



Gulf Coast | Business Council
LEADERSHIP FOR REGIONAL SOLUTIONS.

THE MISSISSIPPI GULF COAST



TWO YEARS AFTER KATRINA

August 21, 2007

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Highlights:

- Income growth rates double and triple of national averages.
- Unemployment rates slashed in half of previous year.
- Retail sales up 61% over 2004 figures.

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PEOPLE AND JOBS

- Per capita income estimates for 2006 report a 17.4% increase in the Gulfport-Biloxi MSA and 9.8% increase in the Pascagoula MSA – compared to a national increase of 5.3%.⁵
- Unemployment rates, adjusted for seasonal influx of high school and college summer job seekers, continue to fall. In May 2007, the unemployment rate for the three Coast counties averaged 5.4%, over half of the average one year prior and over two points lower than before Katrina.⁷
- 2007 population estimates show only a 2.5% decline from pre-Katrina levels in the six southern counties. By 2012 population is expected to increase more than 7% over current numbers.²⁴
- Over 30,000 building permits have been issued in the three coastal counties.³¹
- Annual retail sales in the three coastal counties have increased 61% since 2004 and are projected to top \$8.4 billion this year.³⁷
- Funding for workforce development and job training has doubled. Despite 70,000 jobs lost immediately after Hurricane Katrina, the number of Mississippians working has gone up more than 41,000 since January 2004.²³
- 45% of all new jobs created in the State of Mississippi in the last 12 months have been in Harrison County.⁴⁰
- Unaffordable and unavailable insurance for residents and business owners continues to inhibit economic growth and housing starts for the workforce. The cost of living in south Mississippi has risen from 95% of the national average before Katrina to 97.3% in Q1 2007.³⁵



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Highlights:

- Average home sales price of \$166,368.
- FEMA trailer occupancy reduced by over half since last year.
- \$281 million for alternatives to FEMA trailers.
- Over \$1 billion paid in homeowners assistance grant program.
- Gulf Coast Renaissance Corporation crafting employer assisted housing program for workforce.

HOUSING

- Hurricane Katrina severely damaged or destroyed 70,000 homes in Mississippi, including over 8,600 rental units.²
- The average home sales price is \$166,368 – a 6.4% increase over last year and comparable to the national average increase.²
- The rate of foreclosures in south Mississippi increased only 16% in the first half of 2007 compared to a 56% rate increase nationwide.³
- Residential construction projects top \$400 million year-to-date but are down 16% compared to YTD 2006.²
- FEMA trailers and mobile homes have decreased by over 60% from over 43,000 to less than 16,000 today.²³
- MEMA is spending \$281 million to replace trailer and mobile homes with 4,000 temporary cottages in coastal counties. The cottages provide more space and resistance to winds of 150 mph.²
- Mississippi's Homeowners Assistance Grant Program Phase I has paid over \$1 billion to 87% of the 15,575 residents qualifying for assistance.²³
- Over 1,500 residents have received financial counseling from Enterprise Corporation of the Delta and its partners as part of Phase II of the state's Homeowners Assistance Grant program.¹²
- 3,000 homes remain on the market in the three Coast counties but with an average price of over \$168,000 which fails to meet the demand for affordable workforce housing.²⁰
- Through the GO Zone Act, the Mississippi Home Corp. has awarded \$105 million in low income tax credits for a three year period and will facilitate the construction of over 9,000 homes for families with incomes of less than 60% of the area median income.²³

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•
Two Years After Katrina



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HOUSING (continued)

- The Gulf Coast Renaissance Corporation is crafting the Regional Employers Assisted Collaboration for Housing (REACH) program, which is being piloted by Northrop Grumman. The REACH program will provide gap financing directly to employees earning 120% of AMI and below in order to facilitate the development of workforce housing in the coastal communities.⁴²
- In addition to the REACH program, the Gulf Coast Renaissance Corporation is crafting five other programs to develop and facilitate the construction of affordable homes for residents earning less than 120% of the area median income.⁴²

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Two Years After Katrina



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Highlights:

- Commercial construction investment up 67% to \$360 million.
- NASA's Stennis Space Center set to increase economic impact to area by 10-15% this year.
- First Rolls Royce jet engine test facility outside the UK being built in Hancock County.

