

Gulfport Main Street Resource Team Report
Gulfport, Mississippi



Prepared for
Gulfport Main Street
Mississippi Main Street Association
The National Trust for Historic Preservation
The Knight Foundation

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1.0

Executive Summary



1.0 Executive Summary

Gulfport Main Street Resource Team Workshop

1.1 PURPOSE

The Resource Team concept is an integral part of the Main Street Program administered by the National Trust for Historic Preservation. Fundamentally, upon joining a statewide Main Street program, the local community is entitled to a “Resource Team Visit” which is typically 1-2 days in duration. During the resource team visit, the statewide organization recruits professionals as well as their staff to evaluate the community against the four points of Main Street which are: design, organization, promotions, and economic restructuring. In the case of Gulfport, the needs were significantly different and dramatically harder due to the devastation wrought on their community by hurricane Katrina. As a result, the duration of their resource team visit was extended to five days and included a diverse team drawn from all over America.

The resource team made it their ambition to serve the residents of Gulfport through the local Main Street program to the highest possible level by adhering to the following principles:

First, to avoid redundancy and build upon the best of the previous planning efforts that have transpired in Gulfport since Katrina. It was made clear in no uncertain terms that the residents of the gulf coast have been “charretted to death” and have grown weary of myriad design firms rolling out more “pretty pictures” while the previous plans have not been implemented.

Second, to practically plan a path from idea to implementation for any recommendations made. Not only were the residents of the coast tired of charrettes, they were even more tired of having no commensurate plan that demonstrated how to make them a reality. In fact, it was

determined by the team that if we could not outline tangible steps to implementation, the cost implications for each step, and identify funding sources to pay for it, then no recommendation would be made. As a result, there were only seven primary, or categorical, recommendations made as a part of the resource team. Normally, we would be reticent to make so few recommendations, however, in this case we believe it is more prudent to propose recommendations that can actually be achieved than to set expectations in the public conscience that cannot be met. As mentioned in the final presentation, our approach was akin to the admonition of a recent Web M.D. television commercial where the spokesperson exclaimed, “I don’t need millions of answers, I just need one good one!” Our hope is that the recommendations we made were “good ones” because they were practical, strategic and achievable.

Third, to help “connect the dots” for the public and elected officials that progress really has been made since Katrina. As our analysis will demonstrate herein, over \$500 million dollars have been invested in downtown Gulfport since Katrina hit, yet, the public perception is that “nothing is happening downtown.” It is imperative that perception match reality in such trying times and through our analysis, drawings, and marketing efforts we built a case that linked all the progress together to demonstrate both the abundance of progress that has been made and that this effort is also focused on a clear and tangible vision.

Fourth, to assist the local Main Street program, elected officials, and other stakeholders overcome “analysis paralysis.” In light of the devastating circumstances that Katrina has wrought upon this community, the possible—in some cases, necessary—actions that can and should be made at any given time by City Council, Gulfport Main Street, and others could well number in the thousands. In view of the seeming insurmountable options, it can be difficult to determine what among all these important items needs to be done and in what order. The team made it their ambition to give step-by-step guidance for each recommendation to take the burden off of the local stakeholders from trying to figure out, “What comes first? What comes second? What comes next?” We tried to do that homework for them so they can focus on the day-to-day minutiae of rebuilding house, home, business and city.

1.2 APPROACH

As noted above, the purpose of the Resource Team was to ostensibly help the local Main Street program develop a strategic plan that address the four points of Main Street. However, in this case, the scope of work necessarily had to engage the broader downtown area, its elected officials, investors, and key stakeholders and do so in a holistic way. The purpose behind a holistic approach based on the four points of Main Street is summarized below:

ECONOMIC RESTRUCTURING: MARKET ANALYSIS

In order to make judicious decisions about the programming, use, and infill development proposals for downtown Gulfport, a comprehensive market assessment was essential. Our team recommended that RKG Associates be hired to conduct such an assessment to help determine appropriate marketing and redevelopment approaches. Since considerable resources will be expended to implement the eventual plans, the City needs to have confidence that the market can support the proposed uses. Our team analyzed and applied the market assessment findings to every aspect of the master plan recommendations. A summary report of RKG's market assessment is included in Appendix A.

PROMOTIONS: COMMUNITY BRANDING AND MARKETING STRATEGIES

The best plans in the world are of no practical value if they do not tangibly affect the lives of the residents of Gulfport. Moreover, the city needs to have the tools to effectively recruit additional business, tourists, shoppers and residents. Our team recommended ideal target markets and developed marketing collateral that will enable them to tell their unique messages in a compelling way. Finally, the marketing plan identified ways to ensure the public at large was aware of the degree of improvement and investment transpiring in downtown Gulfport.

DESIGN: PHYSICAL DESIGN & PLANNING RECOMMENDATIONS

For too long design professionals have relied on the same techniques to present their ideas. While we relied on many of those time-tested techniques such as hand-drawn diagrams, plans, and sections as well, we also realized that a large portion of the general public simply does not understand them. Therefore, our team

used image editing software, coupled with knowledge of downtown revitalization principles, to present proposed design changes and future visions of the downtown in an easy-to-understand “before & after” photographic medium. We also developed three-dimensional modeling that enabled the citizens to electronically “walk through” our proposed enhancements to downtown to validate the appropriateness of the recommended approaches.

ORGANIZATION: CLEAR IMPLEMENTATION STRATEGIES

What good is a plan if you don’t know how to implement it? Our team developed a step-by-step implementation guide for each major recommendation of the Resource Team to make the process from design to implementation as complete and understandable as possible. Our critical path matrix not only outlined specific “next steps” with measurable outcomes, it developed these with prioritized, time-based recommendations and noted where applicable and possible both the costs associated with the recommendation as well as potential funding sources when known.

PUBLIC PARTICIPATION

We believe the best planning efforts occur by creating them in concert with those citizens who will be directly affected by them. Over the course of the Resource Team process in Gulfport we met with numerous citizens. In concert with their direction, we crafted a holistic response that garnered the best information from a significant portion of Gulfport’s population.

1.3 PROCESS

ASSESSMENT

In January 2006 the team conducted a five-day assessment in Gulfport to ascertain the scope of issues and work and formulate a team and budget for the resultant Resource Team Workshop.

ORIENTATION

During the workshop we met with City Officials, architects, planners, Gulfport Main Street staff, and other stakeholders to understand the planning efforts that had transpired since our assessment visit in January. This orientation meeting also informed the team of the current conditions in Gulfport pertaining to planning, politics and public sentiment.

DRIVING/WALKING TOUR/FIELD RECONNAISSANCE

The team did extensive touring of the project site to understand the issues, scope and planning challenges facing Gulfport. The photography, mapping, and field investigations gave us the information necessary to analyze the existing and proposed conditions.

INTERVIEWS

We conducted one-on-one interviews with a variety of stakeholders (e.g. local bankers, developers, utility companies, elected officials, merchants, etc.) to ensure we knew the depth of the realities facing those involved in the day-to-day rebuilding of Gulfport.

STAKEHOLDER SESSIONS

We also conducted several small group and general input sessions to ascertain the public's desires about a variety of topics ranging from planning, to branding and marketing, to implementation strategies, etc.

VALIDATION MEETING WITH MAIN STREET BOARD

Once the team had conducted sufficient analysis, multiple options and recommendations were considered and proposed in conceptual form to the Main Street board. Their response to our proposals led to the refinement of the final recommendations that were

presented to the public at the conclusion of the workshop and as documented within this report.

PUBLIC PRESENTATION

On the final day of the workshop a presentation was made to the general public of the recommendations and visuals developed during the Resource Team visit. The recommendations noted herein were enthusiastically received by the public during this presentation.

1.4 REPORT: FORMAT AND FOUR POINTS

This report is designed to present the findings of the Resource Team Design Workshop in a brief and easy-to-understand format. The team organized its overall recommendations along the four points of Main Street and report itself is organized in a like manner.

The four points of Main Street comprise Section 2 of this report and are as follows:

1. Economic Restructuring: Market Analysis
2. Promotions: Branding and Marketing
3. Design: Physical Design & Planning Recommendations
4. Organization: Implementation Strategies

Each of the above-noted strategies are described and illustrated with design collateral developed for each during the course of the Resource Team Visit.

1.5 ACKNOWLEDGEMENTS

This report would not have been possible without the participation of many important people in Gulfport. Special thanks go to the Gulfport Main Street Board, local elected officials, local banks, developers, and myriad other passionate citizens. In particular, the team would like to thank Lisa Bradley for her dedication to the City

of Gulfport, the Main Street program, and this Resource Team. Without her attention to detail and ability to coordinate myriad details for the design team and the City, this plan would have been impossible. Special thanks goes also to John Harral, president of Gulfport Main Street for his enthusiastic support and guidance throughout the process. Additional thanks to Mayor Brent Warr and his wife, Laura for their gracious hospitality and continued efforts in rebuilding Gulfport better than it was before. Finally, we would like to thank the many citizens, merchants, property owners, and other stakeholders who candidly shared their thoughts and hopes as we developed this plan.

Finally, this effort would have simply been impossible without the generous financial contributions of numerous entities and individuals. The Knight Foundation, the National Trust for Historic Preservation, Mississippi Main Street Association, Gulfport Main Street, Mississippi Development Authority, and many others gave of their time, resources and finances to help this effort. Thanks goes to the design and market analysis team as well for reducing their professional services fees in order to not be a financial burden to Gulfport or the entities noted above.

1.6 CHALLENGE

It has been said: “To plan is human, to implement is divine.” The City of Gulfport and its residents have nobly developed a vision for their future. Now begins the hard work of systematically following through on each of the recommendations found herein. The road will be long and at times difficult. However, the design team is uniformly convinced that if the same spirit of participation and pride in place that was evident during the Resource Team process remains intact during the implementation phase, then the future for Gulfport is especially bright. It is our belief that Gulfport’s best days are ahead and we are honored that you allowed us to play a part in your emerging history.

2.0

Four Points of Main Street



2.1 Point #1

Economic Restructuring

Downtown Gulfport is at a true crossroads. Out of the devastating disaster of Hurricane Katrina, downtown is undergoing a dramatic rebirth. It is currently enjoying the benefit of more investment from a greater variety of partners than perhaps any other time since the founding of the City.

The City of Gulfport and the Gulfport Main Street program are partners in this revitalization. Together with the private sector, these partners have a singular opportunity to further channel this investment to create even richer dividends for the downtown and the community as a whole.

Adding to this investment is a wealth of incentives designed to encourage investment in the Gulf Coast region. For downtown areas these incentives are particularly enticing since they include enhanced historic tax credits, Go-zone incentives, the potential for new-market tax credits, and partnerships with the public sector for infrastructure provision through a variety of sources.

The accelerated pace of investment already underway, the significant interest in future revitalization, and the availability of a wide variety of incentives and grants present great opportunities for the future along with great challenges. Most important of these is providing a financial framework to foster investment in downtown. This framework must happen on two levels: the first is through organization and second is through funding.

To that end, the team is recommending two strategies for Gulfport to consider:

RECOMMENDATION 1: FORM GULFPORT DEVELOPMENT CORPORATION

The Gulfport Main Street program is an excellent foundation for organizing for the future of downtown. It has the support and assistance of the highly successful Mississippi Main Street program, the backing of a time-tested methodology through the National Main Street Center, and a well organized local committee structure.

We recommend that the Gulfport Main Street program and the City of Gulfport explore expanding the program of work of Gulfport Main Street by creating the Gulfport Development Corporation. Authorized under Mississippi statute 43-35-33, such organizations exist at the behest of a local government and can have broad powers to complete development projects in a community.

Such an organization will give flexibility to City Government to have a more “nimble” economic development presence while retaining close governmental ties to the organization. Communities have a wide variety of techniques for implementing these organizations ranging from highly independent organizations to those that are more tightly tied to local government. The organization could be one in the same as the Gulfport Main Street program if its focus is strictly downtown or it could be a “partner” organization with Gulfport Main Street if its scope is determined more appropriate citywide.

The project team recommends that Gulfport explore other organizations of similar scope including the corporations in Jackson and Tupelo as well as those in Columbia, South Carolina and Charlotte, North Carolina which are authorized under similar legislation in those states.

Regardless of the format that the organization takes, its scope of work should include the following roles:

1. Act as an ombudsman to shepherd projects through the development process. Anyone doing development in communities will encounter a dizzying array of regulations and rules that sometimes can be confusing. With the “moving targets” of coastal development in the wake of Katrina, these rules seem to be changing weekly. The Gulfport Development Corporation can be the shepherd for those going through the process as an experienced partner. This will alleviate the development department from having to serve solely in that capacity and will provide support and capacity to help more projects see fruition.

2. Advocate for quality design that fulfills the vision for downtown. This role will be tightly wound with the Gulfport Main Street program to ensure that new investment in downtown Gulfport does not detract from future potential to develop a lively walkable downtown that will be a place to live, work and shop.

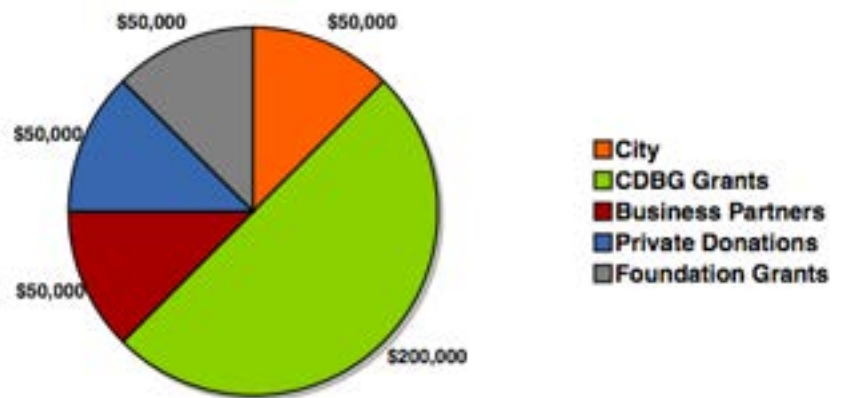
3. Be a clearinghouse for all incentives available to investors big and small. Whether it is a large developer or a small property owner seeking to renovate their building, many people are simply not aware of the various tools and techniques available to them to complete a development project. The Gulfport Development Corporation can serve as the one point for information on these tools and provide service to investors from project start to finish.

4. To partner with Gulfport Main Street to market investment opportunities in downtown. Preparing downtown for investment is just one part of the equation, telling the world what opportunities are available is equally important. This will involve detailed inventories of property, extensive knowledge of ownership, redevelopment potential, and the creation of a savvy marketing campaign to promote the opportunities in Gulfport.

5. To (where necessary) assemble property/incentive packages, etc to facilitate projects. This role is perhaps the most important that the Gulfport Development Corporation could play. In many communities, the locality wishes to implement a vision for an area that will require the participation and cooperation of the private sector. The development corporation could serve the

role as the facilitator for this type of development by assembling property, providing incentives, seeking development partners, and acting as a quasi-developer itself.

Such an organization does take adequate funding to be successful. Fortunately, the funding for development corporations can come from a variety of sources. The chart below is just an example of where the sources could be. We are recommending a budget of about \$400,000 that would include the salaries for the Gulfport Main Street director, the Economic Development Director, and administrative support.



Steps Toward Implementation (next 6 months):

1. Visit with comparable communities to explore the variety of options available for creating a development corporation (City Council reps, City Staff, and Gulfport Main Street board representatives)
2. Hold a joint “task force” meeting to vet the various options. (City Council, City Staff, Gulfport Main Street)
3. Initiate the local ordinance creating the organization.
4. Seek private sector partners.
5. Hire Economic Development Director
6. Launch organization.

RECOMMENDATION 2: CREATE A SELF-FINANCING BOND (TAX INCREMENT) DISTRICT

Authorized under Mississippi statute title 21 chapter 45, Tax Increment Financing is an innovative technique used in 49 states across the United States. In North Carolina, the bonds are called self-financing bonds because development tax base is the revenue source used to retire debt on the bonds.

These bonds have been frequently used in Mississippi to provide infrastructure for “greenfield” development. The original intent of the legislation is to alleviate blighting conditions where public infrastructure provision will be an incentive to recruit private investment. Downtown districts are ideal settings for such districts.

Because of the name, Tax Increment District, many misinterpret the legislation as a new tax on property. This is entirely untrue. Tax Increment Districts or Self-Financing Bonds freeze a district at “pre-development” levels. All property and sales tax revenue in that district at the pre development level continues to flow to the appropriate taxing bodies. New investment in that district that increases property and/or sales tax can be “captured” for a special fund called the Tax Increment fund. That fund can then be used to issue debt or do pay-as-you-go projects.

Both the City and the County have to agree to the district under an intergovernmental agreement. School revenues cannot be captured under any scenario. The amount of tax captured as well as the type (real property, personal property, and sales tax) can all be negotiated. (In Mississippi, sales tax is frequently NOT captured but could be if desired).

The bonds or pay-as-you-go funds can pay for a wide variety of public improvements. Recent changes in Mississippi law allow for funds to go toward private development but it is unlikely that Gulfport will want to pay for private investment when the public needs downtown are so clear.

Typically, the districts last from fifteen to a maximum of thirty years. At the conclusion of the district, the City and County's general funds will get a "windfall" of revenue as a result of the increase in private investment that has occurred over the life of the district.

In sum, such a district allows a district to let development within that district "pay its own way" to fund public infrastructure improvements. For downtown investors, they have the assurance that the incremental increase that their investment is creating downtown will STAY downtown through public infrastructure rather than being channeled to the general fund.

Mississippi is fortunate to have many excellent examples of how this has been used including several in Gulfport itself. Conceptually, a district could be created to capture the additional revenue from investments currently being made downtown so that a bond could be issued within the calendar year 2007. Several steps should be taken first.

Steps Toward Implementation (next 6 months):

1. Meet with bond counsel to explore options for creating a district.
2. Develop a tax increment plan and formulate a district.
3. Use this plan to prioritize projects for funding.
4. Implement the Tax Increment (Self Financing Bond) District.

2.2 Point #2

Promotions

2.2.1 INTRODUCTION & BACKGROUND

Gulfport recognized the need to create a system to unite the efforts in marketing and branding of all of the groups that currently promote the community. This unification of efforts would serve all organizations by driving the effectiveness of resources farther and by setting the expectations of the marketplace.

DEVELOPING THE BRAND

One of the first steps in developing a brand is to understand what is currently being used to market the community. Gulfport has a great variety of logos and brands that exist today, some of which should remain without change, others for which we would recommend updating for the purpose of reflecting the new vision, or personality, of Gulfport in a post-Katrina environment.

What is a brand? A brand is essentially a promise that is made to the consumer. It is the setting of an expectation and the meeting of that expectation, thus creating a dynamic relationship where trust is created. Over time, that trust is converted into equity. Brand equity is the asset that helps to attract developers, motivate new residents, attract new shoppers, and enhance overall quality of life. The development of a brand is the overall goal of most marketing efforts. The purpose of a brand is to create a system that allows these organizations and destinations to begin to connect themselves visually, instead of leaving it up to the consumer to make the connection.

THE GULFPORT BRAND

The brand system of Gulfport, Mississippi contains several components including a civic seal, a marketing logo, and organizational brand extension that will allow for the consistent implementation of the brand color palette, font selection and graphic style.



2.2.2 THE CITY SEAL

The city seal is a classically designed golden circle featuring a silhouette of a live oak. Behind it are the rays of a rising sun over the Gulf of Mexico. Around the seal is the phrase, "United by courage, opportunity, and vision." This phrase is drawn from the text featured on the civic statue in front of the county library building. The seal is intended for formal use and should be the symbol of the elected officials and professional staff of the city of Gulfport, Mississippi. It should be seen on certificates, letterhead, business cards, official correspondence, and other documents related to civic business.



2.2.3 MARKETING LOGO

The marketing logo is a multi-part brand system that includes both a word type and an icon. This system allows for multiple uses and the elevation of icon status after a certain maturation period. The word type features two symbolic graphic elements: first, the three blue lines, symbolizing the waves of the Gulf of Mexico; second, the sunburst, symbolizing the dawning of a new day. These two elements have also been incorporated into a stylized “G,” creating the letter icon. This logo system is shown in full-color, one color, black and white, and reversed. This system also features a two-color gray and gold business development logo, allowing for variation of look and feel by market target. In addition, there is a tagline associated with this logo system. “Opportunity of a Lifetime” is a temporary tagline, or credo, that shows the positive outlook on Gulfport’s rebirth as well as a focus on creating an environment that is friendly to reconstruction.



2.2.4 BRAND EXTENSION

Brand extension is the point where the brand begins to be implemented in local organizations and associations. Shown here are five recommendations of how this color palette and graphic system can trickle down to the organizational level.

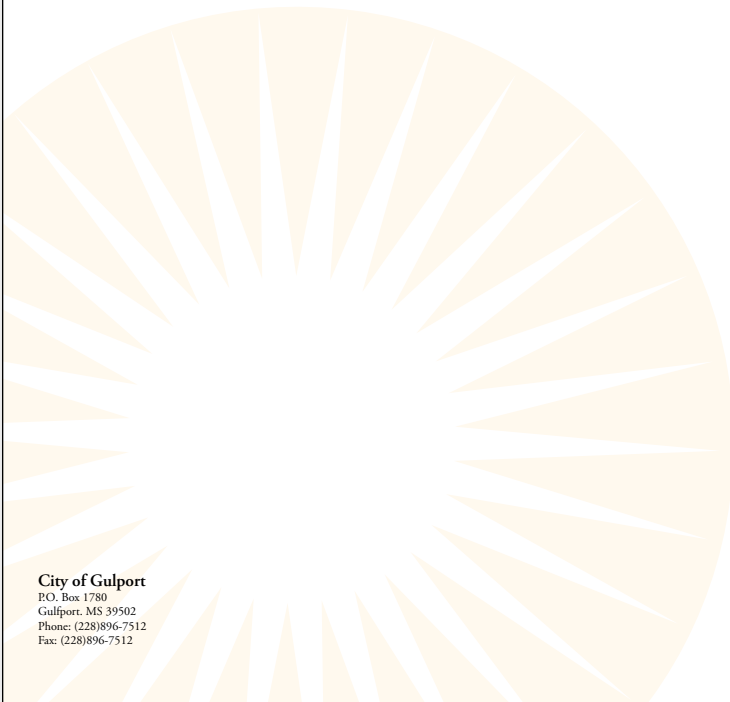
GULFPORT MAIN STREET uses the same font and custom designed lowercase “f,” but converts the “l” into downtown’s new signature acorn-style lamp fixture. Behind the lamp is the radial burst graphic from the main logo system.

