

# Mississippi Gulf Coast Regional Brief

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First Quarter 2011

**Published May 18, 2011**

This report contains statistics and commentary relative to the events and news that shaped the Mississippi Gulf Coast economy in the first quarter of 2011. This report is not comprehensive but provides insight on various issues, including the labor force, the overall economy, housing, tourism, and infrastructure. For more information regarding this report, please contact Jack Norris at the Gulf Coast Business Council Research Foundation at 228-897-2020.

## Executive Summary

This report contains information and commentary reflective of the Mississippi Gulf Coast and is intended to provide a regional perspective of economic conditions during the first quarter of 2011 and insight for the coming months. Research conducted for this report is administered on a quarterly basis. The Gulf Coast Business Council makes these reports available on its website, dating back to the third quarter 2008. Below are some of the key findings of this report.

- According to recently revised 2010 figures published by the Mississippi Department of Employment Security, the combined Mississippi Gulf Coast began adding jobs in June 2010, and has continued to do so for the last ten months. Compared to March 2010, preliminary projections for March 2011 indicate that the region has added 1,380 establishment jobs, with increases reported in all three counties.
- Leading up to the first quarter 2011, quarterly sales tax collections for the combined Mississippi Gulf Coast had increased (over same quarter prior year) for three consecutive quarters. The first quarter 2011 yielded a minimal (-0.20%) decline in sales tax collections, or was generally flat. The first quarter also was characterized by increased activity in commercial permits applied for and a record set for Small Business Administration lending in the region.
- Rising fuel prices pose a potential threat to the region's recovery and this year's tourism season. The average price of unleaded regular gasoline during the first quarter 2011 was 29% higher than the same quarter prior year. Perhaps more troubling is that 2011 prices are trending higher than 2008, when record gas prices stymied the economy.
- The Mississippi Gulf Coast hosted two marquee tourism events in the first quarter (and early second quarter): The Angels Over the Bay air show at Keesler Air Force Base (featuring the Navy's Blue Angels) and the second annual Mississippi Gulf Resort Classic. Each event attracted record crowds, with the air show drawing over 160,000 visitors and the PGA Champions Tour event (won by legend Tom Lehman) bringing in tens of thousands. The PGA event was nationally televised.
- The Gulf Coast Business Council, in partnership with tourism stakeholders, community leaders and officials from all three counties, continues to make progress with its Premier Destination Tourism Initiative. In April the Gulf Coast Business Council chartered a new 501c6 corporation called the Mississippi Coast Tourism Partnership ("Tourism Partnership") and Governor Haley Barbour selected the Tourism Partnership to receive and administer BP's recent \$16 million tourism grant. The funds which were received will be used over the next three years to build a cohesive marketing strategy and grow the entire region's \$1.6 billion tourism industry, which employs roughly 25,000 people.

## Employment

In 2010 the Gulf Coast Business Council noted that year-over-year sales tax collections for the combined Mississippi Gulf Coast reversed a two year streak of monthly declines during the second quarter, and suggested that net job creation was on the horizon for the Mississippi Gulf Coast because of increased activity in sales tax generation. In April 2011, the Mississippi Department of Employment Security revised preliminary 2010 estimates for establishment jobs in the state, and based on initial estimates for 2011, it appears that between March 2010 and March 2011, the Mississippi Gulf Coast gained 1,380 establishment jobs.

Table 1: Mississippi Gulf Coast Establishment Jobs  
**Comparing March 2011 to prior year and to pre-recession**  
Source: Mississippi Department of Employment Security

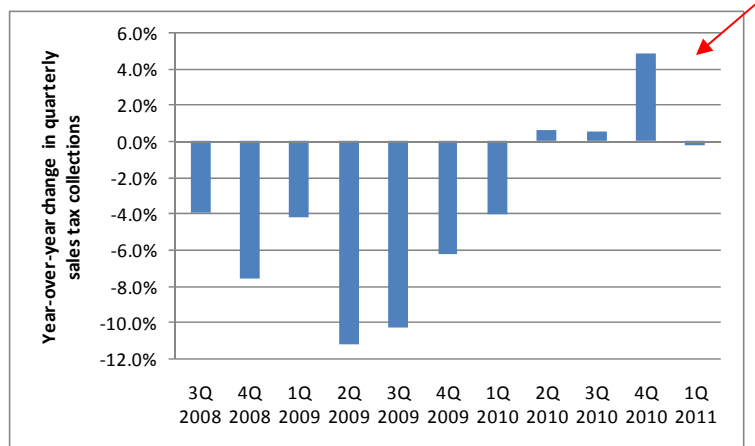
	3/31/2011	3/31/2010	Change	% Change	3/31/2008	Change	% Change
Manufacturing	19,710	21,130	(1,420)	-6.7%	21,390	(1,680)	-7.9%
Agri., Forestry, Mining, Utilities	1,890	1,800	90	5.0%	1,770	120	6.8%
Construction	10,510	10,420	90	0.9%	11,500	(990)	-8.6%
Wholesale Trade	2,150	2,040	110	5.4%	2,310	(160)	-6.9%
Retail Trade	16,680	16,660	20	0.1%	18,010	(1,330)	-7.4%
Transportation and Warehousing	3,790	3,600	190	5.3%	3,770	20	0.5%
Information	1,710	1,600	110	6.9%	1,950	(240)	-12.3%
Finance & Insurance, Real Estate	6,010	5,670	340	6.0%	6,110	(100)	-1.6%
Professional Services	6,230	5,860	370	6.3%	6,590	(360)	-5.5%
Management of Companies	960	920	40	4.3%	880	80	9.1%
Waste Mgt.	10,460	9,840	620	6.3%	10,050	410	4.1%
Educational Services	850	810	40	4.9%	690	160	23.2%
Health Care	11,750	11,070	680	6.1%	11,300	450	4.0%
Arts, Entertainment, and Recreation	420	380	40	10.5%	250	170	68.0%
Leisure & Hospitality	25,870	25,150	720	2.9%	27,820	(1,950)	-7.0%
Other Services and Government	3,020	2,860	160	5.6%	3,390	(370)	-10.9%
Government and Education	33,430	34,250	(820)	-2.4%	33,060	370	1.1%
<b>Total Establishment jobs</b>	<b>155,440</b>	<b>154,060</b>	<b>1,380</b>	<b>0.9%</b>	<b>160,840</b>	<b>(5,400)</b>	<b>-3.4%</b>

