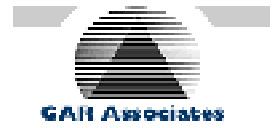


The Liaison

Volume 5, Issue 3

October 2006

Updated Housing Market Analysis Released



Fort Drum Regional Liaison Organization's recently released 2006 Housing Market Analysis now projects an estimated need for just over 900 new units of housing to meet the expanding population requirements.

The study, an update by GAR Associates, calculated the current housing demand as 2100 plus. Table One shows how this need is reduced by increases on post totaling 616 (RCI Phase I increase from 711 to 845 units, Phase II at 300 units, and 182 unit in the BOQ/BEQ project). The additional 576 units of community housing deducted in this chart includes 245 single family units completed in 2005, and another 331 multi-family units under construction or committed: 91 units at Star Wood (formerly Cloverdale), 200

	Units
Current Estimated Housing Demand	2,105
Less: Housing Produced and/or Funded	
Additional On-Post (1)	(616)
Additional Community Housing (2)	(576)
Current Net Estimated	913

units for Summit Woods I & II on Washington Street at the city / town line and 40 units in Carthage. Second round Community Rental Housing Program (CRHP) projects are pending commitments and therefore not included in these totals.

While strong progress is being made, many units committed will be delivered in 2008+, creating significant housing shortages in 2007.

Table Two provides a breakdown by percentage of housing demand by income band. The percentage of families below 90% of median income has increased from 51% to 58% of total compared to the previous GAR study completed in March 2005.

The six housing strategies identified by the 2005 Five Year Housing Strategy remain pertinent, with focus on multi-family housing needs (90% of total).

Next step is to work with stakeholders to identify and commit resources necessary for delivery of remaining units.

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Income Band	Below 60% (Units)	60% - 90% (Units)	Market (Units)
Family Growth	Up to 140	Up to 255	Up to 250
Single Growth	_____	Up to 135	Up to 135
TOTAL	Up to 140	Up to 390	Up to 385

Housing Type	Units	Percentage
New Construction – Multi-Family	Up to 773	85%
Rehabilitation – Multi-Family	Up to 50	5%
Homeownership	Up to 90	10%
TOTAL	Up to 913	100%

We invite you to examine the full summary of the market analysis. The 71 page document is available on the FDRLO website at www.fdrlo.org/housingrpt.html



Keith B. Caughlin, Chair

Chairman's Corner

If we were running in the upcoming NYC marathon, we would, at some point, check how far we have come, how far we have to go, how our pace is, and make sure we are heading in the right direction. The current challenge to our housing market is a marathon for our civilian and military community, it is a long race we have to finish. Today, according to a market update considering houses recently built, developments already started, and those firmly committed/approved projects, we are just past mile 10 in our marathon. If every unit were built and ready for occupancy, we would be well over half way there.

The FDRLO Housing Task Force recently released the GAR update to our March 2005 housing market study. A summary of the numbers is charted on page one. The entire report is available on the fdrllo.org website. Our thanks to the Task Force, and Bob Juravich and Kevin Jordan for their hard work.

Eighteen months ago, the GAR study estimated a December 2005 unmet demand for housing of 1400 – 1500 units. That was based on an assumed construction of 711 RCI units, a 20 mile market area and an end-strength of 15760. Over time things have changed, forecasting to the end of 2008, we have an increased end-strength of 17,532, we have 845 units of RCI, with 300 more expected to be funded, we have 245 C of O'ed units built in Jefferson County and 331 units approved to be built with financial commitments. Accounting for all that, GAR believes the unmet demand in December 2008 will be 913 units.

That is not to say in December 2008, everyone else will be in their dream house or apartment. Building solid homes and apartments takes time, after the financing and municipal approvals are in place. In

Well over half way there!

including 300 units of RCI which will not have been built, 331 of private development which will not be totally completed, and, according to GAR, we will still be 913 units short.