GULFPORT DEVELOPMENT CORPORATION takes a more conservative, professional design approach, incorporating the “G” icon and using a toned-down color palate, thus making it more appropriate for the business environment.

THE GULFPORT CHAMBER OF COMMERCE incorporates the sunburst as two parts of facing “C’s” and incorporates a secondary color from the color palette as its identity color.

THE CARNEGIE ARTS DISTRICT defines an area of downtown that is being targeted as an arts catalyst for redevelopment.

ARTPORT could be the arts anchor in the Carnegie Arts District, and would serve as an artists’ co-op, featuring gallery and studio space in the art of Downtown Gulfport.



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MEMBER 2007

**Live.
Work.
Play.
Stay.**



2.2.5 STATIONARY

Gulfport Main Street Stationary and Membership Decal

Gulfport Main Street will need to incorporate their new logo into their business correspondence by designing letterhead, business cards and envelopes. These items will create a professional package and will begin to introduce their logo to the community. The membership decal should act as a miniature billboard. Many times Main Street organizations spend time and money creating a decal that creates little or no interest among the consumer base. Create a 3.5 x 5" decal that is designed to catch attention and potentially have varying messages spread throughout town, creating a sort of dialogue amongst the members.



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<http://www.ci.gulfport.ms.us/>

Gulfport Mississippi is a pituresque beachfront City on the Gulf of Mexico with a diverse culture and safe, family-oriented neighborhoods, supported by a progressive economy where everyone feels welcome and at home!

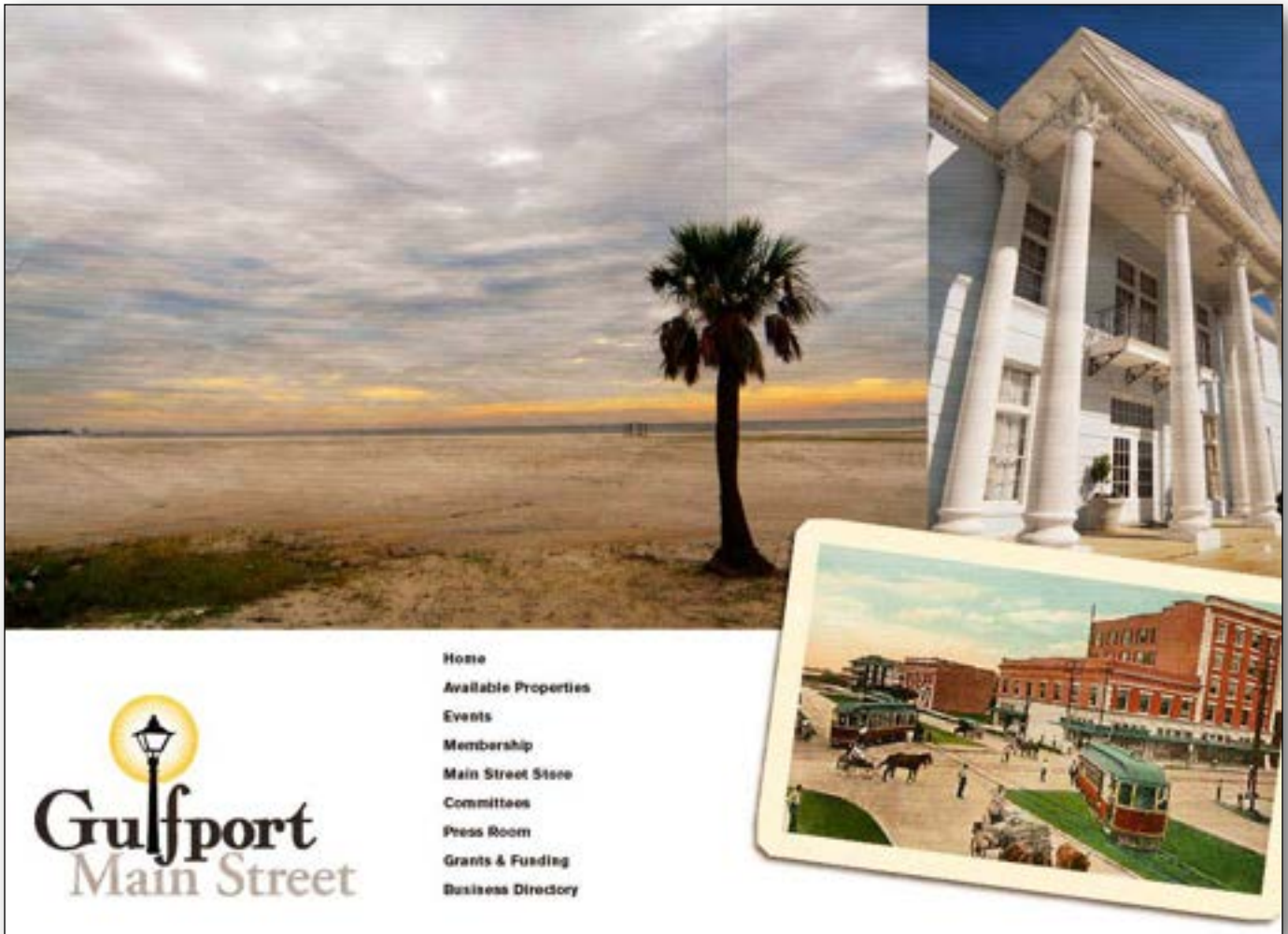
<i>Building Code</i>	<i>868-5715</i>	<i>Information</i>	<i>868-5700</i>
<i>CAO/City Clerk</i>	<i>868-5770</i>	<i>Leisure Services</i>	<i>868-5881</i>
<i>Code Enforcement</i>	<i>868-5718</i>	<i>Mayor</i>	<i>868-5810</i>
<i>Community Dev.</i>	<i>868-5736</i>	<i>Personnel</i>	<i>868-5831</i>
<i>Court Dept.</i>	<i>868-5855</i>	<i>Planning</i>	<i>868-5710</i>
<i>Engineering</i>	<i>868-5815</i>	<i>Police</i>	<i>868-5959</i>
<i>Fire Dept.</i>	<i>868-5950</i>	<i>Public Works</i>	<i>868-5740</i>
<i>General Finance</i>	<i>868-5755</i>	<i>Water Billing</i>	<i>868-5720</i>
<i>Grass Lawn</i>	<i>868-5907</i>	<i>Water & Sewer</i>	<i>868-5792</i>

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<http://www.ci.gulfport.ms.us/>

2.2.6 CITY OF GULFPORT STATIONARY

It is also important for the city of Gulfport to incorporate their new seal in a comprehensive stationary package. Shown here are samples of letterhead, one-color envelope, and two-sided business card. The business card features phone numbers of city departments and the city's mission statement on the back. Using a pre-printed shell system, these cards can be produced in bulk and have one-color personalized imprints to lower the cost of production.



- Home
- Available Properties
- Events
- Membership
- Main Street Store
- Committees
- Press Room
- Grants & Funding
- Business Directory

2.2.7 GULFPORT MAIN STREET WEB SITE

Web sites have become more and more important in setting the first impression of a community and providing information to local residents, visitors, and potential developers. The Main Street Gulfport website will feature available properties, community events, membership information, committee reports, grant and funding information, a business directory and opportunity for community members to volunteer.

relax.
leave work at the office.

14th Avenue
Every Thursday
from April
to October



2.2.8 ALIVE AFTER FIVE

It is important to create regular, reoccurring events in downtown. These events need to happen frequently and do not need to be complicated or labor intensive. Alive After Five is an event designed to keep workers downtown for a little relaxation and socialization. It could be held every Thursday from April to October on 14th Avenue.



bloom.

Spring Around Downtown.

March 23, 2007

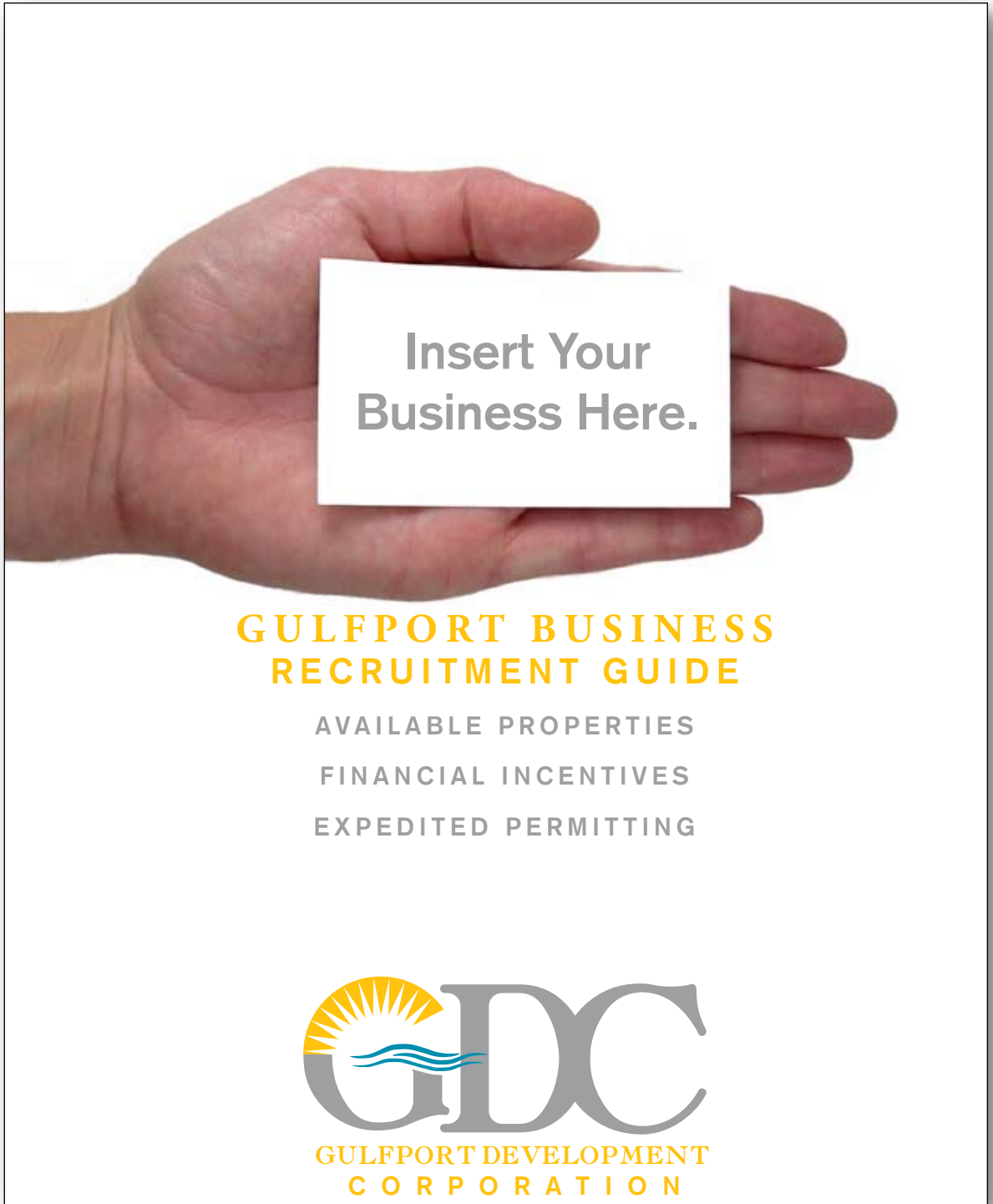
Experience Downtown in full bloom.

Tet ing eugue magna corperi usciliquis ent lortie venim
dolobor tincipit vent prat irilis ea corem volore enit lorper
ilit, consed tat. Duisl inim accum zzriusc iliqui tio ero erae-
senim irit iure cor inis amconsecte volut vendre te faci et
nulluptat ut landre esecte tatio diamcon sectet nonullaor



2.2.9 SPRING AROUND DOWNTOWN

Spring Around Downtown is an annual event held in March that allows community members to experience a carnival atmosphere in downtown. This festival should celebrate the sunflower and its symbol of beauty and resiliency that was evidenced after Hurricane Katrina. The community's connection with this flower can be commemorated in this annual event.



GULFPORT BUSINESS RECRUITMENT GUIDE

AVAILABLE PROPERTIES

FINANCIAL INCENTIVES

EXPEDITED PERMITTING



2.2.10 GULFPORT DEVELOPMENT CORPORATION (GDC) COLLATERAL

The GDC should assemble a professional business recruitment guide that contains a listing of available properties, descriptions and instructions on financial incentives and guidelines on an expedited permitting process fostering a progressive environment during redevelopment. They also could advertise what Gulfport is doing to attract new development with ads such as, “No Queue for You” as seen on the following page.

No Queue For You!



Tired of waiting in line? Need your building and investment plans streamlined? The City of Gulfport has instituted a streamlined plan review and construction inspection process to help you meet your pressing deadlines. So if you are in a hurry and need prompt development decisions, consider Gulfport in the heart of the Mississippi Gulf Coast where we are pro-business and pro-development.





We're feeding the future of downtown.

With over a thousand employees within just a few blocks, Ernest Ulrich the owner of the Port City Café keeps busy. That doesn't mean that they don't have a table for you too. The Port City Café is but one of the great reasons to visit downtown Gulfport. It is part of the rebirth of the centerpiece of the Gulf Coast and a proud partner with Main Street Gulfport in downtown revitalization. **Great things are happening in downtown Gulfport**, visit www.gulfportmainstreet.com to learn more.

Gulfport
An Opportunity of a Lifetime

2.2.11 ADVERTISEMENTS

The following pages feature a series of advertisements that showcase businesses and individuals in their commitment to downtown Gulfport. Whether investing 50 million dollars or being the first to prepare a sandwich after the hurricane, these stories showcase the spirit that exists in Gulfport and helps to convince others that right now that this is where the opportunity of a lifetime lies.



We don't just believe in downtown's future, we're banking on it.

The year was 1932. Amidst the devastating bank failures of the Great Depression, the business community of Gulfport appealed to Hancock Bank to relocate to downtown. From that year on, downtown has been our headquarters. Sixty-four years later amidst the devastation of Hurricane Katrina, Leo Seal and George Schloegel reaffirmed their faith in Gulfport through a fifty million dollar investment to keep Hancock Bank's headquarters in downtown. Hancock Bank believes in downtown Gulfport and is a proud partner with Gulfport Main Street to revitalize the heart of our community. Great things are happening in downtown Gulfport...join us in the opportunity of a lifetime. Visit www.hancockbank.com.

Gulfport
An Opportunity of a Lifetime



An Investment that is Yielding Great Returns

Bancorp South has its coast headquarters in downtown Gulfport and was one of the first major investments to come online in downtown. Their commitment to downtown brought millions of reinvestment to the historic hub of the city. Bancorp South is committed to downtown Gulfport and is a proud partner with Gulfport Main Street to revitalize the heart of our community. Great things are happening in downtown Gulfport...join us in the opportunity of a lifetime. Visit www.gulfportmainstreet.com to learn more.

Gulfport
An Opportunity of a Lifetime



We're empowering the future of downtown Gulfport.

Mississippi Power serves 32 counties in Southern Mississippi and we call downtown Gulfport home. Our commitment to downtown began with our headquarters building and continued through the years with the renovation of the landmark Gulf and Ship Island Building. As we look ahead through the rebuilding of the entire gulf coast, we remain committed to our hometown base. We are proud partners with Gulfport Main Street as we work together to make downtown Gulfport the centerpiece of the gulf coast. Great things are happening in downtown Gulfport... visit www.gulfportmainstreet.com to learn more.

Gulfport
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Gifts, Grits, and Gossip

Some people call it the nerve center for downtown Gulfport. It is where folks go to swap stories and catch up on everything going on in town. Joan and Jim Day and Poem Love keep the coffee cups full and the prescriptions filled. It's been that way for over fifty years and Triplett-Day was up and running just four weeks after the storm. Triplett-Day is an institution at the corner of 14th and 49 and it will stay that way for years to come.

Great things are happening in downtown Gulfport, visit www.gulfportmainstreet.com to learn more.

Gulfport
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Infusing Growth

Some people call it the nerve center for downtown Gulfport. It is where folks go to swap stories and catch up on everything going on in town. Joan and Jim Day and Poem Love keep the coffee cups full and the prescriptions filled. It's been that way for over fifty years and Triplett-Day was up and running just four weeks after the storm. Triplett-Day is an institution at the corner of 14th and 49 and it will stay that way for years to come.

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Gulfport
An Opportunity of a Lifetime



Downhome, Downtown.

They're known as Sherry and Jerry the downtown residents. They enjoy living in their upper floor loft in downtown and have joined Main Street Gulfport in making the rebirth of our historic hub a reality. Downtown living is just one of the great opportunities on the horizon for Gulfport. Visit www.gulfportmainstreet.com to learn more.





Downtown Gulfport is a Sure Bet for the Island View Casino

Rick Carter and his partners are committed to a bigger and better Island View Casino. Their commitment to investing in Gulfport's downtown is a symbol of the overall commitment to bring downtown back better than ever. The Island View Casino is a proud partner with Gulfport Main Street to make great things happen in downtown. Visit www.gulfportmainstreet.com to learn more.





Downtown Gulfport is the premier place to conduct business on the coast. In fact, our downtown is home to banks, utilities, and judicial functions, all situated within walking distance to miles of beautiful, sunny beaches. Office space is plentiful and new Class-A space is coming online daily. With easy access to major interstates, railway, a regional airport and bustling seaport, Gulfport can accommodate every corporate need you have from (board room to barge –or- conference room to corporate jet –or- ???). Gulfport: we are back, we are open, and we're ready for your business.

Gulfport: The Opportunity of a Lifetime





2.2.12 DIRECTIONAL OR WAYFINDING SIGN SYSTEM

The wayfinding sign system is covered in greater detail in following sections, but should be introduced as part of the brand because it plays such an important role in the perception of a theme, and flow and ease of travel in the downtown district. The wayfinding system could include the following elements:

PRIMARY GATEWAYS- These gateways are the primary intersection points and main entry ways into Gulfport. They need to be highly visible and introduce the brand.

TRAILBLAZERS- Trailblazers are the directing signs leading motorists to the main attractions of the area. These should have between three and four locations per sign and should carry motorists from gateway to parking lot. Colors can be used to distinguish between different districts and can become smaller as the scale and speed of the roadway narrows.

STREET BANNERS- Banners are very popular and help to add color to the downtown environment adjacent to the lanes of travel, thereby acting as a traffic calming device. They can also be color coded by district to promote other areas of the city and additional local events as they vicariously promote the brand.

BUILDING MARKERS- The markers can be either wall mounted or monument style and denote important landmarks in the downtown district.

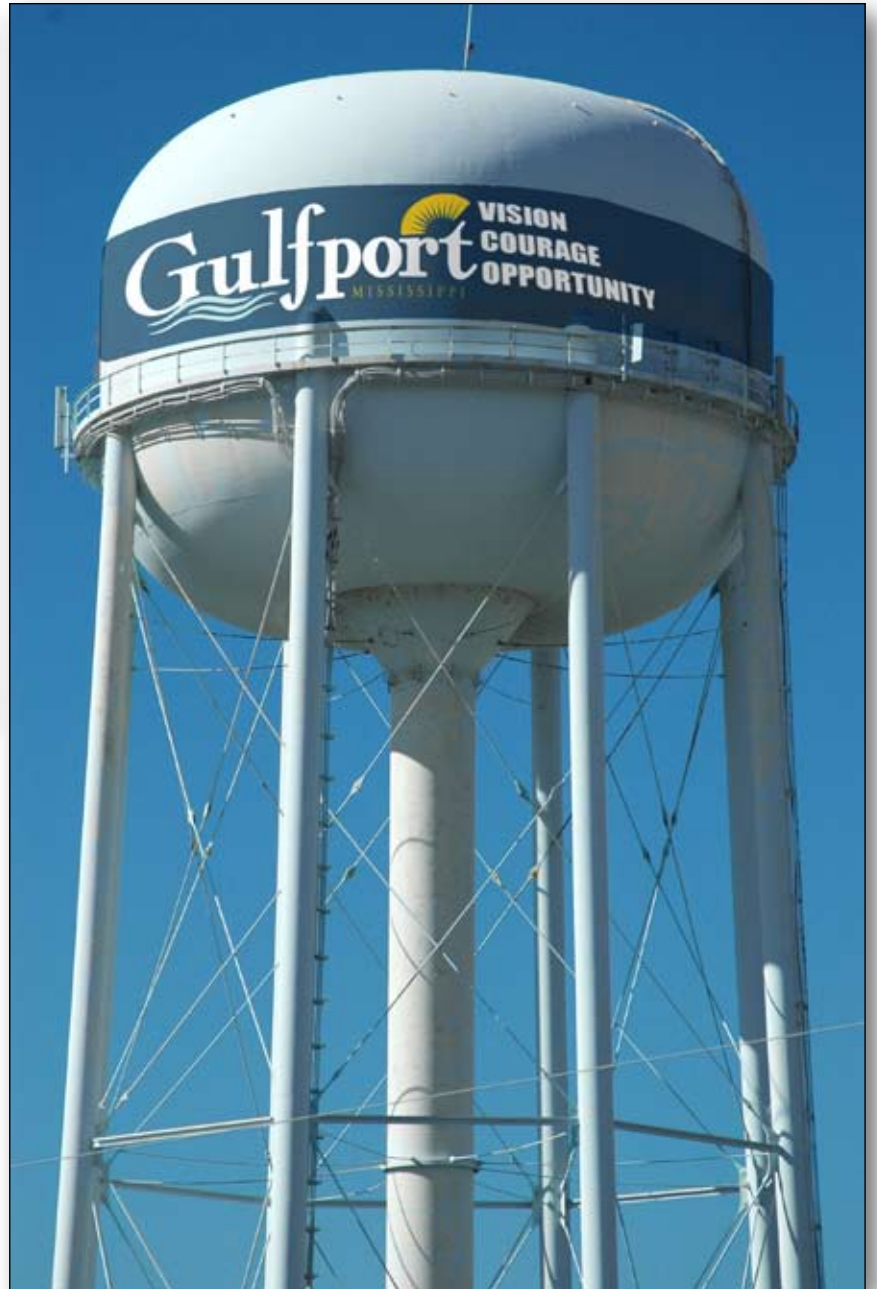
PARKING SIGNAGE- Identifying parking is important in creating a parking system in downtown. Visitors are more likely to walk a block or two to shop if the signage system leads them effectively to a public parking lot and tells them how to proceed. The parking markers can be by stand-alone or as attachments to trailblazer signs.