As illustrated in Table 1, every sector on the Mississippi Gulf Coast except for government and manufacturing added jobs between March 2010 and March 2011. Growth occurred in all three counties, with Hancock adding 40 jobs, Harrison adding 870, and Jackson County adding 470 establishment jobs. After reporting year-over-year declines in 21 consecutive months during the recession, the Mississippi Gulf Coast has now seen year-over-year increases in establishment jobs for the last ten months. The overall state has added jobs for six straight months, with a net increase of 9,200 jobs (as of April 2011). Notably, the Mississippi Gulf Coast still reports 5,400 fewer jobs than it did in March 2008, prior to the recession, with the Leisure & Hospitality, Retail, Construction, and Manufacturing industries being sectors which likely have the biggest opportunities to gain back jobs as the region's economy transitions from recession to recovery mode. In order for job growth to continue in the region, spending must continue to rebound. Sales tax collections and other indicators which reflect spending in the region are presented in the following section.

## The Economy

From the calendar quarter standpoint, sales tax collections<sup>a</sup> for the combined Mississippi Gulf Coast were down marginally in the first quarter 2011 when compared to the same quarter prior year. This minimal drop off (roughly two-tenths of one percent, or \$25,880 spread across the entire region) is likely attributable to a combination of 2011's late Mardi Gras (which did not occur until March 8), rising gas prices, and the ebbs and flows of a slow economic recovery.

Chart 1: Y-O-Y change in quarterly sales tax collections – combined MS Coast.  
Source: Mississippi Department of Revenue



After year-over-year gains in the second, third, and fourth quarters of 2010, sales tax collections on the Mississippi Gulf Coast were generally flat in the first quarter 2011 (when compared to same quarter 2010).

As indicated in the most recent CEO & Business Owner Confidence Survey conducted on the Mississippi Gulf Coast, a chief concern of business leaders in the region is that swiftly rising gas prices will curtail the economic recovery which is currently underway. The Mississippi Gulf Coast's \$1.6 billion travel and tourism industry is particularly susceptible to dramatic increases in fuel prices, as those prices ultimately dictate the amount of discretionary spending which consumers can commit to recreation. While gas prices at the end of the first quarter 2011 were roughly 29% higher than they were at the same point-in-time in 2010, equally concerning is the fact that recent gas prices in 2011 are pacing ahead of 2008, the year where gasoline reached record highs and ultimately helped to drive the region into its recession.

Table 2: Average Gulf Coast Gas Prices (regular)  
Source: [www.eia.gov](http://www.eia.gov)

28-Mar-11	\$3.46
29-Mar-10	\$2.69
Change	29%
28-Mar-11	\$3.46
31-Mar-08	\$3.20
Change	8%

Average gas prices for regular fuel as of April 25, 2011 were \$3.71

<sup>a</sup>The actual sales occur one month in advance – i.e. first quarter sales tax collections would be for sales that took place between December and February),

Though overall significant growth in sales tax collections was not achieved in the first quarter 2011, four of the five largest sales tax bases in the region did report marginal gains. When grouping city collections at the county level, Harrison County exceeded 2010 levels by roughly \$80,000 while Jackson County and Hancock County reported declines of \$32,000 and \$73,000, respectively. In Table 3 historic sales tax collections at the city level are presented.