The good news is since the Housing Forum, we have reduced the outstanding demand from 2060 to 913. Through the combined efforts of New York State, Jefferson County, the local governments by their PILOTS, and the federal resources which have been provided, we have helped cut the deficit roughly in half.

The tough thing with estimates and statistics is we are measuring slightly different things with different criteria for some point in the future, but I am pleased to report the shortfall is being met. (See www.FDRLO.org for the March 2005 GAR Market Study, the December 2005 Department of the Army Study, and the January 2006 Fort Drum presentation)

I believe, according to GAR, this is a great opportunity for private investment in the multi-family rental market. As you will see in the report, they estimate 773 of the 913 unit demand will be for multi-family apartments. Another benefit for the FDRLO region has been a tremendous improvement in the existing housing stock as soldiers and civilians invest in improving the 1-4 family home sector. The recent announcement of Fannie Mae products will stimulate that more.

In 2007 and 2008, we will have an extremely tight housing market as units redeploy, families join their returning soldier and new families are assigned to Fort Drum. The Housing Task Force and the FDRLO will keep working to meet the challenge.

Keith B. Caughlin, Chair

The good news is since the Housing Forum, we have reduced the outstanding demand from 2060 to 913.

FDRHPO Sets Organizational Priorities & Prepares Report to Congress on North Country Healthcare Systems

Just one year ago on October 12, 2005, Congressman John M. McHugh (R-NY) announced the formation of the Fort Drum Regional Health Planning Organization (FDRHPO), a not-for-profit corporation whose mission is to plan and evaluate quality healthcare services to meet the military needs by enhancing the response to the military community while building a strong North Country healthcare system. That same day, the FDRHPO Board of Directors held its first formal meeting.

Twelve months later, FDRHPO has identified priorities and engaged numerous community healthcare leaders in sub-committees dedicated to addressing each of these issues. Additionally, the Board has begun preparing its first report to Congress, which is due in July 2007. An update regarding the FDRHPO initiatives and progress to date is outlined below.

Board/Committee Membership

Since the initial announcement of the formation of the FDRHPO, the Board has grown from 13 board members to 16. The current Board members are as follows:

Thomas H. Carman,
President & CEO, Samaritan Medical Center – Chairman
Walter Becker,
Administrator, Carthage Area Hospital – Vice Chairman
David W. Mance, Past Chairman, SMC Board of Trustees
Maria Roche, CAH Board of Trustees
Robert Kimball, MD, Past President, SMC Medical Staff
Robert Kasulke, MD, CAH Medical Staff
Janice Charles, Executive Director, North Country Children's Clinic
(representing Northern New York Rural Healthcare Alliance)
Mark Rappaport, President & CEO, Lewis County General Hospital
Larry Tingley, Director, Jefferson County Community Services
Greg Brunelle, Director, Jefferson County Office of Emergency
Management
Kevin Mastellon, Fort Drum Regional Liaison Organization
Lorraine Clement,
Jefferson Physicians' Organization (At-Large Representative)
Jean Bilow, Jefferson County Public Health (At-Large Representative)
Richard Merchant, Executive Director, Northern Area Health
Education Center (At-Large Representative)
COL John Wempe, Commander, Fort Drum MEDDAC (Ex-Officio)
MAJ Dale Vegter, Fort Drum MEDDAC (Ex-Officio)

In addition to the individuals who comprise the Board of Directors, close to 50 healthcare leaders have been recruited to serve on the sub-committees addressing specific priorities.

Priority Initiatives

Quality

Jean Bilow – Committee Chair

This committee is responsible for studying the community-based healthcare model in comparison with military base hospitals to ensure that the quality of service meets or exceeds the needs of the military community.

Behavioral Health

Larry Tingley – Committee Chair

In an effort to provide additional behavioral services to the community while taking into consideration the increase in the Fort Drum population, this committee is conducting a gap analysis to compare the number of current providers versus the number of providers needed to meet the community need. Once the study is complete, a plan will be developed to fill the gaps through recruitment or other efforts.