INFORMATIONAL KIOSK- The final piece of the plan is the informational kiosk, which serves as the transition point for vehicular traffic to pedestrian traffic. These kiosks should be located at major public parking lots and should include a map, the shopping & dining guide, and walking tour brochures where present.



2.2.13 STREET BANNERS

Banners are very popular and help to add color to the downtown environment adjacent to the lanes of travel, thereby acting as a traffic calming device. They can also be color coded by district to promote other areas of the city and additional local events as they vicariously promote the brand.



2.2.14 WATER TOWERS

Few physical elements are as prominent as water towers on the southern landscape. In many instances they represent the first indication from a distance that one is arriving at a municipality. Particularly in a coastal environment where the topography is primarily flat, their vertical demarcation of “place” cannot be understated. We would recommend that the water towers, along with other civic elements, receive the Gulfport brand to indicate visually their connection to the overall marketing effort.

2.2.15 IMPLEMENTATION

Implementing the marketing brand need not be complicated or expensive. In fact, many parts of this branding package can simply be implemented when reorder time comes for each product, such as stationery and street banners.

One way to garner excitement about the brand is to have the brand launched in a ceremony or at a special event. This will create the energy locally that will have business owners and residents wanting to promote and spread the brand.

Some limited rules should be applied to the display of the brand but the goal is to have as many businesses using the logo in their promotions as possible. Among the most important rules would be:

1. Always maintain the correct proportions. Many times, people stretch logos to make them fit their space. This can throw off the effectiveness of the design.
2. Colors start to become very important with branding, so pick your colors, and stay with them. The resource team has provided a template for a variety of complementary uses.
3. A PDF file accompanies this report on CD Rom. This file can be distributed to local businesses and groups as “the official” logo to be used on marketing for their business.
4. Use the logo in as many ways as possible, the more it is seen, the more valuable it becomes.

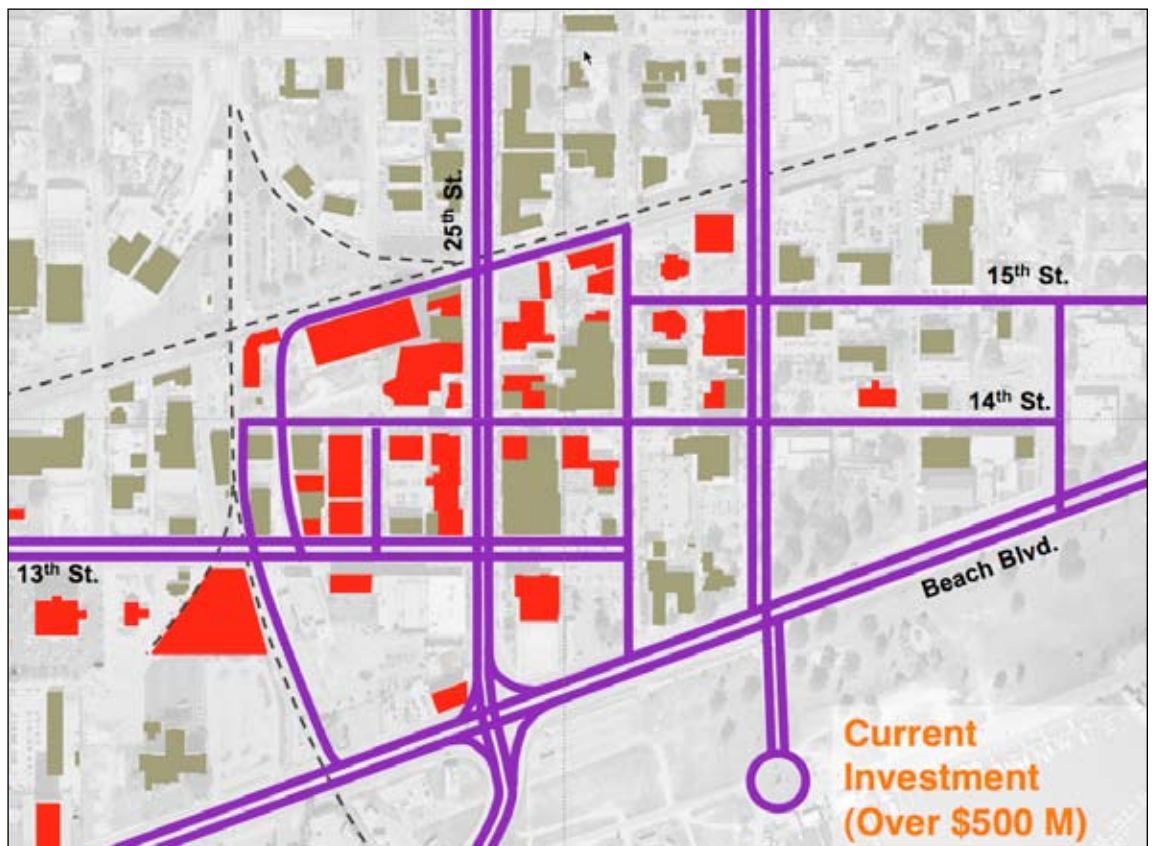
2.3 Point #3 Design

INTRODUCTION

High quality design is critical to the marketplace and supports current and private investment; entertainment, business and arts districts; community pride and visitor impressions. A “critical mass” of investment has occurred or is occurring in the downtown core, concentrated along 14th Street in the vicinity of 25th Avenue. Physical design projects should be concentrated within this area.

DESIGN PROJECTS

The Resource Team has identified several distinct physical design projects that can be implemented in the short term and help support the private investment that is already occurring as well as additional private investment. These projects support the vision planning that has been done to date and are responsive to the areas that have received the greatest amount of reinvestment since Katrina as illustrated in the diagram below.



DESIGN PROJECT #1: DOWNTOWN STREETScape ENHANCEMENTS

The Resource Team has identified streetscape projects that can be phased over time and support the critical mass of investment in the downtown core area. The approach for streetscape enhancements described below utilizes:

- A street furniture and lighting fair to establish the “Gulfport Standard”.
- Temporary streetscape elements to provide immediate impact while permanent streetscapes are being designed and constructed.
- Permanent streetscape improvements to be developed over several phases.
- City-owned nursery to provide long-term source for downtown street trees.

High quality streetscapes are important as they highlight community pride and image, support and encourage private investment and provide comforts for pedestrians. Elements that comprise streetscape enhancements include sidewalk paving, expanded sidewalk areas at intersections, well-delineated crosswalks, street trees, special accent planting, ornamental lighting, street furniture and placeholders for public art.

The streetscape enhancement project is described below in five sub-projects.



SUB-PROJECT #1-A: STREET FURNITURE / LIGHTING FAIR

Scope: Hold an event for the purpose of getting broad-based community participation in the selection of the “Gulfport Standard” for street furniture and ornamental pedestrian lighting. This process will give everyone an opportunity to help shape the future of downtown as well as bring visibility to all of the investment that has already occurred or is underway in the downtown. Following are specifics related to the event:

- Event should be located along 14th Street where a significant amount of investment is already underway, preferably near the depot. In addition to fulfilling the primary purpose of selecting Gulfport standards for street furniture, holding the event here will also showcase the investment that is happening here with the new outdoor park at Hancock Bank and the revitalization of several historic commercial buildings.
- The event should be held from just before noon to early evening to capture a broad audience – downtown employees as well as Gulfport residents. Depending on the month the event is held, the hours should extend into twilight so that the impact of ornamental lighting can be experienced.
- Identify products from 3-4 vendors that would be appropriate to become the Downtown Gulfport Standard. Since the public will participate in the final selection, it is important that all products represented are acceptable. In particular, Mississippi Power should be involved in the initial product selection to make sure that all of the light fixtures specified will be something that Mississippi Power could inventory and maintain.
- Invite the pre-selected vendors to participate in the event and have the chance to “compete” to provide Gulfport with its standards. Ask the vendors to supply the food and refreshments and bring sample fixtures/products identified in advance. Outdoor lights should be set up so that they can be illuminated.
- Advertise the event and invite the public, particularly downtown businesses, employees, investors and residents from throughout Gulfport.
- Develop a process that allows the public to “vote” on their preferred fixtures. There may be ballot boxes in a well-marked location, or visitors may be given color coded adhesive “dots” to stick to a board displayed near each product.
- The “winner” is identified and negotiations begin to supply the standards for the City.



Specifications: Potential Specifications include the following:

Furniture:

Victor Stanley:

Framers Modern Bench, T Series Bike Rack, Steelsites Trash Receptacles

Landscape Forms:

Scarborough Bench, “Ring” Bike Rack, “Chase Park” Trash Receptacles

Dumor:

Bench 58, Bike Rack 83, Trash Receptacle 148

Pedestrian Lights:

Sternberg Vintage Lighting – Summit, Ripon or similar fixture

HADCO- Type V Narrow Globe Series

Holophane – Historical Series

Gulfport Main Street should review the available options from these or other manufacturers and identify the 2-3 samples they would like each representative to bring. The samples should be comparable among manufacturers so easy comparisons can be made. For example, each manufacturer may bring a “teardrop” fixture and an “acorn” fixture. Metal Halide light source is recommended as the downtown standard as it does not distort natural colors as does High Pressure Sodium. Mississippi Power should be involved in meetings with representatives to understand advantages and disadvantages of the different light sources.

Schedule: Allow a minimum of 3 months from planning to the time of the event. Planning should begin immediately.

Responsible Parties: Gulfport Main Street Design and Promotions Committees in coordination with City Public Works Dept. and Mississippi Power.

Budget: \$3,000 (Promotions, advertisement, etc.) Assume that refreshments will be provided by vendors.

Funding Source: CDBG Grants and Self Financing Bond District (SFBD).



SUB-PROJECT #1B – TEMPORARY STREETScape ELEMENTS

Scope: Implement some initial, temporary streetscape improvements to show visible progress and preview permanent improvements while Phase I Streetscape is being designed and constructed. Initial scope should be 25th Avenue from Railroad to midway below 13th Street and 14th Street from 24th Avenue to 28th Avenue. Specific elements include:

- Paint existing planters a deep green with the Gulfport Main Street logo applied. A single deep color for the planters will make a stronger impact than a fussy paint scheme. Plant planters with new plant material.
- As an alternate to, or in addition to, the above, purchase new planters (approximately 140) that can be planted placed along streetscapes. The planters would then rotate to Phase II streets once the Phase I streetscape is underway.
- Use string lights to outline buildings and building architectural features, such as windows. This should be done on occupied as well as unoccupied structures.
- Provide temporary gateway signs which could be painted on wood while permanent system is being designed.

Specifications:

Pots/Planters: “The International Collection” by Longshadow or equal.

Schedule: Begin Immediately

Responsible Parties: Gulfport Main Street Design Committee in coordination with Public Works (to assist in hanging string lights on buildings) and City Horticulturist for planting of pots.

Budget: \$185,000

Funding Source: CDBG Funds



Three-dimensional model of 26th Avenue showing temporary streetscape elements.

SUB-PROJECT #1-C: PHASE I STREETScape PERMANENT IMPROVEMENTS

Scope: The scope for Phase I includes sections of 25th Avenue, 24th Avenue, 14th Street and 13th Street, as described below:

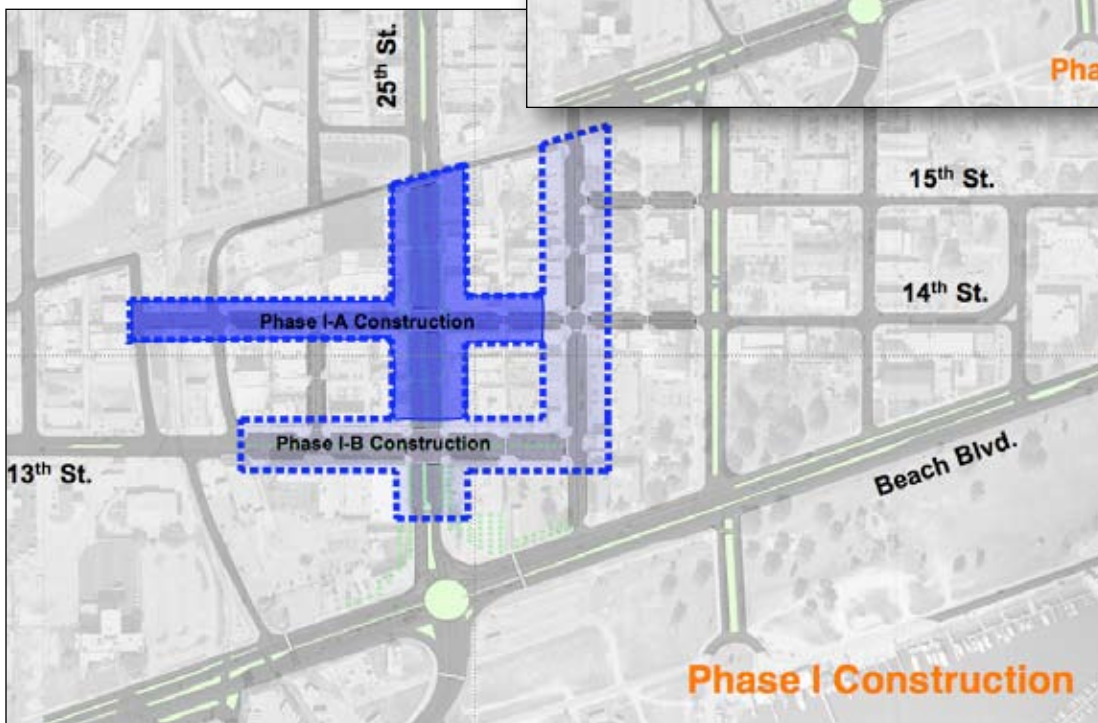
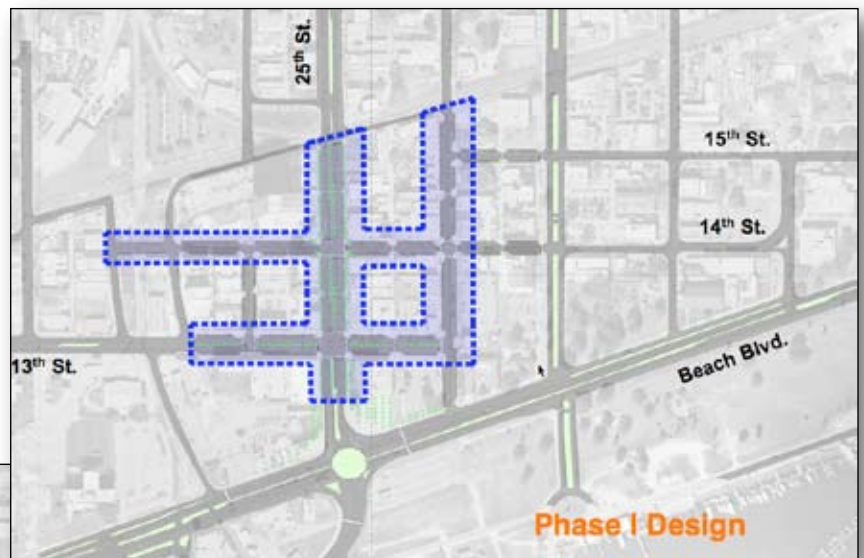
25th Avenue: Between Railroad and Halfway Between 13th and Beach Blvd.

Treatment:

- Maintain existing curb line except at intersections where sidewalk is extended. Replace curb (salvage existing granite where possible and concentrate in high visibility areas, such as intersection areas). Note: During detail design, it may be determined that parking configuration may change from angled to parallel parking in which case extending the curb line to create a wider sidewalk should be explored.
- Provide curb extensions at intersections (and possibly mid-block) to provide broader paved pedestrian area.
- Intersection areas (with curb extensions extending out beyond existing curb to edge of travel lane) would include special paving (brick or high quality concrete pavers), planter areas with raised cast stone curb edging, benches, trash receptacles and bike racks.
- Re-pave existing sidewalk area with primarily scored concrete (8' zone adjacent to building) and special paving (brick or concrete pavers) in tree zone (4' zone behind curb).
- Provide ornamental pedestrian lighting with banners.
- Provide Palm Trees (Palmettos) 25' on center on each side
- Utilize special paving (brick, concrete pavers or stamped asphalt) in crosswalks at each intersection along 25th Avenue.
- If possible, provide irrigation of tree pits and planters at the intersection curb extension areas (preliminary conversations with Public Works Director indicated that this most likely will not be possible because of existing underground utilities and fiber optics system). Feasibility will need to be investigated as part of Phase I streetscape plans. IRRIGATION NOT INCLUDED IN BUDGET.
- Underground utilities should be in fairly good shape so full scale replacement is not anticipated, other than hookups to existing system.
- OPTIONAL: Construct median (assuming lane narrowing and/or elimination of right turn lane and/or through conversion of angled parking to parallel parking). Median to consist of Date Palms, lawn and beds of seasonal planting. Median not included in this Phase I budget.

Considerations:

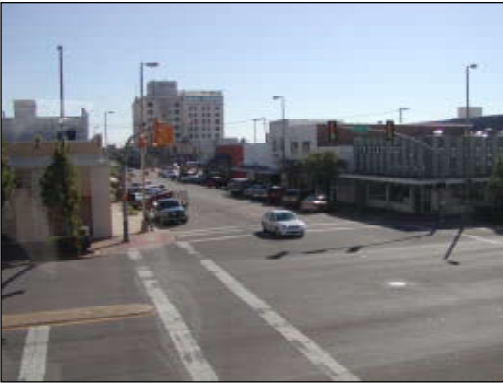
- A very detailed survey will need to be prepared for surface and subsurface features prior to detail design. Coordination with utility companies will need to occur to understand actual condition of utilities, potential conflicts and additional work needed to include in streetscape design.
- Median could occur as part of this initial phase or in the future and will be dependent upon traffic studies, coordination with MDOT, etc. Since there may be complications with this, the design allows for it to occur later without holding up initial streetscape. Conversion of angled parking to parallel parking (which will be contingent on ability to construct new public parking structure to make up loss of on street spaces) will need to be determined during streetscape design since it will determine extent of curb extensions.
- Streetscape improvements assume improvements of sidewalk areas and not repaving / reconstruction of street itself.



14th Street: Between 24th Avenue and 28th Avenue

Treatment:

- Maintain existing curb line except at intersections where sidewalk is extended. Replace curb (salvage existing granite where possible and concentrate in high visibility areas).
- Provide curb extensions at intersections to provide broader paved pedestrian area.
- Intersection areas (with curb extensions extending out beyond existing curb to edge of travel lane) would include special paving (brick or high quality concrete pavers), planter areas with raised cast stone curb edging, benches, trash receptacles and bike racks.
- •Re-pave existing sidewalk area with primarily scored concrete.
- Provide ornamental pedestrian lighting with banners. Consideration may also be given to benches along the sidewalk (rather than just at the intersection curb extensions). Should benches be used, they should be located so that they face the buildings rather than the parking area/roadway.
- Provide Palm Trees (Palmettos) at intersection curb extensions and shade trees (High Tower Willow Oak) along street length.
- Utilize special paving (brick, concrete pavers or stamped asphalt) in crosswalks at each intersection.
- If possible, provide irrigation of tree pits and planters at the intersection curb extension areas (preliminary conversations with Public Works Director indicated that this most likely will not possible because of existing underground utilities and fiber optics system). Feasibility will need to be investigated as part of Phase I streetscape plans. IRRIGATION NOT INCLUDED IN BUDGET.
- Underground utilities should be in fairly good shape so full scale replacement is not anticipated, other than hookups to existing system.



Considerations:

- A very detailed survey will need to be prepared for surface and subsurface features prior to detail design. Coordination with utility companies will need to occur to understand actual condition of utilities, potential conflicts and additional work needed to include in streetscape design.
- Streetscape improvements assume improvements of sidewalk areas and not repaving / reconstruction of street itself.
- The north side of the street between 25th and 27th is included as part of the Hancock Bank site improvements.



13th Street: Between 27th and 24th Avenues.

Treatment:

- Maintain existing curb line except at intersections where sidewalk is extended. Replace curb (salvage existing granite where possible and concentrate in high visibility areas, such as intersection areas). Note: During detail design, it may be determined that parking configuration may change from angled to parallel parking in which case extending the curb line to create a wider sidewalk should be explored.
- Provide curb extensions at intersections (and possibly mid-block) to provide broader paved pedestrian area.
- Intersection areas (with curb extensions extending out beyond existing curb to edge of travel lane) would include special paving (brick or high quality concrete pavers), planter areas with raised cast stone curb edging, benches, trash receptacles and bike racks.
- Re-pave existing sidewalk area with primarily scored concrete.
- Provide ornamental pedestrian lighting with banners.
- Provide Palm Trees (Palmettos) at intersection curb extension areas, shade trees along the street length. Provide Date Palms in new median.
- Utilize special paving (brick, concrete pavers or stamped asphalt) in crosswalks at each intersection along 25th Avenue.
- If possible, provide irrigation of tree pits and planters at the intersection curb extension areas (preliminary conversations with Public Works Director indicated that this most likely will not be possible because of existing underground utilities and fiber optics system). Feasibility will need to be investigated as part of Phase I streetscape plans. IRRIGATION NOT INCLUDED IN BUDGET.
- Underground utilities should be in fairly good shape so full scale replacement is not anticipated, other than hookups to existing system.
- Construct median (assuming elimination of one or both sides of parallel parking adjacent to median). Median to consist of Date Palms, lawn and beds of seasonal planting.