Table 3: Historic First Quarter Sales Tax Collections  
Source: Mississippi Department of Revenue

	2011	2010	2011 vs 2010	2008	2011 vs 2008
BAY ST LOUIS	263,044	281,135	-6.4%	348,875	-24.6%
BILOXI	2,500,506	2,485,207	0.6%	2,638,298	-5.2%
D'IBERVILLE	1,445,813	1,437,706	0.6%	1,104,393	30.9%
GAUTIER	537,625	561,050	-4.2%	626,441	-14.2%
GULFPORT	4,800,641	4,778,854	0.5%	5,554,872	-13.6%
LONG BEACH	325,328	311,785	4.3%	378,651	-14.1%
MOSS POINT	394,405	398,155	-0.9%	416,784	-5.4%
OCEAN SPRINGS	1,105,739	1,138,326	-2.9%	1,166,092	-5.2%
PASCAGOULA	1,325,065	1,297,521	2.1%	1,640,256	-19.2%
PASS CHRISTIAN	259,655	239,131	8.6%	77,764	233.9%
WAVELAND	510,122	564,951	-9.7%	707,505	-27.9%
Combined Cities	\$13,467,941	\$13,493,821	-0.2%	\$14,659,932	-8.1%

In addition to stimulating job growth in the region, recent increases in sales tax collections have likely been a catalyst for increased activity in commercial investment along the Mississippi Gulf Coast. In the first quarter 2011 the volume of commercial permits applied for in the region exceeded the same quarter in both 2010 and 2009, despite the fact that most Katrina-related recovery projects have been completed or are in their final phases. The value of those permits, which ultimately dictates economic impact, was also up when compared to the same quarter prior year.

Chart 2: Y-O-Y change in volume of commercial permits applied for  
Source: Treen Reports

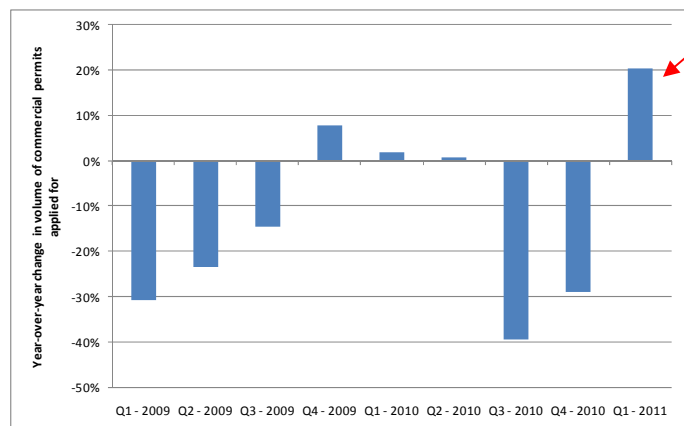


Table 4: Value of First Quarter Commercial Permits Applied For  
Source: Treen Reports

	2010	2011
Hancock County	\$4,976,000	\$7,237,000
Harrison County*	\$15,416,600	\$26,759,000
Jackson County	\$11,977,000	\$13,598,000
<b>Totals</b>	<b>\$32,369,600</b>	<b>\$47,594,000</b>

\*2010 excludes \$14M in water infrastructure permits

The Mississippi Gulf Coast has added roughly 1,380 new establishment jobs over the last twelve months, while overall consumer spending has increased marginally. The recent turnaround in the economy is welcome news, but it is important to remember that between 2008 and 2010 the region lost more than 6,500 establishment jobs and experienced sales tax collection declines of around 10%. In order for the Mississippi Gulf Coast to fully recover from its recession and resume its economic progress, it is important that momentum continues to build. Below are examples of events or milestones which will continue to influence the momentum of the economy along the Mississippi Gulf Coast in the foreseeable future.

- Huntington Ingalls Industries Inc., which was formerly the shipbuilding leg of Northrop Grumman Corporation, has been awarded a \$1.5 billion contract to continue to work with the U.S. Navy's LPD product line of amphibious assault vessels<sup>1</sup>. The bulk of the construction will take place in Pascagoula. The LPD's are 684 feet long and serviced by a crew of 350 sailors and can carry up to 800 Marines into assault operations. In March Northrop Grumman announced the spinoff and Huntington Ingalls will trade on the New York Stock Exchange under the symbol "HII".
- The City of Gulfport received the Governor's Community Projects of Excellence award for Best Katrina CDBG Community Revitalization Project. As part of what would become the largest façade grant program in United States history, the facades of nearly 80 buildings in Gulfport's business district were redone, and over the last two years several restaurants have opened in the area and new businesses continue to invest in the area.
- According to Senator Thad Cochran, NASA administrator Charles Bolden Jr. has referred to the Stennis Space Center in Hancock County as a rejuvenated facility. Completing the \$250 million A-3 test stand will facilitate rocket engine tests for exploration beyond low earth orbit as well as other test stand infrastructure such as the B-2 stand for potential commercial and other engine trials<sup>2</sup>.
- Anderson Companies, the privately held parent of Roy Anderson Corporation ("RAC") and RAC's subsidiaries, has been acquired by a nationally leading civil and building construction company, Tutor Perini Corporation. Anderson Companies is based in Gulfport and it will maintain its existing senior management staff at all of its offices in Gulfport, New Orleans, Birmingham, and Pensacola. RAC has a current backlog of \$475 million and recent annual revenues of \$287 million. The move should position Anderson Companies to strengthen its position in the southeastern United States.
- In early April the Small Business Administration in Mississippi announced a lending record for the state, despite the fact that the current cycle is only at its midpoint. On the Mississippi Gulf Coast, the total amount lent to small businesses in the three coastal counties already exceeds \$31 million, up by over 83% over prior year<sup>3</sup>.

