forth a planned build of 240 units of much needed housing." Plans are to have units available for occupancy beginning mid year 2007.

Total development costs for these projects are estimated at \$31 million. The proposed funding package includes a combination of bank financing, NYS Low Income Housing Tax Credits and \$3.35 million in subordinate financing from the Community Rental Housing Program (CRHP). The CRHP was recently established by a \$9 million appropriation from New York State, Jefferson County, and the Development Authority of the North Country. Senator James Wright and Assemblyman Darrel Aubertine worked in conjunction with the Governor's office to help secure the State funds.

The preferred developers were selected from an application process jointly conducted by the FDRLO and DANC. An Interagency Review Committee was established to review the proposals and select preferred developers. Robert Juravich, Executive Director of the Development Authority notes, "I am pleased by the review committee's decision and award of funds to these projects. Their detailed review has resulted in the selection of two qualified developers."

The preferred developers are currently awaiting a response from the NYS Division of Housing and Community Renewal for a State Low Income Housing Tax Credit allocation.

Ken Burto, chairman of the Jefferson County Board of Legislators stated, "It's encouraging to see how the combined efforts of State and local organizations can help address the housing need by assisting qualified private sector developers do what they do best; build and manage housing throughout our communities." The FDRLO and DANC expect subsequent funding rounds for additional projects to coincide with the State's Low Income Housing Tax Credit program.

### Transformation Impacts

	31 Dec 03 Pre-Transformation Population	23 Jan 06 Population reported at Forum	31 March 07 Post Deployment Growth Status	Projected End-Transformation Population (FY 06)
<b>Soldiers</b>	10,729	15,978	+669	16,647 55.15% increase over 31 Dec 03
<b>Families</b>	5,043	6,971 (+1,918)	+287	7,258 ** (**43.6% current married average 22/jan 06)
<b>Children</b>	5,547	9,748	+399	10,147*** (***Based on 1.398 children per family as of 22Jan 06)
<b>Total</b>	21,319	32,697 (+11,068)	+1,355	34,052 59.72% increase over 31 Dec 03

MG Benjamin Freakley provided participants at the Housing Forum with this information to document the need for housing. It should also be noted that the FY 06 soldier population of 16,647 does not include anticipated assignments in FY 08 of nearly 700 more soldiers.

### BAH

#### It's Not Humbug to Soldiers and Families!

Basic Allowance for Housing (BAH) is a monthly amount designated by rank, to soldiers living on the local housing market. It is an amount above basic wages, not subject to withholdings, and is designated by installation or geographic area. The amount is recalculated annually based on local market conditions. For example the amount of BAH paid junior enlisted grades E1-E4 with dependents, in the Watertown area has risen as follows:

2004	\$630
2005	\$735
2006	\$820



The Army intends the BAH to be sufficient to cover the complete cost of housing on a monthly basis, but actual cost associated with renting or the purchase of housing is up to the individual soldier. At this time BAH is considered part of a soldier's income for purposes of making an application for income regulated housing.

Fort Drum BAH 2006		
Grade	Married BAH	Single BAH
<b>E1-E4</b>	\$820	Barracks
<b>E5</b>	\$931	Barracks
<b>E6</b>	\$1,168	\$701
<b>E7</b>	\$1,232	\$738
<b>E8</b>	\$1,302	\$858
<b>E9</b>	\$1,361	\$903
<b>O1</b>	\$958	\$709
<b>O2</b>	\$1,163	\$793
<b>O3</b>	\$1,342	\$935
<b>O4</b>	\$1,430	\$1,088
<b>O5</b>	\$1,445	\$1,126
<b>O6</b>	\$1,457	\$1,185
<b>O7</b>	\$1,474	\$1,209
<b>W1</b>	\$1,169	\$778
<b>W2</b>	\$1,260	\$977
<b>W3</b>	\$1,345	\$1,058
<b>W4</b>	\$1,367	\$1,184
<b>W5</b>	\$1,393	\$1,247

## From Carl's Perspective

***"Affordable" is defined as priced between \$140,000 and \$160,000 depending on configuration.***

A major part of FDRLO's January 26<sup>th</sup> Housing Forum was the afternoon panel of local representatives. This group addressed a variety of home grown initiatives already in progress. As these initiatives have unfolded some valuable lessons have been learned.

FDRLO and DANC just recently announced the names of the successful bidders for 240 units of rental housing as part of the "shovel ready" program. This program, while not a totally traditional approach to the term "shovel ready," has a number of interesting elements. It demonstrates significant considerations which may help all communities in the North Country considering speculative housing development proposals in their locales.

It begins with some predictions made back in April 2005 by the FDRLO's Housing Task Force chaired by Robert Juravich. At that time the task force addressed the "market" need as it understood it and proposed six strategies for meeting that need. One strategy recognized the need for large scale rental projects. When these proposals were made, the committee acknowledged that while rent levels were rising, they remained substantially below new construction feasibility levels. The committee speculated that on a 100 unit build utilizing credit enhancement programs and tax credits, soft loans of approximately \$10,000/per unit (or some other financial incentive) would still be necessary if the build were to go forward.

That financial support requirement was at best an estimate. Responses to the initial RFP proved the need to be much more substantial. All bidders on the initial projects were required to submit detailed information on total project costs, operating budgets, and financial commitments from primary lenders and tax credit projections. The numbers exceeded the initial estimate by a significant amount.

The bottom line to this story is that unless rents rise significantly or the cost of construction drops significantly, neither of which is likely to happen in the near term, a subsidy of some type will continue to be necessary if we are to see more of the affordable housing the market requires. This is not so much a lesson learned as validation that newly constructed affordable housing necessitates some financial help to reach completion.