Disaster Preparedness

Greg Brunelle – Committee Chair

This group's role is to ensure that all other disaster preparedness efforts within the community are adequately supported and that military/civilian interaction with regard to these efforts is optimal. Additionally, this group is studying the capacity of the current EMS system as it relates to the routine and disaster needs of Fort Drum.

Report to Congress

The creation of FDRHPO stems from a Department of Defense pilot program for healthcare delivery, which was created by Congressman McHugh as part of the Fiscal Year 2005 Defense Authorization Bill. The pilot was planned as a way to test initiatives that build cooperative healthcare arrangements and agreements between military installations and local/regional non-military healthcare systems. The fact that Fort Drum is the only division installation without its own hospital made it an ideal choice for the pilot.

The FDRHPO is working through Tricare Management Activity (TMA) to prepare a Congressional report due in July 2007. Through funding received by TMA, the Center for Community Studies at JCC has been engaged to compile the report. Denise Young, Director of the Center for Community Studies, has begun attending FDRHPO Board meetings to gather information for the report.

The purpose of the report is to demonstrate to Congress how well the community-based healthcare model serves the needs of the military community and to document how the local system has evolved since the mid-1980's when the North Country first welcomed the 10th Mountain Division. Some examples to be outlined in the report include the significant involvement and support of each hospital's Board of Trustees, as well as the special bylaws that have been adopted to accommodate active-duty military physicians as members of each hospital's medical staff.

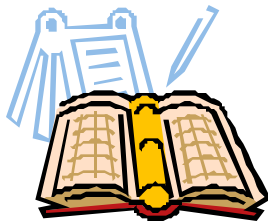
Federal Funding Secured

As reported in the October 2, 2006 issue of the *Watertown Daily Times*, Congress has given final passage to funding

(Continued on page 5)

What's Been Happening in the Housing Arena— 2006 1st to 3rd Quarter Update

Following up on the information shared in this column in June, below are details of the first three quarters 2006 data tallied by Jefferson County Planning Department.



For more information visit the FDRLO website, fdrllo.org - HOUSING.

Joe Baruth, Lewis County Manager, provided updated data for Lewis County.

Lewis County Activity	Total 2005	2006 Q1-Q3
Single Family Building Permits	93	117
Single Family Certificates of Occupancy	59	73

Jefferson County Housing Units	2006 Q1-Q3	2005 Q1-Q3	2005 Total units	Construction Indicators Post-Construction Phase - Certificates of Occupancy Issued 2006 Q1-Q3 compared to 2005 Q1-Q3 September 30th 2005 Cumulative Results (Q1-Q4) through December 31st
New Single Family Homes	214	183	245	
New Mobile Homes	82	68	76	
New Multi-family	16	20	22	
Rehabilitation resulting in new Units	17	39	101	
Total	329	310	388	

Represents only those units added to the housing stock and certified for occupancy, as reported by Jefferson County and local building code enforcement officials. Accuracy is limited by the percentage of surveys returned by local officials each quarter.

National Grid's Strategic Development Outreach Program

Keith Caughlin and Carl McLaughlin recently accepted a check for \$50,000 from Jerry Haenlin, National Grid. This grant funding comes from National Grid's Economic Development Plan.

"North Country communities and their leaders are dedicated to supporting Fort Drum's vital Mission," said Kenneth M. Tompkins, Vice President of Business Services at National Grid. "FDRLO is helping the area's communities meet the need for new housing for the growing number of soldiers and families coming to this region."

FDRLO, in partnership with the Development Authority of the North Country, identified a number of potential sites for large-scale, multi-family

development. FDRLO sought National Grid's support through the company's Strategic Economic Development program.