- The ongoing restoration of the Port of Gulfport will put the facility's west pier in a position to handle up to 1 million containers a year<sup>4</sup>. Don Allee, Executive Director of the state port, states that for every 1,000 containers 4 jobs can be created. Currently the Port moves roughly 200,000 containers a year and employs 2,500 people. Another phase of the port restoration includes elevating the port to 25 feet (currently it averages ten feet) above sea level, and that project will cost \$120 million.
- In Moss Point Northrop Grumman Aerospace Systems has completed work on the first drone fuselage for the Navy, part of a multi-billion dollar contract<sup>5</sup>. The work being done in Moss Point is part of a process to construct the Navy's Broad Area Maritime Surveillance program (BAMS), similar to the Air Force's RQ-4 Global Hawk drone. The unmanned drones will use one-tenth of the fuel and 25% less manpower than manned surveillance operations. The current work is being done for the first of three carriers, and ultimately plans are to order a total of 68. The facility in Moss Point employs 70 people.
- The U.S. General Services Administration (GSA) has awarded NVision Solutions (Hancock County) a contract which grants government agencies direct access to NVision's IT Services as well as its unique geospatial technology products and services<sup>6</sup>.
- The Mississippi Gulf Coast Alliance for Economic Development notes that four sites (located in Harrison, Hancock, Jackson, and George counties) now have a combined 15,332 acres of "project ready" sites. The latest addition includes the 623 acre Global Axis Industrial Park located in north Harrison County. Global Axis is located adjacent to U.S. 49 and Kansas City Southern Railroad, roughly 12 miles north of Interstate 10.
- Methodist Senior Services of Tupelo is preparing to break ground for a retirement community, Seashore Highlands, off of Highway 605 and north of Interstate 10 in Gulfport. This part of Gulfport is growing quickly and the 605 corridor leads to the new St. Patrick's High School, the new William Carey University, and the planned residential development at Tradition.
- Along the beach between Bay St. Louis and Biloxi, there are signs of development along Beach Boulevard. Currently several restaurants are either under construction or recently opened.
- A program funded by the Small Business Administration and contracted through the Magnolia Business Alliance is looking to identify companies or entrepreneurs along the Mississippi Gulf Coast which are either in need of training to learn how companies prepare to attract investment, or are seeking seed, early, or late stage investment deal in the next 12 months. Currently a venture investment event is tentatively scheduled for September 14, 2011.

## Tourism

The Gulf Coast Business Council's Premier Destination Initiative ("tourism initiative"), which has relied upon the volunteer work of some 50 subject matter experts representing all three counties of the region, continues to work diligently to convert the existing Harrison County Tourism Commission ("CVB") into a 501c6 corporation; the Harrison County CVB is currently organized as a county agency. Doing so presents several opportunities, including: creating new revenue streams (county agencies cannot accept membership dues), adding additional professional directors and commissioners, developing a consistent and effective brand for the entire region, and gaining the ability to pay higher wages via incentives and larger budgets which will allow the entity to retain its most talented employees. While the Gulf Coast Business Council has been working on the tourism initiative for several years, those efforts became more focused in 2009 and 2010, when a study commission by the Gulf Coast Business Council pointed out that less than 7% of destination marketing organizations in the United States are organized as county agencies. Further, after participating in the comprehensive review of the region's existing tourism marketing infrastructure, three obstacles were defined:

- 1) While the existing CVB in Harrison County is staffed with talented individuals, its marketing budget is significantly lower than competing markets of similar size.
- 2) The Mississippi Gulf Coast lacks a cohesive marketing strategy and a regional marketing organization. Essentially the Mississippi Gulf Coast is a collection of small tourism groups which generally focus on specific sub-areas and sectors of the region; visitors to the Mississippi Gulf Coast typically do not distinguish county or city lines when they visit the region.
- 3) The lack of a headquarters hotel at the Mississippi Coast Coliseum and Convention Center prevents the region from being eligible for the major conventions that the recently remodeled, state-of-the-art convention center can support.