Considerations:

- A very detailed survey will need to be prepared for surface and subsurface features prior to detail design. Coordination with utility companies will need to occur to understand actual condition of utilities, potential conflicts and additional work needed to include in streetscape design.
- Median could occur as part of this initial phase or in the future and will be dependent upon traffic studies, coordination with MDOT, etc. Since there may be complications with this, the design allows for it to occur later without holding up initial streetscape. Conversion of angled parking to parallel parking (which will be contingent on ability to construct new public parking structure to make up loss of on street spaces) will need to be determined during streetscape design since it will determine extent of curb extensions.
- Streetscape improvements assume improvements of sidewalk areas and not repaving / reconstruction of street itself.



24th Avenue: Between Railroad and 13th Streets

Treatment:

- Maintain existing curb line except at intersections where sidewalk is extended. Replace curb (salvage existing granite where possible and concentrate in high visibility areas, such as intersection areas).
- Provide curb extensions at intersections to provide broader paved pedestrian area.
- Intersection areas (with curb extensions extending out beyond existing curb to edge of travel lane) would include special paving (brick or high quality concrete pavers), benches, trash receptacles and bike racks.
- Re-pave existing sidewalk area with primarily scored concrete.
- Provide ornamental pedestrian lighting with banners. Benches may also be considered along the sidewalk area in addition to those at the intersection sidewalk extensions. If so, benches should face the buildings and not the parking/roadway.
- Provide Palm Trees (Palmettos) at intersection curb extensions and shade trees, such as High Tower Willow Oak, along street length.
- Utilize special paving (brick, concrete pavers or stamped asphalt) in crosswalks at each intersection.
- If possible, provide irrigation of tree pits and planters at the intersection curb extension areas (preliminary conversations with Public Works Director indicated that this most likely will not be possible because of existing underground utilities and fiber optics system). Feasibility will need to be investigated as part of Phase I streetscape plans. IRRIGATION NOT INCLUDED IN BUDGET.
- Underground utilities should be in fairly good shape so full scale replacement is not anticipated, other than hookups to existing system.

Considerations:

- A very detailed survey will need to be prepared for surface and subsurface features prior to detail design. Coordination with utility companies will need to occur to understand actual condi-

tion of utilities, potential conflicts and additional work needed to include in streetscape design.

- Streetscape improvements assume improvements of sidewalk areas and not repaving / reconstruction of street itself.

Schedule:

- Approval for CDBG Grant – January 1, 2007
- Design/construction drawings complete and bid by July 1, 2007 (6 months) or January 1, 2007 (12 months) if 6 months is not feasible. Additional CDBG points are awarded if drawings are completed within 6 months or, for fewer additional points, 12 months.

Responsible Parties: Downtown Redevelopment Authority/CDC

Budget: \$6,250,000 as broken down below (does not include \$1,000,000 for median treatment along 25th Avenue)

25th Avenue

\$1,800,000 Construction

\$ 450,000 Design / Project Management

\$2,250,000 Project Total

\$1,000,000 Optional Median

14th Street

\$1,200,000 Construction

\$ 300,000 Design / Project Management

\$1,500,000 Project

13th Street

\$1,100,000 Construction

\$ 275,000 Design / Project Management

\$1,375,000 Project Total

24th Avenue

\$ 900,000 Construction

\$ 225,000 Design / Project Management

\$1,125,000 Project

Funding Source: CDBG Grants / SFBD Funds

SUB-PROJECT #1D: STREETSCAPE – FUTURE PHASES

Scope: The scope for Future Phases includes sections of 22nd, 23rd, 24th, 25th, 26th, 27th and 28th Avenues and 13th, 14th and 15th Streets as described below:

28Th Avenue: Between 14th and 13th Streets

27th Avenue: Between 14th and 13th Streets

26th Avenue: Between 14th and 13th Streets

23rd Avenue: Between Railroad and Beach Blvd.

25th Avenue: Phase I Boundary to Beach Blvd.

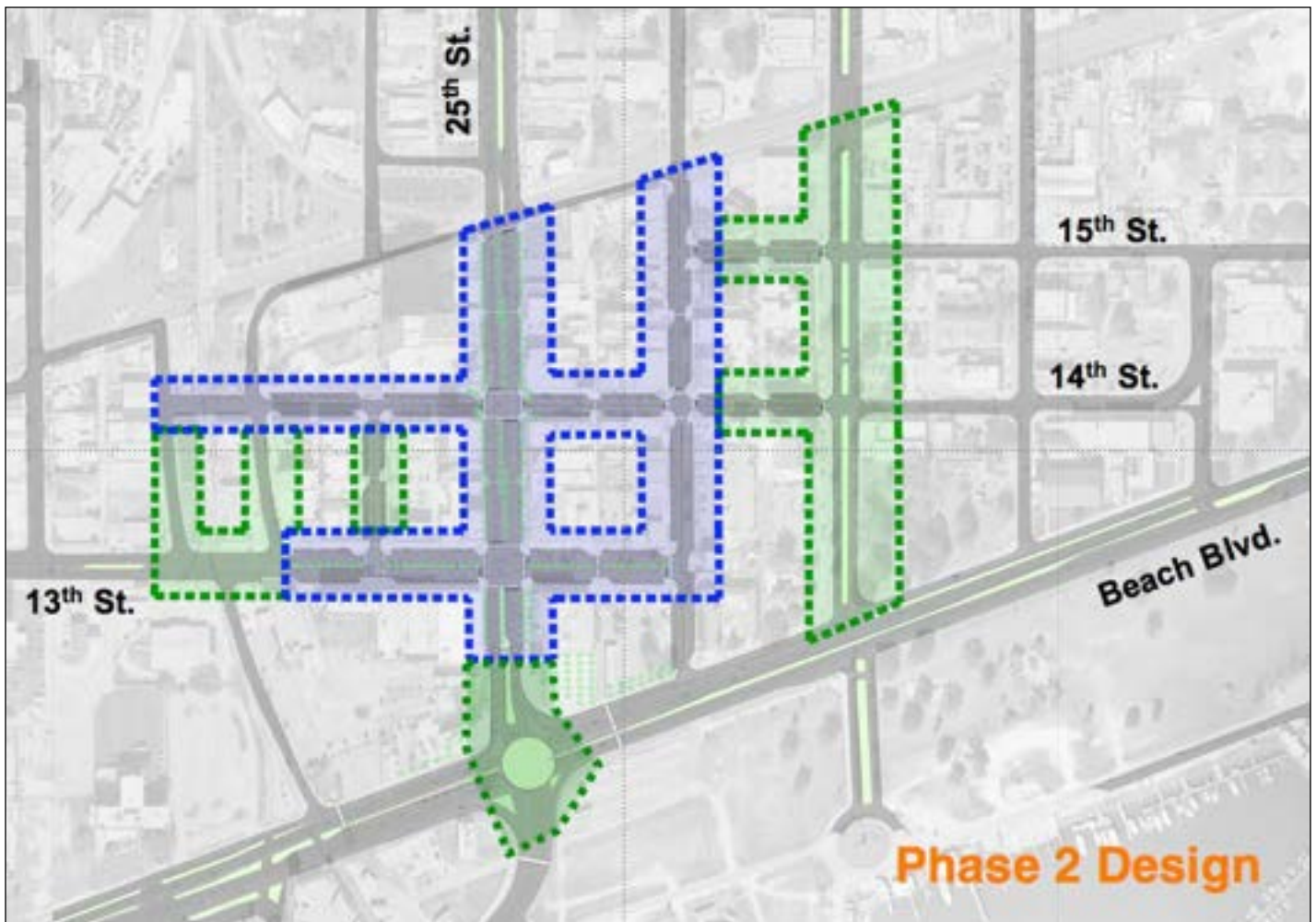
22nd Avenue: Between 15th and Beach Blvd.

21st Avenue: Between 15th and Beach Blvd.

13th Street: Between 27th and 28th Avenues

14th Street: Between 24th and 21st Avenues

15th Street: Between 24th and 21st Avenues



Treatment:

- Maintain existing curb line except at intersections where sidewalk is extended. Replace curb (salvage existing granite where possible and concentrate in high visibility areas, such as intersection areas). Note: During detail design, it may be determined that parking configuration may change from angled to parallel parking along 13th Street and 25th Avenue in which case extending the curb line to create a wider sidewalk should be explored.
- Provide curb extensions at intersections to provide broader paved pedestrian area (along entire length of 14th and 13th Streets and along 15th Street between 23rd and 24th Avenues).
- Intersection areas along 14th Street (with curb extensions extending out beyond existing curb to edge of travel lane) would include special paving (brick or high quality concrete pavers), benches, trash receptacles and bike racks.
- Re-pave existing sidewalk area with primarily scored concrete.
- Provide ornamental pedestrian lighting with banners.
- Provide Palm Trees (Palmettos) at intersection curb extensions and shade trees (High Tower Willow Oak) along street length.
- Provide shade tree plantings in median along 23rd Avenue (High Rise Live Oak).
- Utilize special paving (brick, concrete pavers or stamped asphalt) or clearly delineated striping in crosswalks at each intersection.
- If possible, provide irrigation of tree pits and planters at the intersection curb extension areas (preliminary conversations with Public Works Director indicated that this most likely will not be possible because of existing underground utilities and fiber optics system). Feasibility will need to be investigated as part of Phase I streetscape plans. IRRIGATION NOT INCLUDED IN BUDGET.
- Underground utilities should be in fairly good shape so full scale replacement is not anticipated, other than hookups to existing system.

Considerations:

- A very detailed survey will need to be prepared for surface and subsurface features prior to detail design. Coordination with utility companies will need to occur to understand actual condition of utilities, potential conflicts and additional work needed to include in streetscape design.
- Streetscape improvements assume improvements of sidewalk areas and not repaving / reconstruction of street itself.

Schedule:

- Approval for CDBG Grant – January 1, 2007
- Design and construction drawings complete and bid by January 1, 2008 and January 1, 2009 if divided into two additional phases.

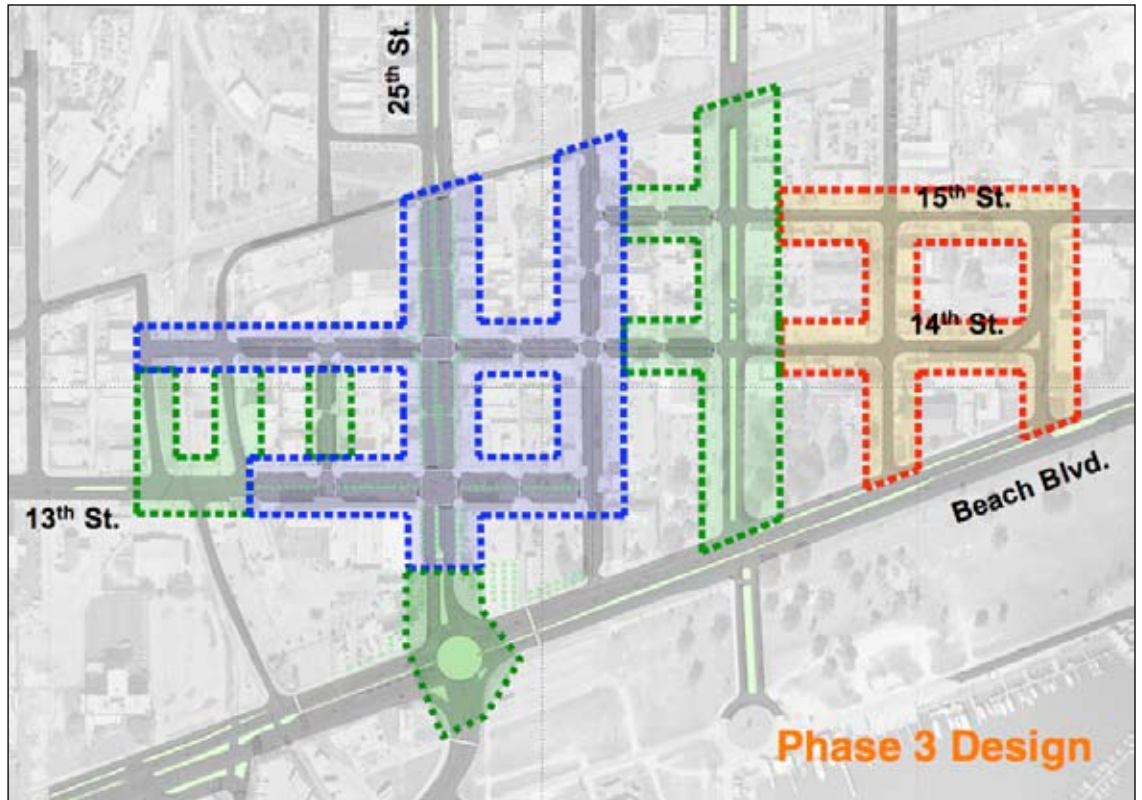
Responsible Party: Downtown Redevelopment Authority / CDC

Budget:

- \$ 8,000,000 Construction
- \$ 2,000,000 Design / Project Management
- \$10,000,000 Project

Funding Source: CDBG Grants / SFBD Funds





SUB-PROJECT #1E: TREE NURSERY

Scope: Develop tree nursery on vacant lot or within Jones Park to grow future trees for downtown streets. This could be done in conjunction with the City's greenhouses which are being established for raising flowers and seasonal color. Using Jones Park would provide for some immediate and highly visible enhancements to park if implementation of park plans is several years off. Nursery would be established in a way that fits with the park master plan. Some nursery trees could remain as permanent park trees. If using Jones Park is not feasible, vacant lots, preferably near the new greenhouses, should be considered.

Schedule: Begin Year 1

Responsible Party: City Horticultural Department, Gulfport Main Street

Budget: \$80,000

Funding Source: CDBG Grants, SBFDF Funds, Foundation Grants

DESIGN PROJECT #2: DOWNTOWN GATEWAYS

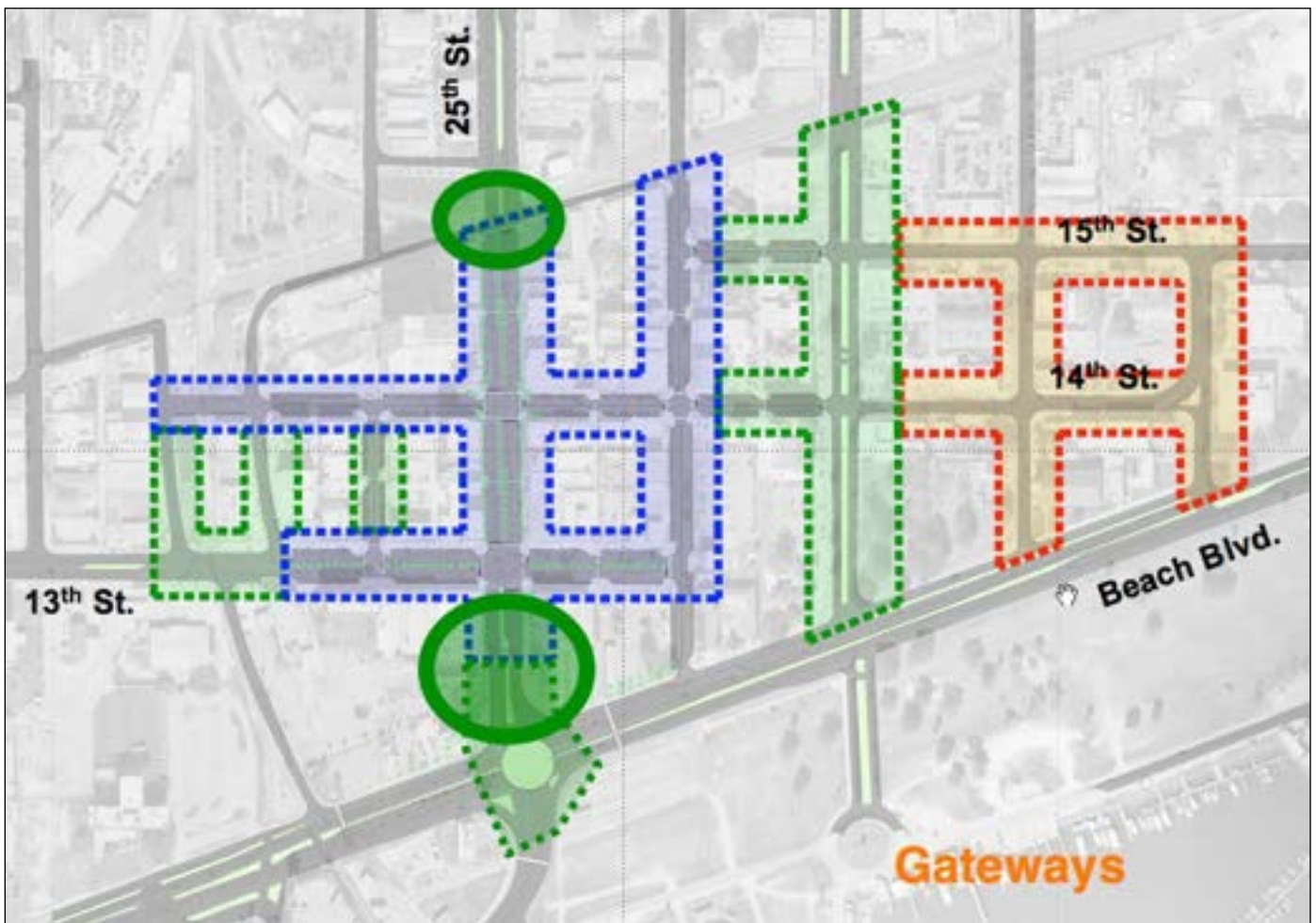
Scope: Downtown gateway features should be provided, in the near term, along 25th Avenue at Railroad Street and at Beach Blvd. The gateway features should incorporate the City's brand and logo as illustrated in the Promotions section of this report.

Schedule: Gateway features should be included in the Phase 1 Streetscape Project as described above.

Responsible Party: Downtown Redevelopment Authority / Gulfport Main Street

Budget: \$800,000

Funding Source: CDBG Grants / SBFD Funds





DESIGN PROJECT #3: PUBLIC PARKING STRUCTURE

Scope: A public parking structure is needed within the west side of downtown to serve current reinvestment efforts and help stimulate additional reinvestment. Two potential locations have been identified for a parking structure that could yield approximately 95 spaces per level: one on the north side of 13th Street between 28th and 29th Avenues and another just north of the railroad on the city-owned property across from the Hancock Bank parking structure. Regardless of the location, parking structures should be developed with ground floor programming or “wrapped” with development to help activate the adjacent streets. The wrapped development could occur with the initial construction or could be phased to occur at a later date.

Schedule: Begin property acquisition (if developed on the 13th Street site) and design immediately.

Responsible Party: Downtown Redevelopment Authority

Budget: \$9,500,000 (5 levels with a total of 450-500 spaces). Budget does not include wrapped development.

Funding Source: CDBG Grants / SBFDF Funds



DESIGN PROJECT #4: FACADE MASTER PLAN

Scope: Several communities in South Carolina have pursued grant funding that has helped fund a “façade master plan.” Unlike a traditional facade grant program, this is a comprehensive rehabilitation of many downtown buildings at once. The property owner gives the City a temporary easement (usually five to seven years) on the façade of their building allowing the local government to spend funds on its improvement. In exchange for this temporary easement, the grant funds will pay for a façade improvement program. The advantages of this type of program are that it allows for a single source of project management, a single source of design, and a single source for construction. Moreover, when used in conjunction with a grant source like the South Carolina Department of Commerce’s Opportunity Grant or CDBG grant, the façade enhancements are realized with no costs to the building owner or tenant.

Process:

- Apply for and receive grant funding for design and construction.
- Develop guidelines for the administration of the grant funds.
- Solicit RFQ for design professionals to develop the facade enhancement designs.
- Negotiate and hire design professional.
- Design professional photographs subject properties and interviews each property owner/tenant to ascertain appropriate enhancement approach.
- Design professional develops renderings and technical recommendations for each facade.
- Administrative party and design professional develop specifications and bid documents.
- Prospective contractors pre-qualified.
- Bid package submitted to pre-qualified contractors.
- Negotiate with and hire low bidder.
- Construction commences with oversight by administrative party and design professional.
- Punch list and project close out.

Budget:

Design & Project Management: \$1,500/facade

Construction Allowance: \$15,000/facade

Scope: In Gulfport we would suggest two phases of 40 facades each. Each phase would represent a total expenditure of approximately \$660,000.

Total: \$1,320,000 for 80 facades over two phases

Schedule: Begin phase one immediately upon receipt of grant or private funding.

Responsible Party: Gulfport Main Street

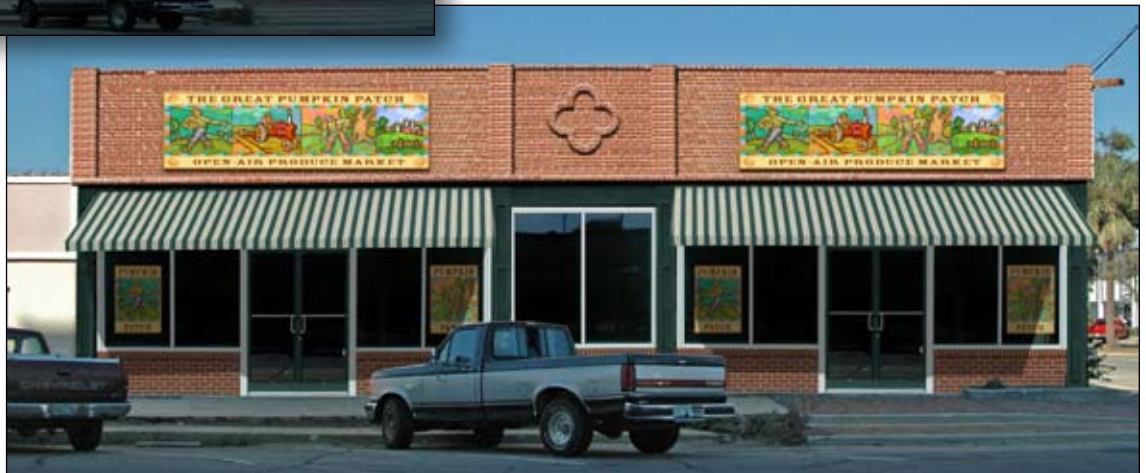
Funding Source Design: MDA Grant Funds, Knight Foundation, CDBG Grants, SFB Funds

Funding Source Construction: MDA Grant Funds, CDBG Grants, SFB Funds

Example of a facade master plan from Whitmire, SC. Existing & proposed conditions rendering of the 100 block of East Main Street.