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COMMERCIAL AND INDUSTRIAL DEVELOPMENT

- Commercial construction investment is up 67% from \$215.7 million YTD 2006 to \$360 million YTD 2007.²
- Almost one-half billion dollars in GO Zone Act bonds have been issued in the six southern counties and not one dollar for casino developments.²⁵
- \$444 million in current non-casino and non-condo construction in Biloxi.²²
- NASA's Stennis Space Center is fully operational and serves as the Agency's primary site for rocket propulsion engine testing. The Center has an employment impact of almost 20,000 jobs and \$811 million in personal income. These figures are projected to increase 10 to 15% this year.⁶
- The NASA Shared Service Center in Hancock County opened in March 2006 and provides support services for many Agency departments. It generates over \$90 million in personal income and 2,200 jobs.⁶
- PSL-North America, a global pipe manufacturer, announced plans in May to construct a facility in Hancock County with initial employment of 275 and annual wages averaging \$50,000.²³
- Rolls Royce broke ground on its new outdoor jet engine testing facility in Hancock County – the first facility of its kind outside of the United Kingdom.²³
- Chevron Pascagoula Refinery completed a project in December which increases gasoline production by 5.5 million gallons per day and is constructing another facility which will increase production by 15%.³⁰

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•
Two Years After Katrina



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COMMERCIAL & INDUSTRIAL DEVELOPMENT (continued)

- The federal government is transferring ownership of the 92-acre, beachfront Veterans Affairs property to the City of Gulfport. HRI Properties has been selected to redevelop the property.³⁹
- The Gulf Coast Business Council formed with over 180 of the top business leaders in the three coastal counties to serve as the united voice of business on critical issues of public policy.³⁸



Highlights:

- \$641 million to expand water and sewer services to more residents and areas of projected growth.
- \$600 million to rebuild two bridges over large bays.
- 35 million cubic yards of debris removed, more than three times left by Hurricane Andrew in 1992.

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INFRASTRUCTURE

- Over 46 million cubic yards of debris has been removed in Mississippi. Katrina left more than 3 times the amount of debris in Mississippi than Hurricane Andrew piled up in 1992 in Florida.²³
- 43% of obligated FEMA funds have been disbursed for repairs and rebuilding to water/sewer, hospitals, schools and public buildings.¹⁶
- Electric utilities are serving 8,000 more customers than this time last year and almost level with pre-Katrina customer numbers.²
- \$641 million is committed to the new regional water and sewer system to repair and expand those services in five south Mississippi counties and meet the needs of a 20% population increase in 3 years and 40% increase by 2025.²
- The state Department of Transportation has completed nearly \$100 million of roadwork this year, in addition to the \$600 million bridge projects for the Biloxi Bay and Bay of St. Louis.²
- Two lanes of traffic are open on the Bay St. Louis Bridge with completion scheduled for this November, and two lanes of traffic are scheduled to open on the Biloxi Bay Bridge in a couple of months with completion scheduled for next April. Both bridges, totaling almost 4 miles, were completely destroyed by Katrina.²
- Coast Transit Authority opened its new Biloxi Transit Center in February and is rebuilding all of its beach comfort stations.³⁶
- Coast Transit Authority completed its Transit Development Plan which determines public transit services for the next 25 years.³⁵



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Highlights:

- Gaming provides jobs to over 18,000 residents.
- More than 75% of casino patrons are from outside Mississippi.
- July 2007 saw best single month revenue numbers.
- \$1.7 billion reinvested by casino to date following Katrina.
- Frank Gehry designed museum set to open in 2010.
- \$42 million Infinity Science Center under construction.