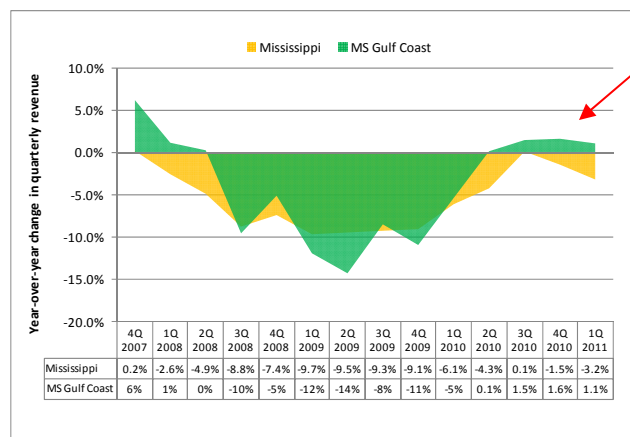
In a new development, the Mississippi Gulf Coast now stands to receive full control of \$16 million which British Petroleum recently awarded the state of Mississippi for tourism marketing needs created by the oil spill. While the state originally acted as stewards for previous BP marketing dollars, Governor Haley Barbour has agreed to give the Mississippi Gulf Coast full control of these funds, provided that a three-county organization exists to administer and execute the grant. On April 13, 2011, the Gulf Coast Business Council chartered a new 501c6 corporation called the Mississippi Coast Tourism Partnership to receive and administer BP's \$16 million tourism grant, and currently the Business Council and its existing tourism initiative is working with Boards of Supervisors of all three counties as well as other tourism partners in the region to organize the entity. Ultimately, a memorandum of understanding will be drafted between the new 501c6 and BP, and the members of the new 501c6 will work alongside a non-voting advisory group to craft and administer a three year plan to market the Mississippi Gulf Coast as a singular tourism destination with \$16 million dollars. This interim partnership creates the opportunity to demonstrate that it can become a permanent and well-funded Destination Marketing Organization for the Mississippi Gulf Coast that will include representation from all three counties in the region.

The \$1.6 billion tourism industry on the Mississippi Gulf Coast, which employs roughly 25,000 people and represents the region’s largest non-government employer, continued to make progress towards a recovery from its recession in the first quarter 2011. As alluded to earlier in this report, however, recent increases in fuel prices are likely having an impact on the industry on the Mississippi Gulf Coast and will continue to impact visitation in the second quarter.

From a gaming standpoint, the Mississippi Gulf Coast reported a slight increase in the first quarter 2011 when compared to the same quarter in 2010, while the overall state of Mississippi posted a decline. Notably, at least six other gaming markets in the United States also reported declines.

Chart 3: Y-O-Y change in quarterly gross gaming revenues  
Source: Mississippi Gaming Commission

The eleven casinos which operate on the Mississippi Gulf Coast have now combined to post calendar quarter gaming revenues which exceed prior year levels for four consecutive quarters, though the gains have been minimal.



Airport traffic, which includes business travel, was down by roughly 3% in the first quarter 2011 when compared to 2010, though load factors are averaging 87% from an aggregate standpoint<sup>7</sup>.

Hotel occupancies also dropped marginally in the first quarter 2011 when compared to 2010, while average daily rate (ADR) improved.

Chart 4: MS Gulf Coast Hotel Occupancy Rates vs. Southeast  
Source: Mississippi Hotel & Lodging Association

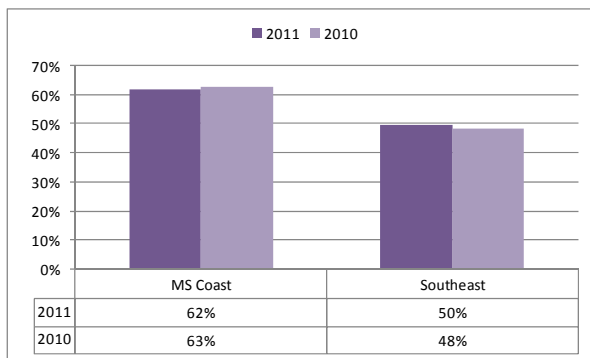
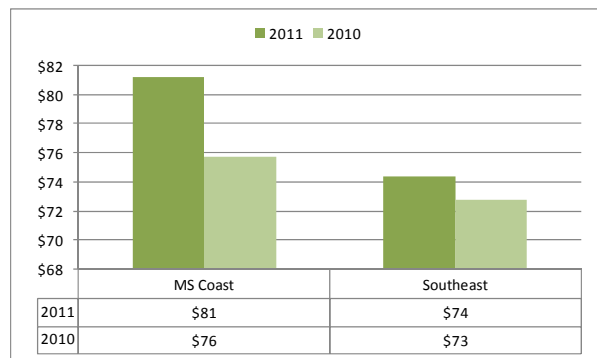


Chart 5: MS Gulf Coast Hotel ADR vs. Southeast  
Source: Mississippi Hotel & Lodging Association



While some of the broader tourism indicators for 2011 are generally flat for the year, the Mississippi Gulf Coast has hosted two marquee events which underscore the progress which the Mississippi Gulf Coast is making towards not only recovering from its recession, but achieving its potential as a premier tourism destination.

In March Keesler Air Force Base hosted the Angels Over the Bay air show which featured the Navy's Blue Angels. The event, which kicked off Keesler's 70<sup>th</sup> anniversary on the Mississippi Gulf Coast, drew over 160,000 spectators over the two day show. This year's show marked the first time since 1978 that the Blue Angels have performed at Biloxi. In 2009, the Air Force's Thunderbirds performed at Keesler for the first time in 20 years, drawing over 140,000 spectators. Another air show is in the works for 2013.