Existing and proposed conditions photo-rendering of downtown Gulfport facade.





Existing and proposed conditions photo-rendering of downtown Gulfport facade.



Existing and proposed conditions photo-rendering of downtown Gulfport facade.

Existing and proposed conditions photo-renderings of downtown Gulfport facades.





Existing and proposed conditions photo-renderings of downtown Gulfport facades.



2.4 Point #4

Organization

In a typical planning exercise, the organizational component typically represents the most daunting aspect of the process. Establishing a vision and depicting that vision through plans, drawings, renderings, etc. is the easy part of the process. Turning those visions into reality requires a long-term commitment and a deep sense of personal responsibility. Whether an entity exists or is created for the purpose of implementation, the ability to stay focused for the long haul is difficult at best.

However, the design team is universally optimistic that in the case of Gulfport, the organizational component is actually your strongest asset and it positions you well to succeed in the implementation of these plans. Gulfport Main Street, under the leadership of Lisa Bradley and John Harral and one of the most impressive boards this design team has ever encountered is the ideal organizational entity to spearhead the implementation of the plans noted within this report. Moreover, with additional support from a progressive Mayor and City Council and one of the best statewide Main Street programs in America, we see no need to make any organizational recommendations other than “stay the course you are on.”

We would, however, suggest a close working relationship between the local and statewide Main Street program as they each have strengths, resources and a network of personnel that each can benefit from. Likewise, we would recommend a strong working relationship between Gulfport Main Street, the local government, and the private sector to ensure that all plans advocate public-private partnerships to the greatest degree possible. Finally, we would advocate for a grass-roots, neighborhood-based expansion of Main Street in the future to ensure that all plans for the downtown take into consideration the unique needs of the adjacent residential communities.

3.0

Conclusion



3.0

Conclusion

This report is the product of an extraordinary, continuing effort on the part of the City of Gulfport, Gulfport Main Street and other partner organizations to engage the community in an effort to examine the future success of the city. It is only through this continued spirit of partnership that the plan can be successful.

To be sure, there are challenges to be overcome some of which have no “quick fixes.” This plan will serve as a flexible blueprint for the future. It will be a way to channel investment, build community pride and focus, and help organizations understand how their role in the community relates to others. Consequently, it looks several years into the future of Gulfport.

Fortunately, Gulfport has not been sitting idly by waiting to react to change or have outside forces dictate their future. The community has already begun aggressively pursuing a number of the projects outlined in this report. As a result, the community is positioning itself for success. This plan can help continue to focus the efforts of Gulfport on the goal of solidifying its business base while reinforcing the unique character of the city.

4.0 Appendices



Appendix A
**Market
Assessment**

by RKG Associates, Inc.



NATIONAL TRUST
for HISTORIC PRESERVATION®

This Retail Market Analysis and Preliminary Downtown Redevelopment Framework for Gulfport, Mississippi has been funded in partnership by the National Trust for Historic Preservation in the United States and the John S. and James L. Knight Foundation.

DRAFT

**RETAIL MARKET ANALYSIS AND PRELIMINARY
DOWNTOWN REDEVELOPMENT FRAMEWORK
FOR
GULFPORT, MISSISSIPPI**

DECEMBER 8, 2006

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I. EXECUTIVE SUMMARY

RKG Associates, Inc. (RKG) was retained by the Mississippi Main Street Association (MMMA) to complete a retail market analysis in order to assess the redevelopment potential of the urban core of Gulfport, Mississippi. This analysis considers the market conditions after the impacts of Hurricane Katrina (August 29, 2005) on Gulfport and along the Mississippi Gulf Coast. The primary downtown study area is approximately 131 acres and at the time of RKG’s in-field analysis (post-Katrina), this study area was improved with 1.74 million square feet (SF) of development.¹ This included 180,000 SF (10%) that had been destroyed by Hurricane Katrina and another 20% (or 380,000 SF) that was vacant and substantially damaged by Hurricane Katrina. The land area of these destroyed and damage properties accounted for nearly 30 acres, resulting in a “clean slate” for redevelopment opportunities within the downtown study area.

At the time of RKG’s in-field analysis, several banking and financial institutions had returned (or were in the process of returning) to downtown, as well as Mississippi Light & Power, and the Island View casino. These businesses serve as “magnets” for downtown Gulfport. Conversations with representatives of the City and local businesses indicated that downtown was not a particularly strong retail center prior to Hurricane Katrina. RKG’s observations and interviews indicated that the local drug store and less than a half-dozen restaurants were open (or soon to open) as the primary retail establishments in the core downtown. Retail development typically follows other types of development, which produce the consumer demand and spending potential, necessary to support retail uses. Given this reality, RKG expanded this study to include an analysis of residential, office and hospitality markets focusing specifically on consumer spending potential from these market segments.

A. Key Findings and Recommendations

The following summarizes the key findings and recommendations regarding the redevelopment potential and opportunities for downtown Gulfport. The detailed baseline conditions and market indicators, which, in part, form the basis of these findings and considerations, are presented elsewhere throughout this report.

1. Location Factors

The City of Gulfport is the County seat of Harrison County, Mississippi and is on the Gulf Coast. The primary study area is downtown Gulfport, with approximately 131 acres of land. Access to downtown Gulfport is primarily via Highway 49, running north/south from the Gulf and through Harrison County. Approximately five miles removed from downtown, along Highway 49, is the intersection of Interstate 10, traversing east/west through the southern portion of Harrison County and with linkages to Mobile, Alabama and New Orleans, Louisiana. A more southern and coastal access to downtown Gulfport is via Highway 90, running parallel (east/west) to the Gulf Coast. However, given the

¹ Harrison County Assessor and exclusive of municipal properties and tax-exempt properties.

damage to the two bay bridges linking to Ocean Springs (East) and Bay St. Louis (west), this arterial, at present, is more of a local roadway. Consequently, from a retail perspective where “location is everything,” a downtown Gulfport location, particularly for many regional and national retail chains, suffers compared to a location by Interstate 10 and to a lesser extent Pass Road (east/west orientation) just to the north of downtown proper.

2. Retail Market Overview

RKG’s analysis indicates that the City of Gulfport was a net importer of retail sales, pre-Katrina 2005. In this period, there was an estimated \$875 million in consumer retail demand among Gulfport households for purchasing retail goods and services. The estimated retail sales in Gulfport totaled nearly \$1.6 billion, indicating that Gulfport was a net importer of retail sales activity, or that it oversells its market potential, from a broader region than the City proper. Despite the impact of Hurricane Katrina, Gulfport remains a net importer of retail sales and as a result of damaged or lost retail in neighboring communities, coupled with new retail development by Interstate 10, the City is likely to maintain this position.

Conversations with representatives of the City of Gulfport, as well as with merchants and businesspersons, indicate that retail was not a particularly strong component of the downtown Gulfport economic mix prior to Hurricane Katrina. A limited review of the property assessment database for Gulfport, pre-Katrina, also indicates that there were relatively few properties coded as a “retail use”. In fact, the historic zone along the 14th Street corridor has had chronic vacancy in some buildings for over 20 years. Local realtors indicate this is because these properties have been held by “old line” families who have been unwilling to sell and unwilling to reinvest in their properties, so they have remained vacant for many years. Some of these properties are historic and are a key component of the historic district along the 14th Street corridor.

The Interstate 10 retail development is approximately 5 miles from downtown Gulfport and includes nearly all national and regional retailers, at a variety of price points, excluding to some extent the high-end price points. There is approximately 4 million square feet (SF) of shopping center space in Harrison County and another multi-tenanted development is planned near Interstate 10. Tenants for this project are not known at this time, but conversations with representatives of the Gulfport Planning Department indicate that the site is to be 80 acres and will likely include big-box retail, several restaurants, and possibly hotel properties. Interestingly, a Starbucks store is opening in the I-10 corridor.

The estimated annual retail spending power in Gulfport is approximately \$31,000 per household. As a result of Katrina, Gulfport has lost (in 2005) an estimated 2,500 households, thereby indicating a “lost” consumer purchasing power of \$77.5 million. In Harrison County, the estimated household loss (in 2005) is 6,800, resulting in an estimated loss in purchasing power of \$211.7 million.

3. Other Market Indicators

Residential - New households create more potential purchasing power for downtown retail than any other usage, and the addition of retail into the downtown area is strongly encouraged. The key is to do it in an attractive manner. In general, residential values along the Gulf Coast have increased because of a loss in housing units and at least one new residential condominium project in Gulfport has seen residential condominium sales in excess of \$300 per square foot. Additionally, a developer from Houston is now proposing an 18-story residential high-rise within the downtown area that will introduce a new product into the immediate market area, and if successful, could create the opportunity for an extensive amount of new residential development in downtown.

Office - With the reconstruction of Hancock Bank, Bancorp Bank and Mississippi Power, as well as the Court House (Gulfport is the County seat for Harrison) and related municipal functions, downtown Gulfport is well on its way to becoming, once again, the premier office location in the region. Along with the money recently spent on the new casino, the investment in downtown Gulfport since Katrina has exceeded \$350 million. Interestingly, there has been very little spin-off investment to date, with the likely exception of several restaurants, from this activity. However, it was noted during RKG's field interviews that a number of other banks and professional service firms are "watching and waiting" to see what definitive plans are ultimately developed for the downtown and whether or not they will re-locate from temporary locations to a more permanent downtown setting.

Hospitality – Tourism has been, is, and will be a key economic engine along the Mississippi Gulf Coast and in Gulfport. According to research completed by the Mississippi Development Authority/Tourism Division, of Jackson, Mississippi² there was nearly \$6.4 billion spent by 30 million visitors (or person-stays) in Mississippi, including nearly \$1.7 billion, or about 27% of the total, in Harrison County in 2005. Visitors to Gulfport spent an estimated \$76 per capita for selected retail purchases, including dining/drinking. While some of this expenditure may likely occur on-site at a gaming casino or hotel, some portion occurs off-site and could support additional retail development. Conversations with representatives of the Gulfport Planning Department indicate that several hoteliers are "working" the local market and have applications in place for hotel (and casino) properties. Two hotel properties are proposed near the airport, another hotel has applied to rebuild on-site along Highway 90, and an existing Highway 90 hotel is to be converted to a Marriott Courtyard property. The recently opened Island View Casino in Gulfport has 540 rooms and is in construction for phase 2 of its development.

4. Recommendations – Retail Strategy

RKG's findings and recommendations, regarding a retail strategy, are as follows:

- **Recapturing Retail Sales** - Sales leakage refers to the local demand for the purchase of retail goods and services that is not captured by existing retailers. All retail

² *Fiscal Year 2005 Economic Impact for Tourism in Mississippi*, February 2006.

markets experience some degree of sales leakage, varying by store type. Existing shoppers and consumers in Gulfport are spending more than \$41 million of their dollars at retailing venues outside of Gulfport. All markets can recapture some sales leakage by expanding retail offerings, although a 100% recapture of such sales leakage is unreasonable. This analysis assumes that 83,500 SF is a reasonable estimate. These uses would include, in the near-term, 1,500 SF of restaurant space, 7,800 SF of electronics/computer store space and 17,000 SF of apparel and accessories, assuming that a unique cluster of the latter could be developed.

- **Recovering Lost Retail Shopping Centers** - RKG has estimated that there has been a substantial loss of existing retail shopping centers along Highway 90, at perhaps 600,000 SF of inventory from Bay St. Louis to Moss Point. RKG estimates that an opportunity exists to rebuild and reposition a portion of this lost inventory, estimated to be 149,000 SF, in Gulfport. These retail uses could include 34,000 SF of restaurant space, 27,600 SF of apparel and accessories, 29,700 SF of specialty/niche retail and 14,600 SF of sporting goods, hobby shops, and other retail.

However, these two redevelopment frameworks are “reactionary” to existing market conditions. In both instances, if a single shopping center were built, it would require a significant assemblage of land, thereby reducing available land from an inventory for future and alternative development. Additionally, a single center runs the risk of creating a new destination retail location in or near the downtown, without having any incremental benefit to the reuse and redevelopment of the existing historic buildings and would not necessarily foster a sustained economic redevelopment of downtown Gulfport. While theoretically possible, the costs of land assemblage, insurance costs, and general competitive disadvantage to retail centers along I-10 make such development impractical and a financial gamble.

- **Renewed Retail Development** – RKG believes that there is the possibility of expanding the retail development potential in downtown Gulfport through enhancing the residential, office and hospitality consumer segments, which in turn results in stimulating retail demand and development as summarized in the following table. As an example, for Gulfport, estimates of “lost” households due to the hurricanes amount to 2,500 households, which represents a total spending power of \$77.5 million.

TABLE I - A - 1

Renewed Retail Potential Downtown Gulfport, MS	Retail Sales (\$000)	Supportable SF of Development	Estimated Sales Tax Revenue (\$000)
Sales per 100 NEW Households	\$3,104.3	6,200	\$40.2
Sales per 1,000 Tourists/Visitors	\$75.3	200	\$1.0
Sales per 1,000 Office Workers	\$2,500.0	8,800	\$32.4

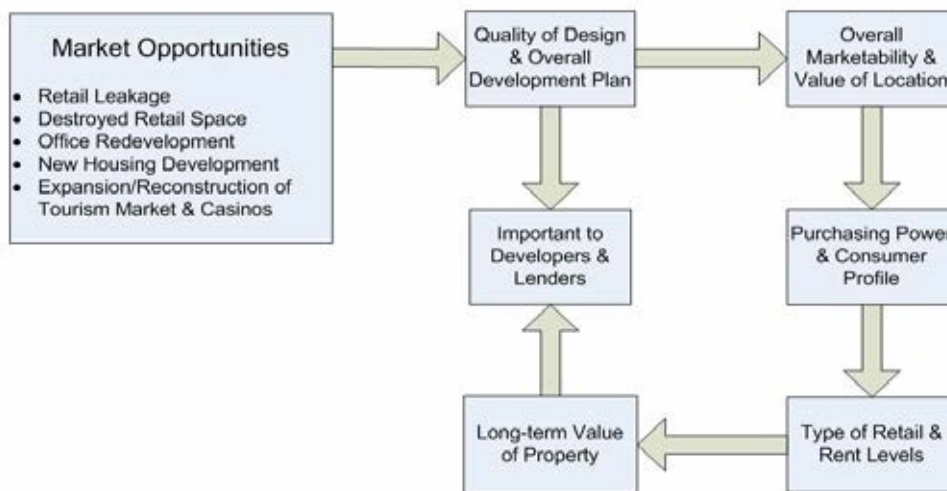
Source : RKG Associates, Inc.

This latter redevelopment framework, while likely longer-term and dependent on other market conditions and actions (please refer to the following chart), has the greater potential to positively influence the overall redevelopment of downtown Gulfport with retailing as a component rather than as a catalyst. RKG is of the opinion that major retail opportunities for downtown, in the near term, include:

- Restaurants and cafes appealing to the office and hospitality consumer. These also appeal to existing residents and could assist in attracting future residents.
- Card shops, flower shop, gift and novelty stores located outside of the casinos.
- Antiques, collectables and potentially an art gallery, perhaps clustered in a single block to create a theme and a destination node downtown.
- Electronics, computers, software and some office services/supplies.
- Specialty clothing perhaps clustered in a single block to create a destination node downtown.
- Related service businesses often found mixed with the above retail includes travel agencies and personal care.

Other retailing stores and opportunities that would develop over a longer-term as consumer density and purchasing power manifests itself downtown would include “neighborhood” convenience such as grocery, specialty foods and perhaps another drug store.

**Retail Development Decision-Making Framework
For Gulfport, Mississippi**



Source: RKG Associates, Inc.

5. Additional Considerations

Working with representatives from the City and County, utilizing the assessment data records and the GIS mapping database, approximately 332 parcels have been identified in the core downtown area. These properties experienced an estimated decline in market value (per assessment records) of \$29 million, falling from \$72.8 million pre-Katrina to \$43.5 million post-Katrina. The core downtown has also experienced an estimated loss of property tax revenue of nearly \$560,000. These core downtown properties (excluding most governmental or institutional uses, where data was suppressed) include about 1.74 million SF of building improvements. Of this, about one-third of the inventory has been substantially damaged or destroyed from Hurricane Katrina.

While the overall decline in assessed value of the core downtown, at 40%, is high, the impact that this has relative to the rest of the City is minimal. The assessment value of the core downtown properties represented 3% of all of Gulfport (pre-Katrina) and fell to a 2% representation post-Katrina. This perhaps reflects the vacant and deferred maintenance of many downtown properties prior to Katrina, but it also speaks to the nominal contribution, as measured in assessed value, of these properties. From a fiscal perspective, the City has a stronger reliance on returned sales tax as a source of revenue than it does on property tax. This would suggest that there might be some flexibility in “freezing” City property taxes on selected downtown properties as an incentive to stimulate redevelopment and reinvestment in order to encourage retail development, spending and the generation of additional sales tax dollars.

Downtown Gulfport is the only “urban center” along the Mississippi Gulf Coast, and of the approximate 131 acres of land, approximately 28% are (or were) utilized for office, other commercial (excluding retail) and banking. Collectively these three uses experienced a decline in value of nearly 55% or about \$26 million. This loss of \$26 million for these three uses represents nearly all of the estimated \$29 million loss of value in the downtown. In other words, some of the key economic engines downtown were among the hardest hit. Retail uses accounted for 11% of the land utilization downtown, representing \$9.3 million in value, which declined by about 20% post-Katrina. These two economic sectors account for nearly all of the “lost” valuation in downtown Gulfport. The primary utilization of downtown land, at more than 45% of the inventory (accounting for 59 acres) is for municipal (Gulfport is the count seat for Harrison County), institutional and utilities. Many of these uses are tax-exempt and as such, valuation data is suppressed from the Harrison County assessment records.

Costs of land assemblage are high, possible demolition and/or renovation costs can be high (irrespective of potential tax credits), insurance costs (notably flood) are high; requirements for flood elevation and zoning regulations necessitate building parking garages for lower elevations. Although there are a number of incentive programs to help offset the risks, it was determined that the knowledge regarding how to use these programs was not widely understood and that the market risks can be substantial.

The City of Gulfport, in conjunction with Mississippi and the federal government, has initiated several tax credits and financial development incentives to encourage downtown

redevelopment. These include, but are not necessarily limited to, a potential 26% tax credit from the State (which is set to expire in 2008) for historic preservation, as well as a potential 25% Federal tax credit for historic preservation. However, from RKG's field interviews these incentives are both little understood and little used either by the local development or by the banking community.

6. Recommendations – Redevelopment Strategy

Presently there is a lack of focus within the City on the downtown area and existing City staff, although well intentioned and capable, are stretched “thin”. A number of businesses and banks are deferring their location decision for new space until they are clear about what will be happening downtown. These businesses expressed frustration with the slow pace of City government in addressing the issues of downtown, and with the lack of communicating a vision and addressing problems such as chronic code violations. It was recommended during the design charrette that a Downtown Development Corporation (DDC) be considered and the idea received considerable discussion and was tentatively endorsed by some key bankers, as well as several members of the City staff and other local business people. The focus and responsibilities of the DDC would include, but not necessarily be limited to:

- Creating and clearly communicating a vision/master plan for the redevelopment of the downtown area and establishing a phased reinvestment plan with both public and private sector funding.
- Identifying measurable benchmarks for monitoring success in achieving the vision/master plan. To this end, the DDC could be established with a five-year sunset provision, renewable as desired and applicable.
- Establishing design standards and guidelines for new construction as well as for historic renovations. The quality of design of new buildings and the preservation of existing historic buildings are critical to attracting office uses and tenants as well as new residents and the retail stores that will follow.
- Serving as the unified and single voice for downtown redevelopment, thereby being not only the spokesperson for redevelopment but also the “go to” entity for developers and builders to assist in managing projects through the regulatory process.
- Securing financing, coordinating funding and permitting activities, as well as identifying and securing partners for redevelopment projects.
- Initiating and overseeing the completion of a highly visible streetscape project to keep participants energized and foster a sense that progress is being made. Interestingly, several major banks, the power company and the casino have all come back downtown, representing a substantial investment; however, the sense in the community is that “they would come back anyway”. RKG supports the recommendations from the design charrette team that the 14th Street Corridor streetscape be completed as a priority project.
- The Highway 49 gateway entrance into downtown Gulfport, from Interstate 10 and points north, is an uninviting corridor that does little to attract consumer activity to the downtown and indicate that there is some “excitement” at the end of the drive.

RKG encourages that as part of the action items undertaken by the proposed DDC (or another entity) it initiate a gateway corridor study and improvement plan.

- Acting as a “broker and landlord” to stimulate other near-term projects. This could include entering into agreements with private sector developers and property owners for favorable five- and ten-year leases in order to encourage re-investment in targeted buildings. These leases could serve as the DDC’s incentive to attract targeted retailers and tenants to the downtown, many of which are likely to be homegrown entrepreneurs.
- Planning for future growth by “land banking” certain properties to be developed as the market grows and opportunities arise. This could include, as an example, a portion of the Veteran’s Hospital for future neighborhood and convenience retail

Downtown Gulfport has many of the key ingredients to become the major destination for business and specialty retail and residential living along the Gulf Coast. It already is the premier location for office/banking activities and with the historic buildings and waterfront, it has the potential to achieve recognition within the marketplace as the premier specialty retail and restaurant location. Along with this recognition, will ultimately also come relatively higher rents and/or for sale values than are currently being achieved within the large market area, and given the previously referenced cost premiums associated with the downtown location, this will be important for the private sector to pursue both renovation and new construction in the downtown.

II. MARKET ANALYSIS

A. Introduction and Overview

In order to explore the sustainable economic redevelopment opportunities for downtown Gulfport, it is important to understand the underlying baseline conditions, notably post-Katrina, that affect these opportunities. In large part, in order to nurture rebuilding and restoring economic activity within downtown Gulfport, there needs to be a focus on increasing (or re-introducing) consumer purchasing power into the downtown. Consumer purchasing power may originate from a variety of sources including 24-hour residents, daytime office workers, tourists/visitors and the public at large, realizing that the latter two consumer segments, on their own or combined, would not create the daytime/nighttime activity necessary to sustain a viable downtown retail sector.