GAMING INDUSTRY & TOURISM

- Over 18,000 employees are back at work in the gaming industry, exceeding the 2005 levels of 17,000.²⁷
- More than 3/4 of casino patrons come from outside of Mississippi.²⁷
- Mississippi Coast casinos generated \$122.4 million in gaming revenues in July 2007, a 9% increase over the previous month and better than any other single month on record. The previous revenue record was set 7 months before Hurricane Katrina.⁴
- The total gaming industry in Mississippi recorded revenues of \$1.7 billion YTD, putting the goal of \$3 billion for the year within reach.⁴
- The gaming industry has contributed more than \$800 million in tax revenue to the state in the past 15 years and recorded 35.65 million visitors in 2006.³⁵
- Eleven casinos have opened since Katrina, with 76% of prior floor space and 70% of prior hotel space.²⁷
- Reinvestment by the gaming industry following Katrina totals \$1.7 billion to date, with 6 additional properties currently planned.²⁸
- State regulation requires new casinos to invest 100% of casino cost in increased infrastructure facilities such as hotels, golf courses, and entertainment venues.²⁹
- Harrah's has announced the single largest gaming investment in the state since Katrina with the \$700 million Margaritaville Casino & Resort which will open in 2010.¹⁸



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GAMING INDUSTRY & TOURISM (continued)

- The leisure and hospitality industry provides over 21,000 jobs in Hancock and Harrison Counties.¹⁵
- The Ohr-O'Keefe Museum, designed by Frank Gehry is scheduled to open in 2010 and is projected to have an annual economic impact of \$18-20 million.¹⁹
- Over 70 events have been held at the Mississippi Coast Coliseum this year, many of them entertainment acts.²⁶
- The \$42 million Infinity Science Center at NASA's Stennis Space Center is slated to open in 2009 as the South's premier state-of-the-art science center and visitor attraction that will inspire and engage visitors in earth and space sciences.⁴⁰
- The Coast's \$100 million golf industry has made an overwhelming contribution towards the tourism industry's recovery. There are 20 courses on the Coast that are open for play, the two newest courses are Jerry Pate's Preserve in Vancleave and Tom Fazio's Fallen Oak in Biloxi.³⁸

The Mississippi
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•
Two Years After Katrina



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Highlights:

- USM Gulf Coast expanding its campus to a 200 acre parcel in Harrison County.
- Community College enrollment at 90% of its pre-Katrina enrollment.
- K-12 statewide will receive \$200 million in additional funding – the highest level of funding in state history.

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EDUCATION

- University of Southern Mississippi Gulf Coast Campus saw a 30% decrease in its annual student enrollment following Katrina, but 90% of its pre-Katrina enrollment returned this past year.⁸
- In April the Board of Trustees of State Institutions of Higher Learning announced the selection of a 200 acre parcel in Harrison County for the construction of an additional campus.⁸
- USM's Gulf Park campus will host the University's film degree program to capitalize on the state's growing film industry.⁸
- Mississippi Gulf Coast Community College, the largest community college in the state, is at 90% of its pre-Katrina, 11,000 student population – significantly better than the 40% reduction in 2006.¹⁴
- Despite the drop in enrollment, the community college did not raise tuition and opened a new childcare facility for its parent students.¹⁴
- Enrollment in K-12 is more than 90% of pre-Katrina enrollment during the last school year and should be near 100% this year.²³
- State funding for education is at its highest level in state history. Compared to last school year, K-12 will receive more than \$200 million in additional funding. Community college funding will increase more than 20% and university funding more than 14%.²³
- Chevron's Daycare Recovery Project restored 40 licensed childcare facilities enabling 2,800 children to return to these programs.³⁰
- The state has received a \$5 million Momentum WIRED grant from the Department of Labor for advanced metal work and craft skills training in southeast Mississippi.²³



Highlights:

- 38 physicians have established new practices in Jackson County.
- Coastwide alliance formed among hospitals to ensure 24/7 trauma care availability.
- Federal grant of \$400,000 per year to provide mental health services to children affected by Katrina.