Keesler Air Show. Photo Source: Mississippi Press



2011 Mississippi Gulf Resort Classic winner Tom Lehman. Photo source: Rick Sharp

During the last week of March and culminating March 31 – April 3, the second annual Mississippi Gulf Resort Classic was held at Beau Rivage's Fallen Oak golf course. The PGA Champions Tour event benefits Habitat for Humanity and the 2011 event was a superb follow-up to the inaugural tournament, attracting tens of thousands of visitors. The Mississippi Gulf Coast features over 30 golf courses, including five which rank in the top 50 casino courses in the nation.

In other tourism news, the Biloxi and Maritime Seafood Museum will be rebuilt at its original site on Point Cadet. The \$6 million project will include a 15,000 square foot Seafood Museum and a 5,000 square foot Hurricane Katrina museum. Other developments in the Point Cadet vicinity include a \$45 million expansion of the Palace Casino (summer 2011) and the recently approved Jimmy Buffet's Margaritaville Casino & Restaurant (recently broke ground and is slated to open in early 2012).



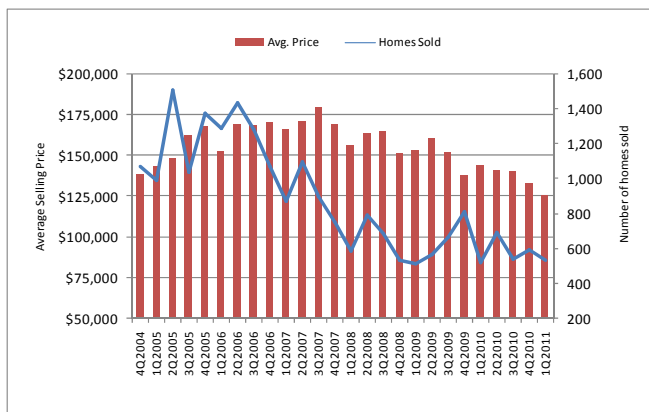
Margaritaville Casino & Restaurant rendering

In June, the Mississippi Gulf Coast will host its second consecutive United States Tennis Association (USTA) sanctioned state tennis tournament, with Ocean Springs being the official host city. Matches will be played in all three counties and the 2010 event brought in more than 1,300 visitors. The 2010 event was deemed the 2010 Tournament of the Year by the Mississippi Tennis Association and is a potential precursor for larger, regional events which can attract thousands of visitors and hotel room nights over a ten day period.

## Real Estate

The residential real estate market on the Mississippi Gulf Coast continues to be void of any significant positive developments in trends. From a calendar quarter standpoint, home values (as reported in Multiple Listing Services) have declined on the Mississippi Gulf Coast for 14 consecutive quarters. The recession, combined with insurance rates that remain significantly higher than pre-Katrina, continue to depress the market. While the economy on the Mississippi has picked up moderately over the last four quarters, a long-term, sustainable solution to insurance is ultimately needed for the residential housing market to recover from its long-term slide.

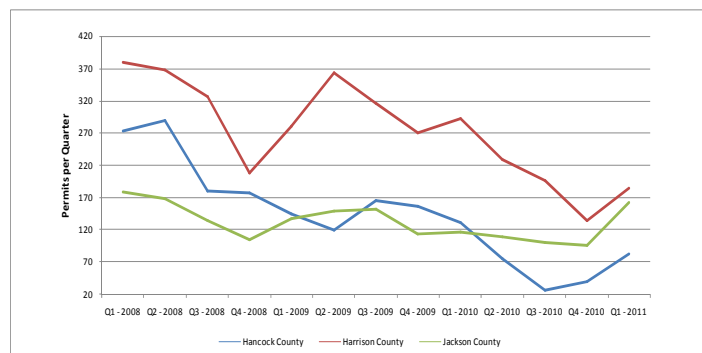
Chart 6: Average selling price and average volume of homes sold  
Source: Multiple Listing Services



From a calendar quarter standpoint, year-over-year average selling price (as reported by Multiple Listing Services) has declined fourteen consecutive quarters.

After a very slow 2010, the number of residential construction permits applied for on the Mississippi Gulf Coast increased in the first quarter 2011, resembling levels not seen since 2009.

Chart 7: Volume of residential construction permits applied for  
Source: Treen Reports



After a very slow 2010, the number of residential construction permits applied for on the Mississippi Gulf Coast picked up in the first quarter 2011, resembling levels not seen since 2009. Also on a positive note, a survey<sup>8</sup> of the inventory of homes for sale on the Mississippi Gulf Coast as of April 2011 suggests the number of homes for sale has diminished over the last six months, with roughly 3,443 single family homes on the market (compared to 4,249 in October 2010).

## Legislative

Below is a recap of some of the legislation that the Gulf Coast Business Council monitored during the spring 2011 legislative session in Jackson. A star next to a line item indicates that the legislation passed and was signed by Governor Haley Barbour.