Specifically, the grant helped to offset the cost of engineering studies of infrastructure—water, sewer, electricity, natural gas and roads. The studies focused primarily on engineering and architectural evaluations of the sites, preparation of site plans, drawings, housing studies, and appraisals.



Keith Caughlin, Chair, FDRLO, Jerry Haenlin, National Grid and Carl McLaughlin, Executive Director, FDRLO
 Photo courtesy of Watertown Daily Times

New Housing Programs Unveiled

(Continued from page 8)

Additionally, Fannie Mae is working with NWI, DANC, Jefferson Community College and the Jefferson Lewis Board of Realtors® in the development of home buyer education initiatives that will better inform Realtors®, soldiers and citizens about the home buying and home financing process. NWI will continue to offer Home Counselor Online® (HCO®), available through Fannie Mae in both English and Spanish and accessible 24 hours a day from any location and any computer, and Realtors® will be trained on the special products being brought to Watertown. Jefferson Community College and FDRLO are working with 'on base' initiatives including linking on line counseling services to special financing tools and programs.

According to the U.S. Army Corps of Engineers, 68 percent of the housing in the Watertown area is substandard. Fannie Mae is working to make \$3M available for the purchase/renovation of single-family homes within the city of Watertown. This financing will be made available from National City Mortgage Corporation, a Fannie Mae lending partner, to NWI who will administer the program. Under this program, NWI can purchase up to 10 homes at a time, renovate those homes and then convert the financing into affordable 30-year mortgages for home buyers. Additionally, Fannie Mae is providing a \$20,000 grant to NWI to assist with the administration of the home renovation program. For homebuyers or existing homeowners interested in financing home renovation Fannie

Mae's innovative HomeStyle® product is offered by NCMC, M&T and HSBC's Home Renewal financing. The HomeStyle Renovation product allows one-four unit properties to be renovated as long as one of the units is owner-occupied.

These efforts, which are available to all who qualify, reflect the goals of the U.S. Army, Watertown community, lenders and developers, and we are pleased to work with these partners to address this region's specific housing needs. For more information on MCM or any of these efforts, please contact Fannie Mae's Consumer Resource Center at 1/800-7FANNIE.

Additional resources

Neighbors of Watertown, Inc.
Cicely Corral
112 Franklin Street
Watertown, New York 13601
315-782-8497
cicely@neighborsofwatertown.com
www.neighborsofwatertown.com

Jefferson—Lewis Board of Realtors
Lance Evans, Executive Director
210 Court Street
Watertown, New York 13601
315-782-1322
www.nnymls.com

Contacts for MyCommunityMortgage™ and other buy / refinance renovation assistance

HSBC Mortgage Corporation
Cheryl Schroy
120 Washington Street
Watertown, New York 13601
315-785-3540
cheryl.a.schroy@us.hsbc.com

M & T Bank
Holly Bush—Loan Origination Officer
113 Court Street
Watertown, New York 13601
315-782-9791
hbush@mandtbank.com

National City Mortgage
Michael Mulwani
175 Pinelawn RD, Suite 200
Melville, New York 11747
1-888-745-4435 x 1-5801
mike.mulwani@ncmc.com

FDRHPO –NC Healthcare

(Continued from page 3)

related to Fort Drum project, including a \$400,000 appropriation for the FDRHPO initiatives. Though the FDRHPO Board of Directors is currently outlining a plan for allocation of these dollars, funding is expected to be utilized in the areas of recruitment, training, EMS and future staffing needs of the organization.

Overall, the Fort Drum Regional Health Planning Organization has "hit the ground running" and made significant strides in identifying and addressing priority initiatives to ensure the successful continuation of this community-based healthcare model. The FDRHPO remains focused on its mission, which not only benefits the military community but also benefits our civilian community through expanded and enhanced services, collaboration among healthcare providers, and our ability to identify and address gaps in the healthcare system.

From Carl's Perspective

This is the third edition of *The Liaison in 2006* and each edition has included more space dedicated to the topic of "housing" than to anything else. Why? It is topic one.