To this end, RKG has completed a review of retail supply and demand indicators; residential indicators, income characteristics; the hotel/hospitality market and general business and employment (office market) trends. RKG has also conducted interviews and in-field research with property owners, business owners, developers, City officials and other stakeholders within the City of Gulfport.

B. Retail Indicators

This section presents an estimate of consumer demand and retail sales activity for Gulfport, comparing the two in order to monitor whether Gulfport is an importer or an exporter of retail sales. This section also presents an estimate of the shopping center inventory in the three-county area, by county and community. This inventory is not exhaustive, as it does not include freestanding development (non-shopping center) or downtown, independent developments. Finally, conversations with representatives of the City of Gulfport indicate that a primary source of revenue for the City is returned sales tax dollars. It is the consultants' understanding that the sales tax in Mississippi is applicable to all retail purchases at a rate of 7%, and that of this, approximately 18.5% is returned to the community of origin. Where applicable throughout this analysis, the consultants also present an estimate of returned sales tax revenue to Gulfport.

1. Retail Demand and Supply

The estimated consumer demand, for a variety of retail goods and services, is \$875 million among Gulfport households in 2005 (pre-Katrina). This amounts to slightly more than \$31,000 annually per household, as presented in the following table. The estimated retail sales in Gulfport total nearly \$1.6 billion, indicating that Gulfport is a net importer of retail sales activity from a broader region than the City proper. Utilizing estimates of average sales/SF, as developed by the Urban Land Institute (ULI), this \$1.6 billion in retail sales equates to an estimated 3.2 million SF of retail stores and businesses.

As indicated in the next section, there is approximately 2 million SF of retail shopping center space in Gulfport and nearly 4 million SF in Harrison County. The inventory of retail shopping centers and the estimated sales activity both indicate that Gulfport is an overall net importer of retail sales activity.

This indicates that the ongoing retail strength (or retail gravity) and redevelopment in Harrison County, and in Gulfport, would continue to draw consumers from afar, in other words, Gulfport is a destination retail location. The Gulfport retail base out-performs its market potential of local consumer demand in nearly every major grouping³ of store types, with the notable exception of food and beverage stores as presented in the following table.

TABLE II - C - 1 Gulfport, MS	Pre-Katrina Analysis for 2005			Estimated Total Supply - Sales	(IMPORT) EXPORT
	Demand	Avg/HH	% of Total		
TOTAL	\$875,017,296	\$31,043	100.0%	\$1,598,098,971	(\$723,081,675)
Motor Vehicle and Parts Dealers-441	\$196,119,583	\$6,958	22.4%	\$436,085,870	(\$239,966,287)
Furniture and Home Furnishings Stores-442	\$20,114,333	\$714	2.3%	\$63,721,624	(\$43,607,291)
Electronics and Appliance Stores-443	\$18,834,688	\$668	2.2%	\$30,793,397	(\$11,958,709)
Building Material, Garden Equip Stores -444	\$81,725,652	\$2,899	9.3%	\$198,570,779	(\$116,845,127)
Food and Beverage Stores-445	\$111,844,369	\$3,968	12.8%	\$92,851,426	\$18,992,943
Health and Personal Care Stores-446	\$51,555,821	\$1,829	5.9%	\$82,813,757	(\$31,257,936)
Gasoline Stations-447	\$82,660,390	\$2,933	9.4%	\$130,174,081	(\$47,513,691)
Clothing and Clothing Accessories Stores-448	\$39,295,045	\$1,394	4.5%	\$46,840,544	(\$7,545,499)
Sporting Goods, Hobby, Book, Music Stores-451	\$16,181,281	\$574	1.8%	\$23,059,916	(\$6,878,635)
General Merchandise Stores-452	\$110,963,488	\$3,937	12.7%	\$270,780,373	(\$159,816,885)
Miscellaneous Store Retailers-453	\$21,843,257	\$775	2.5%	\$61,773,511	(\$39,930,254)
Non-Store Retailers-454	\$49,145,503	\$1,744	5.6%	\$21,232,237	\$27,913,266
Foodservice and Drinking Places-722	\$74,733,886	\$2,651	8.5%	\$139,401,456	(\$64,667,570)

Source : Claritas and RKG

However, within these broad store groupings there are smaller stores, e.g., the clothing and clothing accessory stores includes men's clothes, women's clothes, children's clothes and family apparel as examples. If these individual store types are reviewed, there is an estimated \$41.1 million in exported sales, as also presented in the preceding table. This estimated sales leakage, or unmet local demand are detailed in the next section, and estimates of recapturing a portion of this sales leakage, and the resulting supportable development of new retail SF, by store type, are presented.

a) Recaptured Retail – Supportable Development

Despite that Gulfport is a destination retail location and out-performs the local consumer demand, there is still an estimated sales leakage, or unmet demand, of nearly \$41.1 million in selected store types, as presented in the following table. In other words, these are the specific store types where the Gulfport retail base under-performs relative to the local consumer demand, and therefore represents sales leakage.

The recapture of a portion of this sales demand results in potential for new, additional stores in Gulfport. A possible recapturing of much of this demand would dictate

³ These represent the major three-digit NAICS code groupings. The more detailed tables appear in the Appendix, e.g., the Food and Beverage grouping of 445, consists of grocery stores, convenience stores, specialty food stores and beer/wine/liquor stores.

relatively smaller stores, i.e., not necessarily big-box retail, and as such would be candidates for a downtown Gulfport location. As presented in the following table there is nearly \$19.5 million annually in un-captured demand for grocery store sales, \$6.6 million in apparel/accessories, \$2 million in health/drug sales and \$1 million in restaurant sales. Store types that are under serving the market include food and beverage stores by as much as 25,000 SF of development, almost 16,000 SF of apparel and accessory stores and 25,000 SF of building materials/hardware stores.

If new retail development in downtown Gulfport were able to capture 100% of the estimated existing consumer sales leakage from Gulfport, this then would result in supporting a little more than 139,000 SF of new retail, on \$41.1 million in sales and generate an approximate \$533,000 in returned sales tax revenue to the City. However, it is unreasonable to estimate that there could be a 100% re-capture of sales leakage, as consumers will continue to shop away from home, on vacation or business, via the internet and catalog, as well as shop in other locations, such as New Orleans, Louisiana. As such, this analysis conservatively (meaning not to overstate) estimates that 60% of this demand might be recaptured, as shown in the following table.

TABLE II - C - 2 Gulfport, MS - Recaptured Sales at 60%	Estimated Total Supply - \$ales	Net Export	Supportable Retail SF	Estimated Sales Tax Revenue
TOTAL	\$1,598,098,971	\$41,138,074	83,467	\$319,643
Electronics and Appliance Stores-443	\$30,793,397	\$4,174,161	7,785	\$32,433
Computer and Software Stores-44312	\$2,642,242	\$3,526,733	6,511	\$27,403
Camera and Photographic Equipment Stores-44313	\$0	\$647,428	1,274	\$5,031
Building Material, Garden Equip Stores -444	\$198,570,779	\$8,211,700	25,584	\$63,805
Paint and Wallpaper Stores-44412	\$33,932	\$1,211,576	4,154	\$9,414
Hardware Stores-44413	\$4,167,004	\$1,001,675	3,434	\$7,783
Outdoor Power Equipment Stores-44421	\$730,288	\$526,327	1,579	\$4,090
Nursery and Garden Centers-44422	\$1,621,410	\$5,472,122	16,416	\$42,518
Food and Beverage Stores-445	\$92,851,426	\$19,442,695	27,314	\$151,070
Supermarkets, Grocery (Ex Conv) Stores-44511	\$86,381,181	\$3,712,688	5,569	\$28,848
Convenience Stores-44512	\$31,521	\$4,156,752	7,126	\$32,298
Specialty Food Stores-4452	\$1,416,557	\$11,573,255	14,619	\$89,924
Health and Personal Care Stores-446	\$82,813,757	\$1,712,776	4,111	\$13,308
Other Health and Personal Care Stores-44619	\$2,222,921	\$1,712,776	4,111	\$13,308
Clothing and Clothing Accessories Stores-448	\$46,840,544	\$6,564,078	17,060	\$51,003
Childrens, Infants Clothing Stores-44813	\$484,819	\$1,023,412	1,949	\$7,952
Family Clothing Stores-44814	\$7,238,188	\$5,540,666	15,111	\$43,051
Sporting Goods, Hobby, Book, Music Stores-451	\$23,059,916	\$88,437	103	\$687
News Dealers and Newsstands-451212	\$152,363	\$88,437	103	\$687
Foodservice and Drinking Places-722	\$139,401,456	\$944,227	1,511	\$7,337
Drinking Places -Alcoholic Beverages-7224	\$4,439,756	\$944,227	1,511	\$7,337

Source : Claritas and RKG

Conclusions – Assuming a 60% recapture of existing sales leakage from Gulfport consumers, this in turn results in an estimated 83,500 SF of additional retail shopping space and an approximate \$320,000 in sales tax revenue returned to the City. Realistically, not all of the estimated supportable retail development, particularly as a single shopping center, would be appropriate for the core downtown setting, considering locational disadvantages relative to a site near Interstate 10. As such, a

nearby site, perhaps a portion of the Veteran’s Hospital, would be a consideration. In addition, other retail uses, even as stand-alones, such as hardware stores or garden centers may be inappropriate for the downtown given the competition of large, established national chain stores.

Therefore, some types of retail would likely be appropriate in the short term, such as drinking places or clothing stores, assuming that a significant and unique cluster of the latter could be developed. From the above analysis, these total an approximate 18,600 SF. Other retail formats, such as grocers/specialty food stores and electronics stores would likely be more appropriate, over the long term, as a downtown residential/workforce population develops. These uses total 35,100 SF from above

2. Shopping Center Inventory

Retail development in Gulfport is centered along Interstate 10 (east-west orientation) at its intersection with Highway 49, a major north–south arterial from the coast and downtown Gulfport. This retail development is approximately 5 miles from downtown Gulfport and includes nearly all national and regional retailers, at a variety of price points. From a retailer’s perspective, this is the 100% location within Gulfport and the larger region, and therefore would be difficult to compete with if offering more of the same.

Retail development also continues up and down Highway 49, both for large, regional retailers as well as more local retailers. There is also a strong retail corridor along Pass Road (also an east-west orientation) just to the north of the downtown core.

An inventory of shopping centers, developed from in-field observations and from the National Research Bureau (of Chicago, IL), indicates that there is more than 6.4 million square feet (SF) of shopping center space in Hancock, Harrison and Jackson counties. Slightly more than 62% of this total is in Harrison County and slightly more than 30% of that total is in Gulfport, as presented in the following table.

3. Lost Shopping Center Inventory

Also indicated in the following table is an estimate of retail properties and square footage that is vacant, demolished or otherwise was “at-risk” from Hurricane Katrina. In this analysis, any retail shopping center with an address or location along Highway 90 (immediately adjacent to the Gulf) is considered “at-risk”. Under this assumption, there is nearly 3 million SF of shopping center space that has been demolished, damaged or is otherwise assumed substantially vacant, representing 46% of the inventory.

Of the estimated 4 million SF of retail shopping center space in Harrison County, an estimated 1 million SF is “at-risk”. This inventory includes the 815,000 SF Edgewater Mall in Harrison County (Biloxi portion). In-field analysis indicated that this mall is open for business, although damaged and with repairs currently underway, and not all shops are open for business. None of the inventory “at-risk” is directly situated in Gulfport, since most retail shopping is 5 miles removed from the coast. This includes the existing Crossroads Center (a project of Developers Diversified Realty or DDR) at

Interstate 10, approximately 540,000 SF with expansion capacity to about 600,000 SF. According to a representative of DDR, there are four acres now under development to include banks and restaurants (perhaps totaling 15,000 SF of build-out).⁴ Another multi-tenanted development is planned by DDR, near Interstate 10 (tenants are not known at this time), but conversations with representatives of the Gulfport Planning Department indicate that the site is to be 80 acres and will likely include big-box retail, several restaurants, and possibly hotel properties.

The estimated retail “at-risk” in neighboring Hancock County is 84% of its estimated inventory, or approximately 325,000 SF; and in neighboring Jackson County the “at-risk” inventory is an approximate 1.6 million SF, representing 81% of the inventory. This includes an approximate 340,000 SF of shopping center space in the neighboring coastal communities of Bay Saint Louis, Pass Christian and Long Beach.

⁴ Conversations with a representative of DDR indicate that the typical rents for the anchor tenants are in the \$6/SF to \$11/SF range, while rents for smaller stores are in the high teens.

**TABLE II - C - 3
Shopping Center
Competitive Inventory**

	Name of Center	% of Total	SF of Center	SF at Risk Hwy 90	% at Risk
Hancock County					
Bay St. Louis	Bay St. Louis Mall		37,800	37,800	
	Marketown S/C		94,400	94,400	
	Winn Dixie S/C		34,000	34,000	
		2.6%	166,200	166,200	100.0%
Diamondhead	Diamondhead Plaza		60,000		
		0.9%	60,000		
Waveland	Choctaw Plaza		124,400	124,400	
	Our S/C		35,000	35,000	
		2.5%	159,400	159,400	100.0%
	County Subtotal	6.0%	385,600	325,600	84.4%
Harrison County					
Biloxi	Cedar Popps S/C		97,300		
	Commerce Court S/C		20,000		
	Delchamps Plaza		59,000		
	Edgewater Mall		815,000	815,000	
	Edgewater Square		61,500		
	Lemoyne Plaza		51,100		
	Northgate S/C		52,700		
	Old 90 Square		20,000		
	Plaza de Tiblier		9,000		
	Popps Ferry S/C		105,700		
	Vieux Marche		335,900		
			25.3%	1,627,200	815,000
Diberville	Kmart S/C		110,000		
		1.7%	110,000		
Gulfport	Airport Plaza		43,000		
	Crossroads Center		540,000		
	Delmar Plaza		107,200		
	Great Southern S/C		75,000		
	Gulfport Plaza		225,000		
	Handsboro Square S/C		156,500		
	Hardy Court S/C		281,600		
	Orange Grove S/C		110,600		
	Pass Road & Hewes Avenue		25,000		
	Prime Outlets at Gulfport		302,900		
Village Square		80,000			
		30.3%	1,946,800		0.0%
Long Beach	Oak Harbor Square		130,000	130,000	
	Pineville S/C		79,200		
		3.3%	209,200	130,000	62.1%
Pass Christian	Gulf Plaza		41,400	41,400	
	Pass Christian Village		65,300		
		1.7%	106,700	41,400	38.8%
	County Subtotal	62.2%	3,999,900	986,400	24.7%
Jackson County					
Escatawpa	Oak S/C		23,000		
		0.4%	23,000		0.0%
Gautier	Baywood Village		6,000		
	Clear Pointe Plaza		123,800	123,800	
	Gautier Plaza		69,400	69,400	
	Hallmark Shopping Plaza		19,000	19,000	
	Jackson Square S/C		110,400	110,400	
	Pascagoula S/C		69,400	69,400	
	Singing River Mall		640,500	640,500	
		16.1%	1,038,500	1,032,500	99.4%
Moss Point	Bellview Plaza		31,300		
		0.5%	31,300		0.0%
Ocean Springs	Deedy's Shopping Village		15,000	15,000	
	Gulfbreeze Plaza		38,900	38,900	
	Parkside Square S/C		160,000	160,000	
	Sea Shores Plaza		131,700		
	Springs Plaza		100,000	100,000	
		6.9%	445,600	313,900	70.4%
Pascagoula	Alco S/C		133,500	133,500	
	Bel Air S/C		15,300		
	Deep South Shopping Mart		76,000	76,000	
	Gulf Coast Plaza		23,000		
	Jitney Plaza		66,900	66,900	
	Kmart Plaza		85,700		
	One Main Place		68,600		
	Public Warehouse S/C		40,000	40,000	
		7.9%	509,000	316,400	62.2%
	County Subtotal	31.8%	2,047,400	1,662,800	81.2%
TOTAL		100.0%	6,432,900	2,974,800	46.2%

Source : National Research Bureau and RKG

a) Recovered Retail - Supportable Development

One potential for immediate retail development in Gulfport is to build retail shopping centers and retailing venues targeted to replenishing the inventory of lost retail centers as noted in the previous table. In this analysis, the focus is on the aforementioned 340,000 SF in Long Beach, Pass Christian and Bay St. Louis, all communities to the west of Gulfport. This analysis gives less weight and potential to the communities to the east, noting that from in-field observations the Edgewater Mall in Biloxi is rebuilding and rebounding. In addition, a brand new shopping center complex is planned for the Interstate 10 and Route 609 intersection (to the east) near Ocean Springs. If new retail development, to replenish this inventory, were built in downtown and able to capture 100% of the sales estimated to be derived from the “lost” 340,00 SF of retail, this would result in nearly \$110 million in retail sales and generate approximately \$1.4 million in returned sales tax revenue to the City.

However, there likely are several uses considered as inappropriate with a downtown urban location, e.g., big-box building materials store(s), general merchandisers and warehouse clubs. Additionally, these store types typically require large tracts of land for their building and associated parking and as such, if located near the core downtown Gulfport area, would likely displace large tracts of land from the inventory of developable or redevelopable land. Furthermore, such developments would also tend to build on a “clean site,” meaning shovel ready and free from any existing structures, thereby limiting the reuse potential of existing buildings and architecture. Other retail uses may be more in keeping with an urban core location, as presented in the following table.

Conclusions – Recovering and rebuilding retail stores and space, lost as a result of Hurricane Katrina, could result in approximately 149,000 SF of retail in Gulfport (with \$607,000 in returned sales tax revenue to the City), some of which could theoretically locate in downtown. However, as with the potential for retail development stemming from a recapturing of sales leakage, not all of this potential would be appropriate in the short term. As an example, additional development of groceries or specialty food retail would typically follow an expansion in population and households. Other retail uses, such as dining and drinking establishments, niche and specialty retailers such as card shops or hobby stores, specialty apparel stores, antique stores, art galleries, a computer store and/or internet café and a flower shop could appeal to the existing consumer base. This consumer base would include the resident population, the office workers and the tourism/hospitality market. Additionally, many of these types of uses require a smaller footprint, or actual store size, and are often adaptable to existing buildings and architecture and would be appropriate uses within the historic buildings in downtown Gulfport.

TABLE II - C - 4**Supportable Retail Development
from Recapturing Lost Retail SF**

	SF of Retail by Type	Estimated Sales	Est Sales Tax Revenue
TOTAL	148,732	\$46,858,016	\$606,811
	0		
Electronics and Appliance Stores-443	856	\$278,128	\$3,602
Computer and Software Stores-44312	856	\$278,128	\$3,602
Food and Beverage Stores-445	23,584	\$9,773,745	\$126,570
Supermarkets, Grocery (Ex Conv) Stores-44511	22,732	\$9,092,673	\$117,750
Convenience Stores-44512	9	\$3,318	\$43
Specialty Food Stores-4452	314	\$149,110	\$1,931
Beer, Wine and Liquor Stores-4453	529	\$528,644	\$6,846
Health and Personal Care Stores-446	23,492	\$8,717,158	\$112,887
Pharmacies and Drug Stores-44611	19,485	\$7,501,875	\$97,149
Cosmetics, Beauty Supplies, Perfume Stores-44612	1,931	\$656,428	\$8,501
Optical Goods Stores-44613	1,140	\$324,865	\$4,207
Other Health and Personal Care Stores-44619	936	\$233,990	\$3,030
Clothing and Clothing Accessories Stores-448	22,646	\$4,930,539	\$63,850
Men's Clothing Stores-44811	2,101	\$409,736	\$5,306
Women's Clothing Stores-44812	5,543	\$1,053,143	\$13,638
Childrens, Infants Clothing Stores-44813	162	\$51,033	\$661
Family Clothing Stores-44814	3,463	\$761,908	\$9,867
Clothing Accessories Stores-44815	984	\$196,771	\$2,548
Other Clothing Stores-44819	1,949	\$487,161	\$6,309
Shoe Stores-4482	6,998	\$1,329,648	\$17,219
Jewelry Stores-44831	1,243	\$590,367	\$7,645
Luggage and Leather Goods Stores-44832	203	\$50,772	\$658
Sporting Goods, Hobby, Book, Music Stores-451	14,582	\$2,427,337	\$31,434
Sporting Goods Stores-45111	2,926	\$658,427	\$8,527
Hobby, Toys and Games Stores-45112	3,271	\$588,691	\$7,624
Sew/Needlework/Piece Goods Stores-45113	1,837	\$229,627	\$2,974
Musical Instrument and Supplies Stores-45114	509	\$104,365	\$1,352
Book Stores-451211	4,315	\$474,652	\$6,147
News Dealers and Newsstands-451212	31	\$16,038	\$208
Prerecorded Tapes, CDs, Record Stores-45122	1,693	\$355,537	\$4,604
Miscellaneous Store Retailers-453	29,718	\$6,057,406	\$78,443
Office Supplies and Stationery Stores-45321	2,453	\$637,822	\$8,260
Gift, Novelty and Souvenir Stores-45322	10,622	\$1,593,368	\$20,634
Used Merchandise Stores-4533	3,270	\$817,392	\$10,585
Other Miscellaneous Store Retailers-4539	13,373	\$3,008,824	\$38,964
Foodservice and Drinking Places-722	33,855	\$14,673,703	\$190,024
Full-Service Restaurants-7221	17,639	\$7,231,998	\$93,654
Limited-Service Eating Places-7222	11,826	\$6,031,224	\$78,104
Special Foodservices-7223	3,144	\$943,143	\$12,214
Drinking Places -Alcoholic Beverages-7224	1,246	\$467,338	\$6,052

Source : Claritas and RKG

4. Existing Redevelopment Plans

Although not specifically a retail project, there is an all-inclusive proposal for downtown redevelopment, notably along the waterfront, of the Bert Jones Park and yacht basin area. In total, per our conversations with local representatives and officials, this project is proposed to include nearly 75,000 SF of retail space, including:

- An inner harbor with nearly 400 slips and dock area of 99,000 SF.
- A yacht basin and promenade complete with a surrounding 20-foot wide pedestrian walkway.
- A fishermen’s village of about 41,000 SF to include lease space for restaurants and other small shops.
- A boat launch area to accommodate 120 trailer parking spaces and another public parking area with over 300 parking spaces.
- A harbor master building and a lighthouse landmark
- A mixed-use development with residential, retail, hotel and other development opportunities, including an approximate 1,400 parking spaces.