### *Economic Development*

- ★ HB 1161 (P. Watson) – Revised the terms “base investment,” “motion picture” and “motion picture production company”. Also amended sales tax exemption to include host organizations of professional golf tournaments which already qualify as tax exempt (section 501c3 of IRS code). Status – passed House 2/9/11, amended and passed by Senate 3/4/11, accepted by House 3/9/11, signed by Governor 3/24/11. Rep. Peranich also submitted similar legislation.
- ★ HB 1107 (Peranich) – Revises the term “tourism project” to include hotels with a minimum of 25 hotel rooms (costing \$200,000 each), and \$15 million in private investment to participate in the existing state sales tax incentive program. Status – passed House 2/9, amended and passed Senate 3/9, approved by Governor 3/30.

### *School Start Date*

- HB 62 (Formby) – Would have required school start date not occur before Labor Day. Status – Died in committee.
- HB 282 (Moore) – Targeted school start dates and the minimum number of days that public schools must be kept in session. Status – Died in committee.
- HB 1100 (McGee) – Would have required school start date not to occur before September 1. Status – Died in committee.
- SB 2051 (Hewes) – Would have set the earliest school start date at the fourth Monday in August. Status – Died in committee.
- SB 2593 (Browning) – Would have required all public school terms to open the Tuesday following Labor Day. Status – Died in committee.

### *Smoking Bans*

- HB 131 and HB 863 (Mayo) – Would have banned smoking with certain exclusions. Status – Both died in committee.
- SB 2514 (Hopson) - Would have banned smoking with certain exclusions, including casinos. Status – Died in committee.
- SB 2726 (Bryan) – Would have banned smoking in all state and local government and university buildings. Status – Senate passed on 2/9/11 and died in House committee.

### *Insurance*

- ★ HB 1199 (Delano) – Creates a Mississippi Windstorm Mitigation Coordinating Council which will ultimately be tasked in working with a group of stakeholders to facilitate the development and implementation of a comprehensive and coordinated approach for windstorm mitigation. Status – House passed 2/9, Senate amended and passed 3/3, approved by Governor 3/30.
- SB 2816 (Watson) – Would have required a certain amount of insurance premium tax revenues be diverted into the Mississippi Windstorm Underwriting Association Reinsurance Assistance Fund. Status – Died in Committee.

### *Tourism*

- HB 1559 (Compretta) – Local and Private legislation which allows the Board of Supervisors of Hancock County to enter into contracts with not-for-profit organizations for the purpose of advertising, marketing, and promoting tourism within the county and for related purposes. Status – Referred to committee on House Ways and Means 3/14/11.
- ★ SB 3113 (Baria) - Local and Private legislation which allows the Board of Supervisors of Hancock County to enter into contracts with not-for-profit organizations for the purpose of advertising, marketing, and promoting tourism within the county and for related purposes. Status – Passed Senate 3/17/11, amended and passed House 3/24/11, Senate accepted 3/25/11, signed by Governor Haley Barbour 4/4/11.
- ★ HB 768 (Fredericks) – Designates the first weekend of “National Fishing and Boating Week” in June of each year as “Free Fishing Weekend” to provide that any person may saltwater sport fish without a license. Status – Passed House 2/7/11, amended and passed by Senate 3/2/11, accepted by House 3/7/11, Signed by Governor Haley Barbour 3/16/11.
- SB 2949 (Baria)- Designates a certain segment of road in Hancock County as the “Beach Boulevard Scenic Byway” and another segment as the “Scenic Byways to Space”. Status – Passed Senate 2/7/11, Died in House committee 3/1/11.

### *Redistricting*

- With regards to redistricting, which is required every ten years when new Census population data is released, the 2011 Mississippi legislative session ended in a stalemate and the matter has been taken up in court. Because the 2010 Census results demonstrated that the Mississippi Gulf Coast did not lose as much population (as a result of Hurricane Katrina) as originally feared, the region is not at risk of losing significant representation; however, the Republican and Democratic representation in the legislature have yet to reach an agreement on newly proposed district maps.

### Other

- HCR 133 (Fredericks) – A concurrent resolution seeking to clarify the intent of certain sections of the Public Trust Tidelands Act and how municipal harbors and adjoining parks, structures, and areas owned by certain statutorily described cities and the subsequent control and regulation of the Secretary of State. Status – Tabled. This legislation stems from a dispute between the City of Gulfport and the Secretary of State; the City maintains that the Small Craft Harbor Act of 1972 gives it control of its small craft harbor and that revenues from the harbor should remain in the city. Currently Biloxi, Gulfport, Long Beach, and Pass Christian earn slip and vendor leases from their respective harbors in Harrison County.
- ★ SB 2914 (Gollott) – An act to prohibit a restaurant from misrepresenting the country of origin of shrimp and crawfish and to provide a penalty for violations. Status – Passed Senate 2/8/11, amended and passed House 2/25/11, accepted by Senate 3/15/11, signed by Governor Haley Barbour 3/30/11.

At the Federal level, Senator Cochran, Senator Wicker, and Congressman Palazzo supported the U.S. International Trade Commission's approval of a five-year extension of antidumping duties which protect the domestic shrimp industry from unfair import practices.

### Education

Mississippi Gulf Coast Community College held a groundbreaking ceremony on its \$10.1 million Hospitality and Resort Management Center in March. The 50,000 square foot facility will include conference space for 400 people and a dining facility for 145 people. Additional space will be used for a mock hotel room and front desk, while computer labs and classrooms will also be included.