We are expecting thousands of soldiers to redeploy from Afghanistan and Iraq early in 2007. All of those returning soldiers and their families face a challenge in finding adequate housing. It's a challenge both on base and in our communities. Nether side of the fence has an excess of adequate housing stock to meet the near term demand. The good news story is that it is being built. The better news story is that we've been through this "tight" housing situation before, in the summer of 2005, and we figured out ways of getting folks into housing without too much pain. Drum Country folk have proven pretty resilient at solving tricky problems.

So I've decided to focus on some of the other exciting things that are happening in Drum Country. Let's start with ***DrumCountry.com***. This new web site is sponsored by FDRLO and designed with the assistance of AdWorkshop of Lake Placid, NY. We believe this new website will fill an essential need in the Fort Drum area for soldiers, civilians, and their families who are transferring to the area. The site will have numerous tools for planning the move including interactive maps, videos, a community forum, and lots of links to other helpful sites. It will include important local resource information on healthcare, education, daycare, jobs and housing. The photo contest just

closed. Our thanks go out to all who took the time to enter their photographs. We now have some wonderful images to showcase our region on DrumCountry.com. The new site is expected to go live in the next six-eight weeks. Winners of the Photo Contest should also be announced before the Thanksgiving holidays.

FDRLO's Task Forces all continue to be fully engaged in a wide variety of work.

The *Economic Task Force* continues to work with Economic Development Research Group on the gap analysis study. Work also continues in defining a new program to describe / profile our growing work force. This program will also make it easier for job seekers to match up with area employers. The proposal from North Star, Canton NY, for a community career web was reviewed by the Workforce sub committee. A resolution of support will be forwarded to the Board of Directors for action at the next meeting.

An issue that clearly surfaced from last winter's survey of businesses has led the task force to address a need related to selling to the government and military. The task force has investigated the potential of locating a branch office to the Rochester Procurement and Technical Assistance Center (PTAC) in the North Country. PTAC's are sponsored in part in by DoD and administered under the Defense Logistics Agency. We will have more information to share on this topic in future newsletters.

The *Growth Management Task Force* has also aggressively pursued the best way to address a multitude of issues: community education, land use planning and the Fort Drum initiative for Army Compatible Use Buffers (ACUB). With some funding commitments already in place from OEA, New York State, and FDRLO, the task force is laying out its plan of work with particular emphasis on the desire for a quick turnaround to best serve the communities that are most impacted by the anticipated growth and thus will best be served by this project.

Lastly, while not yet a designated task force, a group has been examining the need for additional child care services and how new and expanded services might be developed. Fort Drum's rapid expansion has tested the delivery of many of the services provided in the area. While market reaction is often fast to fill an expanding service market, this has not been the case in the child care area. We are not seeing a noticeable change in the availability of child care services. Antidotal evidence suggests that available child care slots were in fact saturated prior to expansion and that little new child care space has been delivered. The root causes for lack of new service providers are believed to be the strict regulatory nature of child care and financial feasibility of the market. The group is examining ways to define the need, model best solutions to meet that need, and solicit interest in this market.

All this and much more is taking place in Drum Country. It's a happening place! Thank you all!

Carl McLaughlin, Executive Director

DOT Region 7 Projects Continue

Connector Route Status

At this point in time, the Department has completed the pre-draft EIS (Environmental Impact Statement) and it has been sent to FHWA (Federal Highway) for comment. The Department expects to have the submission back from FHWA in a few weeks at which point it goes out to other agencies for review and comment. The project is progressing as expected and the Department expects to start soil explorations on the two more viable alignments before winter sets in.

Route 11 Enhancements

The Department is finalizing plans to enhance the safety characteristics of Rte. 11 between Rte. 342 and the north gate of Ft Drum. This will entail the installation of two additional signals which will allow for dedicated left turning movements. The project also involves the installation of a center median, from the area of Rte. 342 to the area of the north gate. This will help to eliminate accidents caused by uncontrolled left turning movements along the Route. The Department expects the project to go to construction spring 2007 and to be completed that same year.