Reportedly, the City is committed to a \$3.1 million initial investment and is seeking additional monies from the Federal government and other agencies. Reportedly, FEMA will reimburse the City for the cost of the proposed harbor master building and will provide an additional \$13 million to reconstruct the inner harbor (more information is available at www.ci.gulfport.ms.us).

C. Residential Indicators

Selected demographic and economic indicators, specifically related to households (the retail consumption unit) and household income, for 2005 and with projections for 2010 are presented in this section. These reflect socioeconomic indicators for Harrison County, MS and surrounding counties, as well as the principal cities of Gulfport and Biloxi. These economic indicators reflect Census 2000 data as a baseline, with estimates and projections for 2005 and 2010 from a pre-Katrina and post-Katrina (August 2005) point of reference.

TABLE II - B - 1 COMPARATIVE DEMOGRAPHICS	Pre - Katrina				Post - Katrina			Post vs Pre 2010
	2000	Year 2005	2010	# Change 2005 - 2010	Year 2005	2010	# Change 2005 - 2010	
Households								
Hancock County	16,897	18,109	19,169	1,060	12,257	12,974	717	(6,195)
Harrison County	71,538	75,383	78,707	3,324	68,553	71,576	3,023	(7,131)
Jackson County	47,676	49,874	51,844	1,970	45,079	46,860	1,781	(4,984)
TOTAL	136,111	143,366	149,720	6,354	125,889	131,410	5,521	(18,310)
Biloxi City	19,588	20,481	21,257	776	18,625	19,331	706	(1,926)
Gulfport City	26,943	28,187	29,257	1,070	25,633	26,606	973	(2,651)
Household Income (\$millions)								
Hancock County	\$755.79	\$912.97	\$1,050.67	\$137.71	\$617.94	\$711.14	\$93.21	(\$339.53)
Harrison County	\$3,299.62	\$3,862.55	\$4,394.84	\$532.29	\$3,512.59	\$3,996.65	\$484.06	(\$398.19)
Jackson County	\$2,281.15	\$2,798.53	\$3,181.51	\$382.98	\$2,529.47	\$2,875.63	\$346.16	(\$305.88)
TOTAL	\$6,336.56	\$7,574.04	\$8,627.02	\$1,052.98	\$6,660.00	\$7,583.43	\$923.43	(\$1,043.60)
Biloxi City	\$870.55	\$1,022.98	\$1,151.96	\$128.97	\$899.53	\$1,047.59	\$148.06	(\$104.37)
Gulfport City	\$1,202.17	\$1,366.14	\$1,556.76	\$190.63	\$1,201.27	\$1,415.72	\$214.44	(\$141.05)

Source : US Census Bureau, Claritas Data Services and RKG Associates, Inc.

1. Households

In 2000, there were approximately 136,100 households in the three-county area of Hancock, Harrison and Jackson. The City of Gulfport, the primary city within this three-county area, had nearly 27,000 households in 2000 that was estimated to be nearly 28,200 households (pre-Katrina 2005) and was projected to increase to 29,300 households (pre-Katrina 2010). The revised and post-Katrina estimates and projections of households for the City of Gulfport reflect 25,600 households in 2005, a decline of more than 2,500 households. The post-Katrina projection of Gulfport households for 2010 is 26,600. In other words, household projections for Gulfport, for the year 2010, have been adjusted downward by more than 2,600 households, reflecting those that were lost because of Hurricane Katrina. Similarly, the post-Katrina year 2010 projection of the number of households in Harrison County are adjusted downward by about 7,100 households.

2. Income

The post-Katrina adjusted projections for households, also affects the aggregate household income, and hence disposable income available for retail purchasing and consumption within the three-county-area. The year 2005 pre-Katrina aggregate household income for the three-county area was estimated to be \$7.6 billion and was projected to increase (in constant dollars) to \$8.6 billion in 2010, with \$4.4 billion in Harrison County and \$1.6 billion in Gulfport. The post-Katrina year 2010 projections indicate an aggregate household income of \$7.6 billion for the three-county-area, representing a decline of \$1 billion from the original projection. In Harrison County, the post-Katrina projections represent a loss of \$398 million in aggregate household income (for a post-Katrina 2010 total of \$4 billion). In Gulfport, the post-Katrina projection for aggregate household income is \$1.4 billion, representing a decline of approximately \$141 million.

3. Renewed Retail – Supportable Development from Residential

As indicated in the table on the following page, every 100 new households entering the Gulfport market area is estimated to support a little more than 6,200 SF of new retail development assuming a 100% capture rate of their consumer purchasing demand. This translates into \$3.1 million in retail sales activity and a little more than \$40,000 in returned sales tax revenue.

Conclusions - While the City of Gulfport, Harrison County and the surrounding region are recovering after the impacts of Katrina, all regions are recovering at a level that is below original estimates and projections from the pre-Katrina period. This decline, or loss, of households in Gulfport and Harrison County, as well as in surrounding counties, equates to a loss of consumer purchasing power and retail spending demand. As such, a rebuilding of 1,000 of the City’s lost households, in downtown Gulfport, would result in an approximate \$31 million in spending potential that in turn could support 62,000 SF of retail development. As such, any potential new residential development in downtown Gulfport would generate a local and captive demand for additional retail development, that to some extent “grows” its own consumer rather than compete with every other retailing venue in Gulfport for every other consumer.

Significant residential development in downtown Gulfport would be a new product to the market, likely high-rise, some as ownership and some as rental. Such developments are already underway or planned for other neighboring coastal communities. These residential properties would likely be at a higher price point and the feasibility of such residential development was beyond the scope of this analysis. However, RKG recommends that such a residential market analysis be considered.

TABLE II - C - 5 Gulfport, MS	Demand per 100 Households	Supportable New Retail SF	Estimated Sales Tax Revenue
TOTAL	\$3,104,329	6,206	\$40,201
Motor Vehicle and Parts Dealers-441	\$695,780	296	\$9,010
Automotive Parts/Accsrs, Tire Stores-4413	\$73,889	296	\$957
Furniture and Home Furnishings Stores-442	\$71,360	349	\$924
Furniture Stores-4421	\$40,338	172	\$522
Home Furnishing Stores-4422	\$31,022	177	\$402
Electronics and Appliance Stores-443	\$66,820	241	\$865
Household Appliances Stores-443111	\$7,887	54	\$102
Radio, Television, Electronics Stores-443112	\$34,751	112	\$450
Computer and Software Stores-44312	\$21,886	67	\$283
Camera and Photographic Equipment Stores-44313	\$2,297	8	\$30
Building Material, Garden Equip Stores -444	\$289,941	916	\$3,755
Home Centers-44411	\$103,082	295	\$1,335
Paint and Wallpaper Stores-44412	\$4,419	25	\$57
Hardware Stores-44413	\$18,337	105	\$237
Other Building Materials Dealers-44419	\$90,528	226	\$1,172
Building Materials, Lumberyards-444191	\$43,951	117	\$569
Outdoor Power Equipment Stores-44421	\$4,458	22	\$58
Nursery and Garden Centers-44422	\$25,166	126	\$326
Food and Beverage Stores-445	\$396,794	955	\$5,138
Supermarkets, Grocery (Ex Conv) Stores-44511	\$319,629	799	\$4,139
Convenience Stores-44512	\$14,859	42	\$192
Specialty Food Stores-4452	\$46,084	97	\$597
Beer, Wine and Liquor Stores-4453	\$16,222	16	\$210
Health and Personal Care Stores-446	\$182,906	505	\$2,369
Pharmacies and Drug Stores-44611	\$152,852	397	\$1,979
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$7,756	23	\$100
Optical Goods Stores-44613	\$8,336	29	\$108
Other Health and Personal Care Stores-44619	\$13,963	56	\$181
Clothing and Clothing Accessories Stores-448	\$139,408	625	\$1,805
Men's Clothing Stores-44811	\$10,765	55	\$139
Women's Clothing Stores-44812	\$29,649	156	\$384
Childrens, Infants Clothing Stores-44813	\$5,351	17	\$69
Family Clothing Stores-44814	\$45,336	206	\$587
Clothing Accessories Stores-44815	\$2,262	11	\$29
Other Clothing Stores-44819	\$7,561	30	\$98
Shoe Stores-4482	\$20,899	110	\$271
Jewelry Stores-44831	\$16,294	34	\$211
Luggage and Leather Goods Stores-44832	\$1,292	5	\$17
Sporting Goods, Hobby, Book, Music Stores-451	\$57,407	331	\$743
Sporting Goods Stores-45111	\$20,265	90	\$262
Hobby, Toys and Games Stores-45112	\$13,693	76	\$177
Sew/Needlework/Piece Goods Stores-45113	\$3,512	28	\$45
Musical Instrument and Supplies Stores-45114	\$2,891	14	\$37
Book Stores-451211	\$10,216	93	\$132
News Dealers and Newsstands-451212	\$854	2	\$11
Prerecorded Tapes, CDs, Record Stores-45122	\$5,975	28	\$77
General Merchandise Stores-452	\$393,669	990	\$5,098
Department Stores Excl Leased Depts-4521	\$265,078	558	\$3,433
Warehouse Clubs and Super Stores-45291	\$83,430	303	\$1,080
All Other General Merchandise Stores-45299	\$45,161	129	\$585
Miscellaneous Store Retailers-453	\$77,494	384	\$1,004
Florists-4531	\$9,474	53	\$123
Office Supplies and Stationery Stores-45321	\$14,008	54	\$181
Gift, Novelty and Souvenir Stores-45322	\$18,265	122	\$237
Used Merchandise Stores-4533	\$7,784	31	\$101
Other Miscellaneous Store Retailers-4539	\$27,963	124	\$362
Foodservice and Drinking Places-722	\$265,136	614	\$3,434
Full-Service Restaurants-7221	\$108,743	265	\$1,408
Limited-Service Eating Places-7222	\$116,503	228	\$1,509
Special Foodservices-7223	\$20,789	69	\$269
Drinking Places -Alcoholic Beverages-7224	\$19,101	51	\$247

Source : Claritas and RKG

D. Hospitality Market

There has been a loss of nearly 7,300 hotels rooms in the three-county-area in the post-Katrina period. This represents nearly a 42% loss in hotel rooms. Nearly all of this loss occurred in Harrison County and about two-thirds of the loss was among hotel properties with the remaining loss among casino properties. Gulfport realized an approximate loss of 1,600 rooms. The recently opened Island View Casino in Gulfport has 540 rooms and is in construction for phase 2 of its development. More rooms are to be added, but the inventory is unknown at this time.

Conversations with representatives of the Gulfport Planning Department indicate that several hoteliers are “working” the local market and have applications in place for hotel (and casino) properties. Two hotel properties are proposed for the area closest to the airport, these include a Residence Inn and a Hilton Garden. The existing Holiday Inn Express (Highway 49) is to be replaced by a newer property (near the Best Western), with the existing property becoming an unbranded hotel. Comfort Inn has applied to rebuild, on-site, along Highway 90. In addition, along Highway 90, the existing Holiday Inn is to be converted to a Marriott Courtyard property and it is to have some limited meeting and function-space capacity (something generally lacking in the downtown). Another unbranded hotel, the Magnolia Inn, has applied for construction near Interstate 10 and the retail development.

TABLE II - D - 1
Room Inventory

	Pre - Katrina			Post - Katrina			Change in Inventory		
	Hotels	Casinos	Total	Hotels	Casinos	Total	Hotels	Casinos	Total
Hancock County	735	492	1,227	342	291	633	(393)	(201)	(594)
Bay St. Louis	226	492	718	76	291	367	(150)	(201)	(351)
Diamondhead	347		347	244		244	(103)		(103)
Waveland	162		162	22		22	(140)		(140)
Harrison County	6,586	6,975	13,561	2,486	4,606	7,092	(4,100)	(2,369)	(6,469)
Biloxi	3,252	5,975	9,227	691	4,066	4,757	(2,561)	(1,909)	(4,470)
Diberville	426		426	426		426			
Gulfport	2,471	1,000	3,471	1,345	540	1,885	(1,126)	(460)	(1,586)
Long Beach	261		261	24		24	(237)		(237)
Pass Christian	176		176	-		-	(176)		(176)
Jackson County	2,552	-	2,552	2,339	-	2,339	(213)		(213)
Gautier	250		250	170		170	(80)		(80)
Moss Point	629		629	617		617	(12)		(12)
Ocean Springs	1,062		1,062	1,053		1,053	(9)		(9)
Pascagoula	611		611	499		499	(112)		(112)
TOTAL	9,873	7,467	17,340	5,167	4,897	10,064	(4,706)	(2,570)	(7,276)

Source: www.gulfcoast.org and RKG

Information from the Mississippi Hotel & Lodging Association (developed through Smith Travel Research) indicates that the average occupancy rate for Biloxi-Gulfport hotels was 81.5% through September of 2006. This is up significantly from the average 65.4% occupancy experienced through September of 2005. Similarly, the average room rate has risen from \$68/night to \$92/night, both reflecting, in part, a drop in room supply.

The average tourist/visitor to Mississippi spent approximately \$212 per capita in fiscal year 2005, according to research completed by the Mississippi Development Authority/Tourism Division, of Jackson, Mississippi.⁵ In total there was nearly \$6.4 billion spent by 30 million

⁵ Fiscal Year 2005 Economic Impact for Tourism in Mississippi, February 2006.

visitors (or person-stays), which is inclusive of “*overnight leisure plus day-trip plus overnight and day business travelers*”. Of the approximate \$212 per capita, about \$76 per capita, or 36%, was allocated to retail purchases and dining/drinking; another 36% was allocated to gaming; about 21% to lodging/transportation/travel; and, the remainder to a variety of miscellaneous venues including movies, golfing and museums. As such, in terms of every 1,000 tourists/visitors there is the potential for about \$212,000 in consumer purchasing with \$75,000 to selected retail goods.

1. Renewed Retail - Supportable Retail from Hospitality

Assuming that 100% of the retail spending, exclusive of lodging, gambling and other selected categories (as noted previously) were to be captured by local retailers in Gulfport, then every 1,000 tourists/visitors, inclusive of day-tripper, overnight, leisure and business, would support an additional 204 SF of retail development, or \$75,000 in sales activity, resulting in an approximate \$975 in sales tax revenue returned to the City.

TABLE II - D - 2

**Supportable Retail Development
per 1,000 Tourists/Visitors**

	SF of Retail by Type	Estimated Sales	Est Sales Tax Revenue
TOTAL	204	\$75,302	\$975
Motor Vehicle and Parts Dealers-441	2	\$481	\$6
Automotive Parts/Accsrs, Tire Stores-4413	2	\$481	\$6
Electronics and Appliance Stores-443	1	\$416	\$5
Camera and Photographic Equipment Stores-44313	1	\$416	\$5
Clothing and Clothing Accessories Stores-448	17	\$3,342	\$43
Men's Clothing Stores-44811	4	\$835	\$11
Women's Clothing Stores-44812	9	\$1,671	\$22
Clothing Accessories Stores-44815	1	\$209	\$3
Shoe Stores-4482	3	\$627	\$8
Jewelry Stores-44831	1	\$418	\$5
Luggage and Leather Goods Stores-44832	2	\$418	\$5
Sporting Goods, Hobby, Book, Music Stores-451	5	\$1,473	\$19
Sporting Goods Stores-45111	4	\$1,012	\$13
News Dealers and Newsstands-451212	1	\$461	\$6
General Merchandise Stores-452	56	\$26,266	\$340
Department Stores Excl Leased Depts-4521	53	\$24,943	\$323
All Other General Merchandise Stores-45299	4	\$1,323	\$17
Miscellaneous Store Retailers-453	32	\$5,928	\$77
Florists-4531	7	\$1,337	\$17
Office Supplies and Stationery Stores-45321	5	\$1,337	\$17
Gift, Novelty and Souvenir Stores-45322	17	\$2,537	\$33
Used Merchandise Stores-4533	3	\$718	\$9
Foodservice and Drinking Places-722	90	\$37,396	\$484
Full-Service Restaurants-7221	75	\$30,772	\$398
Limited-Service Eating Places-7222	9	\$4,537	\$59
Drinking Places -Alcoholic Beverages-7224	6	\$2,087	\$27

Source : Claritas, Mississippi Development Authority/Tourism Division and RKG

E. Business and Employment Indicators

This section presents an overview of recent trends in employment and business change in Harrison County, comparing this with Mississippi as a whole.⁶ The comparative changes in the number of business (establishments) and employment reflect the growing (and declining) sectors of the local economy to the regional economy, measuring the location quotient.

1. Establishments by Industry Sector

Over the 2000 to 2004 time, there has been a modest increase of 1.2%, or 746 businesses, in Mississippi. This growth is bolstered by the double-digit growth in the professional/technical industries, education hotel/food. The health care industries and the finance and insurance sectors also exhibited strong absolute growth.

**TABLE II E 1 : Change in Industries 2000 to 2004
NAICS for Mississippi**

Mississippi	Number of Establishments		% Change	# Change
	2000	2004		
Forestry / Agr / Fishing	877	846	-3.5%	(31)
Mining	319	302	-5.3%	(17)
Utilities	616	597	-3.1%	(19)
Construction	5,036	4,818	-4.3%	(218)
Manufacturing	2,843	2,710	-4.7%	(133)
Wholesale Trade	3,116	2,918	-6.4%	(198)
Retail Trade	12,794	12,498	-2.3%	(296)
Trans / Whse	2,271	2,383	4.9%	112
Information	1,021	1,095	7.2%	74
Finance / Insurance	4,246	4,601	8.4%	355
Real Estate	2,179	2,309	6.0%	130
Prof / Tech.	4,162	4,610	10.8%	448
Management	285	291	2.1%	6
Admin / Support	2,120	2,162	2.0%	42
Education	509	594	16.7%	85
Health Care	5,062	5,545	9.5%	483
Arts / Entertainment	603	654	8.5%	51
Hotels / Food	4,161	4,591	10.3%	430
Other Services	6,831	6,740	-1.3%	(91)
Auxiliary	135	NA	NA	NA
Unclassified	602	270	-55.1%	(332)
TOTAL	59,788	60,534	1.2%	746

Source: US Census Bureau - County Business Patterns and RKG Associates, Inc.

By comparison, there was an approximate increase of 78 businesses, or a 1.7% growth rate, in Harrison County over the same period. The industry sectors spurring the growth in Harrison County included finance and insurance, health, professional/technical fields and hotel and food.

⁶ Data is from the US Department of Commerce, County Business Patterns, and are not yet available for a post-Katrina adjustment.

**TABLE II E 2 : Change in Industries 2000 to 2004
NAICS for Harrison County, MS**

	Number of Establishments		% Change	# Change
	2000	2004		
Harrison County, MS				
Forestry / Agr / Fishing	10	9	-10.0%	(1)
Mining	7	3	-57.1%	(4)
Utilities	34	37	8.8%	3
Construction	394	367	-6.9%	(27)
Manufacturing	130	124	-4.6%	(6)
Wholesale Trade	199	188	-5.5%	(11)
Retail Trade	914	900	-1.5%	(14)
Trans / Whse	132	134	1.5%	2
Information	62	79	27.4%	17
Finance / Insurance	310	345	11.3%	35
Real Estate	216	222	2.8%	6
Prof / Tech.	369	401	8.7%	32
Management	18	17	-5.6%	(1)
Admin / Support	203	200	-1.5%	(3)
Education	43	57	32.6%	14
Health Care	420	465	10.7%	45
Arts / Entertainment	72	70	-2.8%	(2)
Hotels / Food	404	453	12.1%	49
Other Services	477	450	-5.7%	(27)
Auxiliary	3	NA	NA	NA
Unclassified	42	16	-61.9%	(26)
	4,459	4,537	1.7%	78

Source: US Census Bureau - County Business Patterns and RKG Associates, Inc.

2. Employment by Industry Sector

Mississippi lost 28,500 employment positions over the 2000 to 2004 period, representing a decline of 3%. Significant losses in employment occurred in the manufacturing sector, administration/support positions, wholesale trade and arts/entertainment. Health care and hotel/food industries exhibited strong employment growth.

**TABLE II E 3 : Change in Industries 2000 to 2004
NAICS for Mississippi**

	Number of Employees		% Change	# Change
	2000	2004		
Mississippi				
Forestry / Agr / Fishing	5,785	5,939	2.7%	154
Mining	3,909	3,840	-1.8%	(69)
Utilities	9,121	7,969	-12.6%	(1,152)
Construction	54,500	50,665	-7.0%	(3,835)
Manufacturing	220,046	174,494	-20.7%	(45,552)
Wholesale Trade	39,972	35,458	-11.3%	(4,514)
Retail Trade	141,321	141,965	0.5%	644
Trans / Whse	25,862	33,397	29.1%	7,535
Information	19,453	17,511	-10.0%	(1,942)
Finance / Insurance	33,791	34,641	2.5%	850
Real Estate	9,255	10,374	12.1%	1,119
Prof / Tech.	26,724	31,651	18.4%	4,927
Management	9,246	8,270	-10.6%	(976)
Admin / Support	51,020	43,179	-15.4%	(7,841)
Education	14,703	16,255	10.6%	1,552
Health Care	123,365	141,609	14.8%	18,244
Arts / Entertainment	21,376	10,682	-50.0%	(10,694)
Hotels / Food	99,374	117,820	18.6%	18,446
Other Services	40,643	42,176	3.8%	1,533
Auxiliary	6,376	NA	NA	NA
Unclassified	939	418	-55.5%	(521)
TOTAL	956,781	928,313	-3.0%	(28,468)

Source: US Census Bureau - County Business Patterns and RKG Associates, Inc.