The Gulf Coast Business Council's Education Committee continues to assess the need for professional development programs for school administrators in the region (existing funding for the public school system is an inhibitor) and is also following up on the recommendations from last year's Gulf Coast Business Council Master's Program class, which call for an increased focus on early childhood development. The Committee is also working to support the Gulfport School District's efforts to explore a new Innovations Program, which employ systemic changes to how students matriculate through high school, providing new avenues for students to gain adequate career and college skills.

### Quality of Life

In early April a formal dedication for the John S. & James L. Knight NonProfit Center was held for the 73,000 center which houses over 25 non-profit tenants. The center was created utilizing a \$2.3 million grant from the John S. & James L. Knight Foundation and through a partnership between the Gulf Coast Business Council Research Foundation, the Mississippi Gulf Coast Chamber of Commerce Foundation, the Gulf Coast Community Foundation, and the United Way of South Mississippi.

According to the third annual *Soul of the Community* report, which is commissioned by the Knight Foundation in partnership with Gallup, residents on the Mississippi Gulf Coast rated their overall attachment to their community in 2010 at a level slightly more favorable than the mean average for similar communities of low to medium urban density and low to medium populations. This rating is important because studies over the last three years have proven a positive correlation between community attachment and local GDP growth. The key areas studied are social offerings, openness, and aesthetics; of those three choices, residents on the Mississippi Gulf Coast ranked social offerings and aesthetics as the most important considerations when they make the decision to put down roots and invest in a community. The study recommends that the Mississippi Gulf Coast continue to take advantage of opportunities which exist to improve the quality of higher education offerings and to improve community offerings such as parks, playgrounds, and trails.

### **Military**

In March the first ever Mississippi Navy Week occurred at venues throughout the state, including a Navy Appreciation parade in Gulfport, a partnership with the Keesler Air Show (which featured the Navy's Blue Angels), and Seabee Day at the Naval Construction Battalion base in Gulfport.

### **CEO & Business Owner Confidence**

On April 19, 2011 the Gulf Coast Business Council Research Foundation released its CEO & Business Owner Confidence Index for the first quarter 2011. When asked about the current economy (relative to the economy six months ago), respondents were more positive than in any of the eleven previous surveys, suggesting that real progress towards a recovery from the recession is being made. The overall measure of business confidence in the region registered at 62, in line with the previous survey. Generally speaking, an index which registers at 50 or above indicates that respondents feel that the economy is progressing. To read the report in its entirety, visit [www.msgcbc.org/research](http://www.msgcbc.org/research).

### **Closing Remarks**

In September 2010 the National Bureau of Economic Research announced that the overall recession for the United States officially ended in June 2009. Tallying the damage confirms that the 2007-2009 national recession was the longest and deepest in the post-World War II era. While no official entity has officially determined when the recession along the Mississippi Gulf Coast began, the region began losing establishment jobs in September 2008 and its sales tax collections were already declining going into that period, in part because of the phasing out of Hurricane Katrina-related rebuilding (2006-2007 sales in the region were artificially high).

Over the last three years the Gulf Coast Business Council has used its Regional Brief report to provide interested readers with insights on the regional economy, including two particularly important indicators: establishment jobs and sales tax collections. While sales tax collections were generally flat

in the first quarter 2011 (these represent sales that took place between December and February), the fact that the combined Mississippi Gulf Coast previously reported three consecutive gains in quarterly sales tax collections and has added establishment jobs in three consecutive quarters should be regarded as very encouraging, and a sign that the recession on the Mississippi Gulf Coast likely ended in late 2010. Because the mid-term impacts of the Gulf Oil Spill of 2010 are still unknown, and because high gas prices will impact virtually every sector of the economy throughout the nation, there remains a certain level of uncertainty about the economy in 2011, but the positive economic news along the Mississippi Gulf Coast continues to outweigh the negative news, and continued progress should be expected in 2011.

If you have any questions about this report or about any future reports please contact the Gulf Coast Business Council Research Foundation.

The Gulf Coast Business Council Research Foundation will continue to partner with area chambers of commerce to administer and report its quarterly **CEO and Business Owner Confidence** surveys with the goal of assessing current economic conditions and expectations each quarter and contrasting those positions to the prior quarter. The next survey will be conducted in late June and early July, 2011.

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<sup>1</sup> Msbusiness.com, April 4, 2011

<sup>2</sup> Msbusiness.com, April 13, 2011

<sup>3</sup> Gulfport SBA office, Hancock Bank Plaza

<sup>4</sup> Gulflive.com, March 30, 2011

<sup>5</sup> Msbusiness.com, March 13, 2011

<sup>6</sup> Magnolia Business Alliance

<sup>7</sup> Statistics submitted by Gulfport-Biloxi International Airport

<sup>8</sup> The Gulf Coast Business Council reviewed data available from Multiple Listing Services for real estate areas located in Hancock, Harrison, and Jackson Counties. Only single family listings with a minimum list price of \$30,000 were included in the samples. Rental properties were excluded from the search.