Railhead / Siding Project

The rail siding was a successful partnership among New York State Department of Transportation, Jefferson County Industrial Development Agency and Fort Drum. The rail siding will provide Fort Drum the ability to more rapidly deploy materiel via rail and provides a collective economic benefit to the region and enhances the overall viability of Fort Drum. The \$2.7 million project was made possible by Gov. Pataki.

COL David J. Clark, Fort Drum Garrison Commander, and Mrs. Susan Freakley, wife of MG Benjamin Freakley, Commanding General, 10th Mountain Division (Light Infantry) join Clifford A. Thomas from the NYSDOT to officially cut the ribbon on the railhead at the ceremony held on post on Thursday afternoon, September 21st.



2006 Efforts Raise more than \$63,000 for Rotary Purple Heart Scholarship Fund *NNYCF matches dollar for dollar*

On Wednesday, October 18th, The Watertown Rotary Club completed its 2006 fund raising effort for the Rotary Purple Heart Scholarship Fund. The raffle of a 2006 Ford Mustang Convertible provided by DEALMAKER Auto Group generated approximately \$63,000. The Northern New York Community Foundation, which manages the scholarship fund, will



match the raffle proceeds dollar for dollar. Therefore, the permanent endowment fund will grow by approximately \$126,000.

Five 10th Mountain Division Purple Heart recipients were in attendance at the weekly Rotary Club meeting to witness the drawing of the winning ticket. Former Watertown Mayor T. Urling Walker is the proud new owner of the Mustang. While plans for next year have not yet been announced, Rotary Club president Phil Sprague assured club members that the fundraising for the Rotary Purple Heart Scholarship Fund will continue every year.

FORT DRUM REGIONAL LIAISON ORGANIZATION

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Daniel Stern
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Executive Director
Carl McLaughlin



PRSR STD
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Permit 40

Fannie Mae Addressing Fort Drum Housing Issue By Bob Bannister, Director, Upstate New York Community Business Center

On October 4, 2006, Fannie Mae joined U.S. Senator Charles E. Schumer (D-NY), U.S. Representative John McHugh (R-23rd), Watertown Mayor Jeffrey E. Graham and City Manager Mary Corriveau, representatives from the Fort Drum Regional Liaison Organization (FDRLO), Development Authority of the North Country (DANC), Jefferson Community College (JCC), Neighbors of Watertown Inc. (NWI), Jefferson Lewis Board of Realtors®, Fort Drum (Army) and lenders National City Mortgage, HSBC, and M&T to announce that we were working together to address the critical single family, multifamily and rehabilitation housing needs in the Fort Drum and greater Watertown Community through a long-term investment strategy.

Fannie Mae's Upstate New York Community Business Center has been actively engaged with our partners in an effort to address acute housing needs by bringing financial tools and programs to the marketplace that will make home buying easier and more flexible. The products include MyCommunityMortgage™

(MCM™), which enables lenders to offer more options and features to low- to moderate-income borrowers through Fannie Mae's flexible underwriting guidelines. Recent enhancements to MCM are now available through M&T Mortgage Corporation, HSBC Bank and National City Mortgage Corporation (NCMC). As a result, home buyers now have greater access to lower monthly payment options and lenders are able to enjoy a much easier loan approval process.

First, MCM will now allow 100 percent financing, or '0 down-payment,' low-cost financing. Second, mortgage insurance premiums have been reduced, and Fannie Mae will require the minimum levels allowed by its charter. Third, Fannie Mae has eliminated the pre-purchase counseling requirement – although it is recommended that first-time home buyers take homeownership counseling because it helps to ensure that they are financially ready to take on responsibility for owning and maintaining a home.

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