A more traditional lesson learned might be a second project taken on by DANC and the Watertown Local Development Corporation. Their effort to construct affordable homes for the market required enormous planning to keep new construction affordable. A simple layout was developed by a local architectural firm as part of the "infill" grant received by the FDRLO. It provided reasonably sized homes with 3 or 4 bedrooms and full basements for future expansion. Six of these homes are being built on lots on North Michigan Avenue in Watertown.

These homes have a clean "four square" appeal and provide adequate floor space at an affordable price. "Affordable" is defined as priced between \$140,000 and \$160,000 depending on configuration. They do not have a garage.

Key to keeping these properties affordable was the very reasonably priced land. The land, true "infill" sites, with existing road, sidewalk, and lighting also had easy connection to water, sewer, and utilities.

Many sites like those on North Michigan Avenue are available in the city and in towns and villages scattered around the North Country. These sites can help to make new home construction affordable.

Major General Freakley has expressed the hope that soldiers and their families will have an opportunity to invest some of their equity in just such housing. We think it's an admirable goal for all of our North Country citizenry.

*Carl A. McLaughlin*



*New Home on North Michigan Avenue*

## Economic Development Task Force Master at Multi-tasking

### AREA BUSINESSES SURVEYED ON CONTRACTING EXPERIENCE

Under contract with FDRLO, the Center for Community Studies has completed a survey of businesses in the 3-county region. The object of the survey was to gain some insight into the real life experiences of businesses doing business with Fort Drum. In all some 226 randomly selected companies participated in the telephone survey. With the assistance of the Contracting Subcommittee, the CCS designed the survey to determine the prevalence of business activity between local vendors and the Post. The group also hoped to establish an understanding about the challenges and best practices that may exist. A report on the results is expected before the end of March.



### GAP ANALYSIS RFP RESPONSES REVIEWED

A Selection Committee comprised of representatives of the principal economic development agencies in the 3-County region is in the process of finalizing its recommendation of a consultant to conduct the "Business and Resources Gap Analysis".

A report to the FDRLO Board for funding approval is expected in March.

This effort is intended to provide a blueprint for business attraction and development in the Fort Drum Region. The study will compare the demand for goods and services created by Fort Drum with the ability of the local economy to meet that demand. The resulting "gap" will offer a direction for business development and recruitment efforts.

### MATCHMAKER-MATCHMAKER: Filling in the gap—making the introduction

The Workforce Subcommittee is focusing its attention on engaging the local employer community to develop a better understanding of the realities of the workforce represented by Fort Drum family members and retirees. Efforts at cataloging the skills and abilities of this group are ongoing.

For additional information, contact the FDRLO Office or Doug Schelleng at 315-785-7932.

*Small Business Development Center presents*

### SELLING TO THE GOVERNMENT

Third Annual Workshop  
Wednesday, March 29, 2006  
8 am to 5 pm  
Jefferson Community College

A series of sessions relating to  
"Why Sell and How to Sell"  
to the Government

Cost: \$35  
*includes lunch & breaks*

For more information, contact SBDC 782-9262  
Registration deadline is March 23rd

## Rainbow Leader Now Commands New York's Forces

Governor George E. Pataki announced on January 23rd, 2006 that he has appointed Major General Joseph J. Taluto as the Adjutant General of the State of New York. The Adjutant General heads the State Division of Military and Naval Affairs and is commander of the State's military forces, including the New York Air and Army National Guard, New York Naval Militia, and the volunteer New York Guard.

Major General Taluto succeeds Adjutant General Major General Thomas P. Maguire Jr., who officially retired from military service in November.

Taluto is no stranger to Fort Drum and the North Country. He commanded the mobilization of the 42nd Infantry (Rainbow) Division – known as Task Force Liberty – which provided a foundation for the Army to build a combat task force for operations in Iraq. Division soldiers provided the command and control, logistics and operational base for combat brigades to succeed in this overseas mission. The Rainbow Division deployment to Iraq marked the first combat deployment of a National Guard division headquarters since the Korean War.

Congratulations, Sir. We hope to see you at Fort Drum often.



**Major General Joseph J. Taluto,  
New York new Adjutant General**

Source: DMNA Website

## FORT DRUM REGIONAL LIAISON ORGANIZATION

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## North Country's Excellent Military – Civilian Relationship To Be Featured At National Defense Communities Conference

“Now more than ever, communities must play an active role  
in supporting their local military installations.”

You mean some communities are just waking up to this realization? Apparently, since that's the opening line in the Association of Defense Communities' (ADC) description for a workshop-panel session at its 2006 Winter Forum. The title of the session is **Community-Military Partnering**. The paragraph continues: “Communities are actively planning their post-BRAC strategies and organizational structures. This workshop will provide an overview of community-military partnership organizations (CMPOs). How should they be structured? What are good strategies? What are creative funding opportunities?”

Doug Schelleng, Empire State Development, will represent FDRLO as a featured member of the panel. Other community CMPOs represented at the session include San Antonio, TX; Manhattan, KS; Albuquerque, NM; Grand Forks, ND; and Alexandria, VA.

The Winter Forum will take place in San Diego, California. ADC expects 450 participants at the forum.

Doug will also participate in a session entitled **Leveraging Military Investment – Using Your Military Base to Promote Economic Development**. This session will be geared towards defense communities with active and



growing military installations, not those with bases closed as a result of BRAC actions. The session will explore how communities can support DoD efforts and how communities can leverage the value of the military installation to enhance local economic and workforce development.

Congratulations, Doug. While we know you have much expertise to share, we'll also be anxious to hear what you learn from the trip. Don't share all the secrets of our success!