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HEALTH SERVICES

- Demand for health services has climbed at a steady rate since Katrina. Singing River Hospital System, with hospitals in Ocean Springs and Pascagoula, hired 1,177 healthcare workers since Katrina.⁹
- Singing River Hospital employs 2,300 people with wages and benefits totaling over \$125 million and provided over \$600,000 in scholarships to healthcare related degree programs.⁹
- 38 physicians have started new medical practices in Jackson County in the past two years.⁹
- Hancock County Medical Center, located near Katrina's ground-zero, has replaced \$14 million in equipment lost to the storm and expanded its services into the Diamondhead community.³³
- Three hospital systems along the Coast have formed an alliance this year to ensure around the clock trauma care availability to all residents.⁹
- Mental health needs continue to be the top health issue facing Coast residents. Memorial Hospital at Gulfport is seeing twice the mental health issues compared to pre-Katrina.³⁴ The American Red Cross has established a funding program for patients who have no mental health coverage.³³
- The state Department of Mental Health is using a federal grant of \$400,000 per year for three years to implement mental health intervention services for youth affected by Katrina in south Mississippi.³³
- Hospitals are having some difficulty in recruiting and retaining nurses and other ancillary personnel due to the national shortage and worsened by the particular conditions here.³³

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Two Years After Katrina



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Highlights:

- 300,000 trees to be planted in south Mississippi over next 3 years.
- Nature trails and linear parks planned to connect coastal communities.

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THE ENVIRONMENT

- Along with other partners, the Land Trust for the Mississippi Coastal Plain is replacing 300,000 trees in the six coastal counties over the next 3 years.¹⁰
- The Land Trust also is working with local citizens in the Turkey Creek community to protect the Turkey Creek Watershed and create a greenway/blueway to connect schools and parks.¹⁰
- The National Parks Service has opened an office on the Coast and is developing programs to create over the next two years, nature trails and linear parks which will connect communities throughout the Coast.¹¹
- \$120 million over the next four years through Coastal Impact Assistance Program will be used for conservation, environmental restoration, education and mitigation projects.⁴⁰
- \$107 million in near-term Corps of Engineers projects to repair and protect against future storms.⁴⁰
- State is seeking \$10 billion to improve over 10,000 acres of coastal marshes and wetlands, including the barrier islands.⁴⁰

The Mississippi
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•
Two Years After Katrina



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Highlights:

- Airport passenger boardings at record levels.
- Over \$250 million in airport expansion and improvements.
- State Port remains 3rd busiest container port in Gulf of Mexico.

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PORTS & AIRPORTS

- Passenger boardings at the Gulfport-Biloxi International Airport during 2Q 2007 exceed the best quarter on record set in 2000.¹⁷
- Airline seat availability will increase by 25% in October.¹⁷
- Six airline carriers now serve the area, compared to four carriers in 2005.¹⁷
- Over a quarter billion dollars of new construction at the airport is in progress, including a \$50 million terminal expansion and \$43 million new air cargo and general aviation ramps.¹⁷
- The State Port at Gulfport remains the third busiest container port on the Gulf of Mexico and increased cargo tonnage is 27% YTD over the same period in 2006.
- The State Port has rebuilt 220,000 sq. ft. of warehouse space since Katrina with an additional 160,000 sq. ft. built by the end of this year. Its master plan recently completed calls for a massive expansion over the next several years.³²

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•
Two Years After Katrina



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Highlights:

- Keesler Air Force base has \$1.28 billion economic impact.
- Keesler undertaking largest housing construction project in the history of the Air Force.
- Residency program established between University of Mississippi and Keesler Medical Center.
- \$320 million in construction projects at Seabees base in Gulfport.

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MILITARY

- Keesler Air Force Base sustained almost \$1 billion in damage from Katrina³⁶ but had an economic impact of \$1.28 billion to the area in 2006.³⁵
- Keesler Air Force Base graduated more than 27,000 new airmen last year and is constructing the largest military housing project in the history of the Air Force with 1,067 new military family homes.³⁵ The first homes will be ready this fall.³⁶
- The Naval Construction Battalion Center in Gulfport, Atlantic homeport for the Seabees, is undergoing \$320 million worth of construction projects, including 300 additional homes.³⁵
- The National Guard is building new armories in five south Mississippi cities.³⁵
- In a landmark agreement signed by the University of Mississippi Medical Center and the Air Force Medical Service, the School of Medicine at UMC will oversee all four residency programs at Keesler - general surgery, internal medicine, pediatrics and obstetrics-gynecology.³⁸
- The U.S. Navy is set to construct a \$42.5 million, 171,000-square-foot Ocean Sciences Building at Stennis Space Center.³⁸

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•
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