As presented in the following table, and by comparison, there was a similar decrease of 2.7% in employment in Harrison County over the 2000 to 2004 time period. The manufacturing sector, construction industries, retail trade and arts/entertainment al experienced a decline in employment. Administration and support jobs, as well as employment in the hotel/food sectors increased.

**TABLE II E 4 : Change in Industries 2000 to 2004
NAICS for Harrison County, MS**

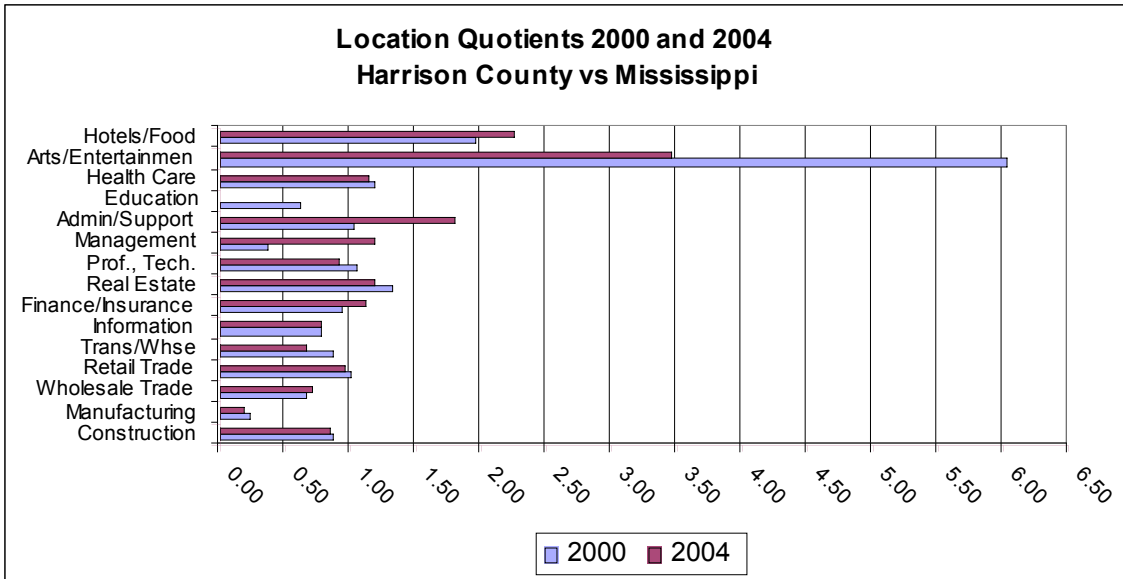
Harrison County, MS	Number of Employees		% Change	# Change
	2000	2004		
Forestry / Agr / Fishing	NA	NA	NA	NA
Mining	NA	NA	NA	NA
Utilities	NA	NA	NA	NA
Construction	3,992	3,634	-9.0%	(358)
Manufacturing	4,138	2,874	-30.5%	(1,264)
Wholesale Trade	2,215	2,089	-5.7%	(126)
Retail Trade	11,867	11,476	-3.3%	(391)
Trans / Whse	1,856	1,832	-1.3%	(24)
Information	1,257	1,151	-8.4%	(106)
Finance / Insurance	2,634	3,277	24.4%	643
Real Estate	1,017	1,031	1.4%	14
Prof / Tech.	2,327	2,442	4.9%	115
Management	288	829	187.8%	541
Admin / Support	4,351	6,506	49.5%	2,155
Education	747	NA	NA	NA
Health Care	12,290	13,530	10.1%	1,240
Arts / Entertainment	10,746	3,101	-71.1%	(7,645)
Hotels / Food	16,206	22,280	37.5%	6,074
Other Services	2,813	3,006	6.9%	193
Auxiliary	NA	NA	NA	NA
Unclassified	NA	NA	NA	NA
	79,885	77,751	-2.7%	(2,134)

Source: US Census Bureau - County Business Patterns and RKG Associates, Inc.

3. Location Quotient

A reasonable measure of how strong a local economy is performing is gauged when comparing employment growth, by specific industry sectors, to a larger economy. In this instance, the change in employment in Harrison County is compared with that of Mississippi, over the 2000 to 2004 period. If the ratio of the change in employment is near 1, this indicates that the County is performing similar to the large area. If the ratio is less than 1, the County is weaker, and if the ratio is greater than 1 then the County is stronger.

As presented in the following graphic, there are two specific industry sectors where Harrison County outperforms Mississippi; these include the arts and entertainment sector and the hotel/food industries. Considering the prevalence the gaming industries in Harrison County, this is not particularly surprising. Industry sectors where Harrison County under performs relative to Mississippi include information services, transportation and warehousing, manufacturing, construction and wholesale trade. The County economy performs on par with the State in retail industries and the real estate and finance sectors of the economy.



While the arts and entertainment industries in Harrison County continue to outperform the State, they do so at a diminished rate. Conversely, the relative strength of the hotel/food industries in the County has continued to grow when compared to the State.

**TABLE II E 5 : Change in Industries 2000 to 2004
NAICS for Harrison County, MS**

Harrison County, MS	Location Quotient to State		
	2000	2004	% Change
Forestry / Agr / Fishing	NA	NA	NA
Mining	NA	NA	NA
Utilities	NA	NA	NA
Construction	0.88	0.86	-2.4%
Manufacturing	0.23	0.20	-12.7%
Wholesale Trade	0.66	0.70	6.0%
Retail Trade	1.01	0.97	-4.0%
Trans / Whse	0.86	0.65	-23.8%
Information	0.77	0.78	1.4%
Finance / Insurance	0.93	1.13	21.0%
Real Estate	1.32	1.19	-9.8%
Prof / Tech.	1.04	0.92	-11.7%
Management	0.37	1.20	220.8%
Admin / Support	1.02	1.80	76.1%
Education	0.61	NA	NA
Health Care	1.19	1.14	-4.4%
Arts / Entertainment	6.02	3.47	-42.4%
Hotels / Food	1.95	2.26	15.6%
Other Services	0.83	0.85	2.7%
Auxiliary	NA	NA	NA
Unclassified	NA	NA	NA

Source: US Census Bureau - County Business Patterns and RKG Associates, Inc.

4. Worker Flows

TABLE III - E - 6 WORKER FLOWS - Year 2000	Live in HARRISON Co. MS		Work in HARRISON Co. MS		Inflow Outflow
	County of Work	%	County of Residence	%	
Alabama					
Baldwin Co.	0	0.0%	115	10.7%	115
Mobile Co.	232	23.8%	404	37.5%	172
All Other	53	5.4%	83	7.7%	30
Louisiana					
Jefferson Parrish	217	22.3%	95	8.8%	(122)
Orleans Parrish	456	46.9%	123	11.4%	(333)
St. Tammany Parrish	206	21.2%	428	39.7%	222
All Other	292	30.0%	291	27.0%	(1)
Mississippi					
Forest Co.	180	18.5%	240	22.3%	60
George Co.	76	7.8%	213	19.8%	137
Hancock Co.	2,484	255.3%	3,660	339.5%	1,176
HARRISON CO.	78,193	8036.3%	78,193	7253.5%	0
Jackson Co.	3,834	394.0%	13,565	1258.3%	9,731
Pearl River Co.	164	16.9%	842	78.1%	678
Stone Co.	275	28.3%	1,535	142.4%	1,260
All Other	250	25.7%	779	72.3%	529
ALL OTHER	973	100.0%	1,078	100.0%	105
TOTAL	87,885	9032.4%	101,644	9428.9%	13,759

Source : US Department of Labor and RKG Associates, Inc.

As indicated in the preceding table, Harrison County is a net importer of employment, meaning that more workers come into Harrison County for jobs than do residents who leave Harrison County. In total, as of the 2000 US Census, almost 14,000 more workers commute into Harrison County. The primary contributors to this influx of employment are from the neighboring counties of Hancock, Jackson and Stone. This would indicate that future redevelopment and rebuilding of the core downtown Gulfport area might include attractively priced housing for some portion of this commuter workforce.

5. Renewed Retail - Supportable Retail from Office Sector

Studies completed by the Urban Land Institute (ULI) have found that the typical office worker spends approximately \$2,500 annually while “on-the-job” for meals, drinks, incidentals and a variety of other merchandise. As the following table indicates, every 1,000 office workers represents \$2.5 million in consumer spending demand. Assuming a 100% capture of this demand then results in nearly 8,800 SF of additional supportable retail uses, primarily food and drink related, but also with a strong component for apparel and accessories, as well as niche and specialty or incidental merchandise. This spending also results in an estimated return of nearly \$33,000 in sales tax revenue to the City.

TABLE II - E - 7**Supportable Retail Development
per 1,000 Office Workers**

	SF of Retail by Type	Estimated Sales	Est Sales Tax Revenue
TOTAL	8,793	\$2,500,000	\$32,375
Food and Beverage Stores-445	408	\$225,000	\$2,914
Convenience Stores-44512	129	\$45,000	\$583
Specialty Food Stores-4452	189	\$90,000	\$1,166
Beer, Wine and Liquor Stores-4453	90	\$90,000	\$1,166
Clothing and Clothing Accessories Stores-448	2,271	\$475,000	\$6,151
Men's Clothing Stores-44811	487	\$95,000	\$1,230
Women's Clothing Stores-44812	1,000	\$190,000	\$2,461
Clothing Accessories Stores-44815	119	\$23,750	\$308
Shoe Stores-4482	375	\$71,250	\$923
Jewelry Stores-44831	100	\$47,500	\$615
Luggage and Leather Goods Stores-44832	190	\$47,500	\$615
Sporting Goods, Hobby, Book, Music Stores-451	1,341	\$250,000	\$3,238
Book Stores-451211	909	\$100,000	\$1,295
News Dealers and Newsstands-451212	194	\$100,000	\$1,295
Prerecorded Tapes, CDs, Record Stores-45122	238	\$50,000	\$648
Miscellaneous Store Retailers-453	2,038	\$375,000	\$4,856
Florists-4531	1,250	\$225,000	\$2,914
Office Supplies and Stationery Stores-45321	288	\$75,000	\$971
Gift, Novelty and Souvenir Stores-45322	500	\$75,000	\$971
Foodservice and Drinking Places-722	2,735	\$1,175,000	\$15,216
Full-Service Restaurants-7221	716	\$293,750	\$3,804
Limited-Service Eating Places-7222	922	\$470,000	\$6,087
Drinking Places -Alcoholic Beverages-7224	1,097	\$411,250	\$5,326

Source : Claritas and RKG

Conclusions - Over the 2000 to 2004 time, the economy of Harrison County has generally performed similar to that of Mississippi, losing businesses and losing employment at a similar rate. Many of the same industry sectors in the State and in the County have exhibited similar growth and/or decline. Two industry sectors where Harrison County strongly outperforms the State economy are the arts and entertainment sector and hotel/food industries. The management sector of the Harrison County economy, although only slightly better than par with the State, has improved tremendously over the time-period.

As Harrison County continues to rebuild and recover, these industry sectors represent opportunities for redevelopment of properties in the core downtown district of Gulfport, as does some housing that would attract the commuting workers from neighboring counties.

Office workers represent a substantial spending power, while “on-the-job” with every 1,000 office workers representing \$2.5 million in spending demand and potentially supporting nearly 8,800 SF of retail development.

III. REDEVELOPMENT PLAN FRAMEWORK

This chapter presents a detailed analysis of the fiscal impacts and physical impacts in the core downtown study area for the City of Gulfport, in the pre-Katrina (2005) and post-Katrina (2006) environments. Specifically, assessment data from Harrison County has been linked with GIS files in order to present a thematic analysis of changes in property utilization, values and assessments, on a property-by-property basis for the 131 acres of the study area. This is then followed by a broader perspective of changes in assessment value and property taxes, citywide, as a means of comparison to the core downtown study area.

A. Downtown Gulfport

The following series of maps depict changes in the downtown study area, reflecting the observable (through RKG’s street walk inventory) post-Katrina impacts. In addition to highlighting changes to buildings and structures, these thematic presentations begin to define potential “redevelopment clusters” within the downtown, in terms of vacant properties, possibly available for assemblage, relative to ongoing uses.

1. Hurricane-Impacted Properties

Map 1 presents the visibly observable hurricane-impacted properties, those that are vacant, either partially or fully, and those that have been destroyed. In order to better determine which, if any, of these properties may be available for future assemblage and redevelopment, the consultants recommend that the City of Gulfport, or its agent such as a Redevelopment Authority, consider contacting these property owners, identify those properties that may be in transition and establish an inventory and “fact sheet” for potential developers. The following table indicates that of the approximate 131 acres in the core downtown Gulfport study area, there are just over 28 acres, or about 22% of the land area, that have buildings either destroyed or partially vacant. As such, this represents a potential 22 acres to consider for redevelopment opportunities. Similarly, there has been nearly 560,000 SF of building inventory (exclusive of municipal and tax-exempt properties) impacted by Katrina and representing about one-third of the downtown building stock.

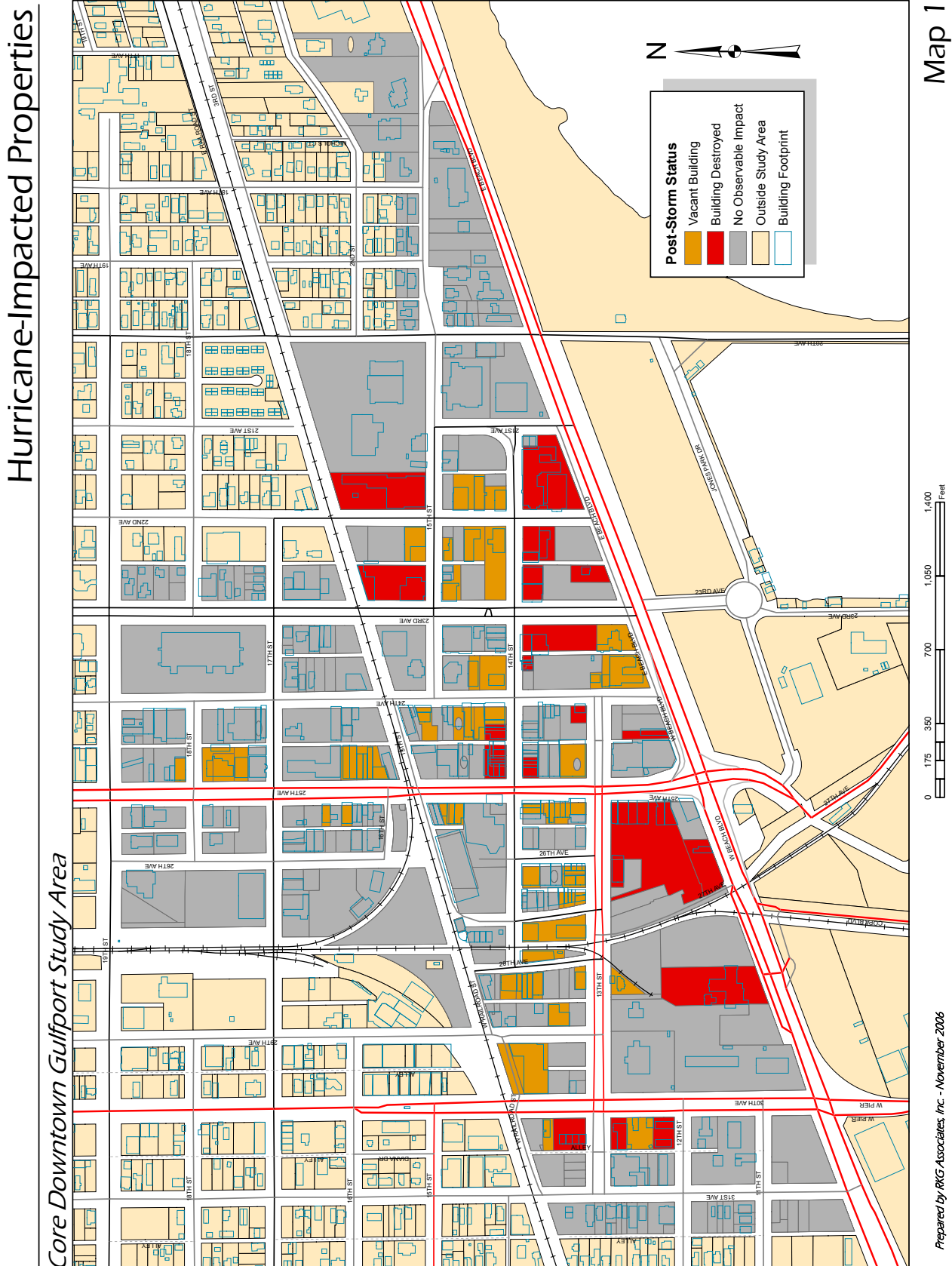
TABLE III - B - 1
Hurricane-Impacted Properties
Changes in Inventory

	Count	Land Acres	% of Land	Bldg SF	% of Bldg SF
Unimpacted Properties	248	102.9	78.5%	1,178,068	67.8%
Destroyed Properties	28	15.0	11.4%	177,972	10.2%
Vacant Properties	56	13.1	10.0%	380,433	21.9%
TOTAL	332	131.1	100.0%	1,736,473	100.0%

Source : Harrison County Assessor and RKG

Note - Municipal/tax-exempt properties, from assessor database, while presenting land area do not present building SF, table is not exhaustive with respect to building SF.

a) MAP 1 – Hurricane Impacted Properties



2. Hurricane Impact on Values

As previously indicated from the Harrison County Assessor's database, the core downtown Gulfport study area realized a decline in value of more than \$29 million, post-Katrina. This translates into a decline of more than \$4.3 million in assessed value.⁷ According to the Assessor's database, four (4) properties increased in value, suggesting that some reconstruction or new development has occurred. Approximately 36.5% of the properties exhibited no change in value, while 45.2% of the properties experienced a decline in value, many at more than 50% of their pre-Katrina value, as reflected in the following table and Map 2.

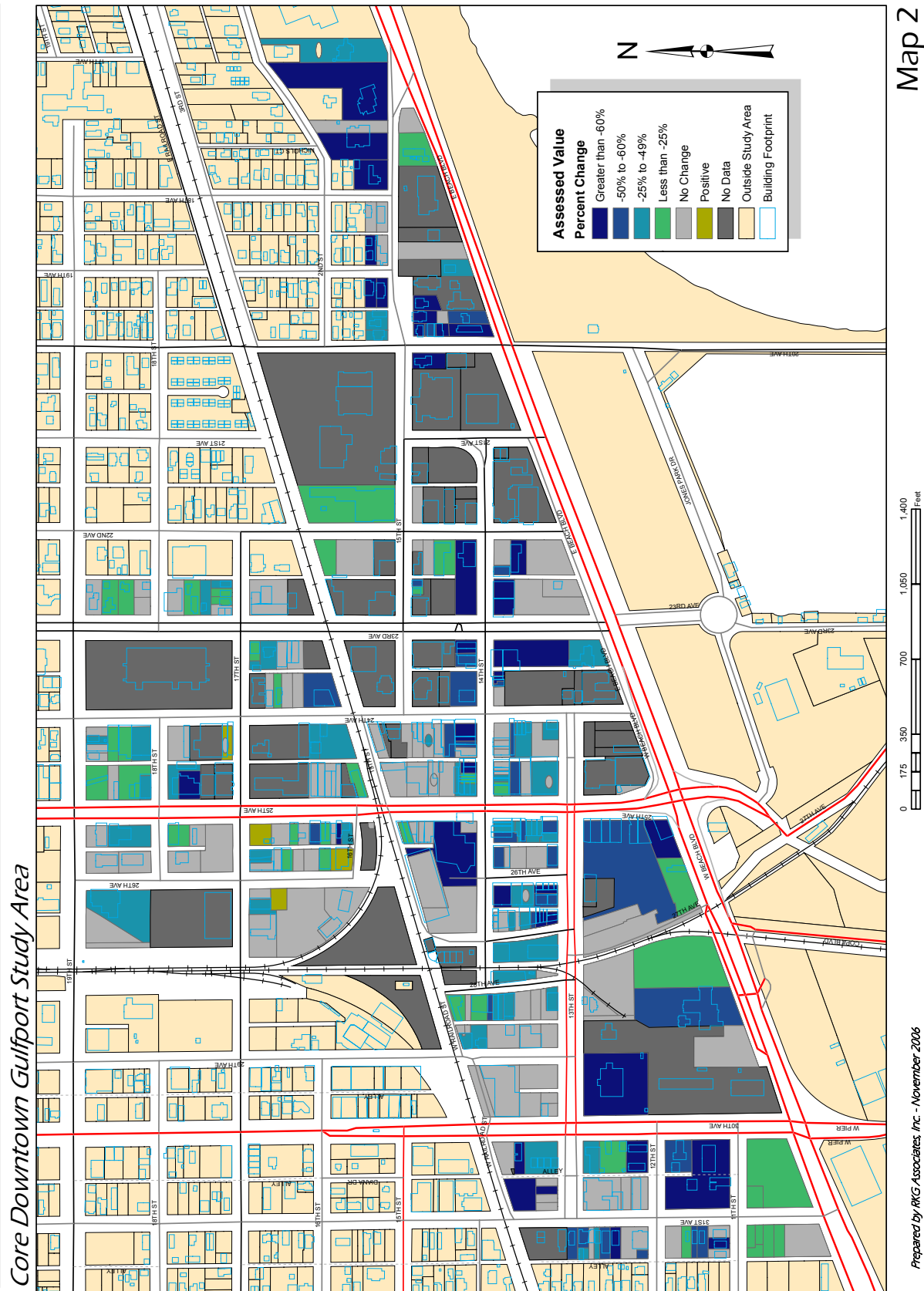
	Count	Change in Value
No Data	57	\$0
Positive	4	\$914,209
No Change	121	\$0
Less than 25%	41	(\$618,360)
25% to 50%	42	(\$2,662,615)
50% o 60%	28	(\$4,021,451)
60% or More	39	(\$22,986,704)
TOTAL	332	(\$29,374,921)

Source : Harrison County Assessor and RKG

⁷ Class 1 properties are assessed at 10% of value, Class 2 properties are assessed at 15% of value. No adjustments have been made in this analysis for elderly, disabled or other personal exemptions or reductions.

a) MAP 2 – Hurricane Impact on Values

Hurricane Impact on Values



3. Post Hurricane Values

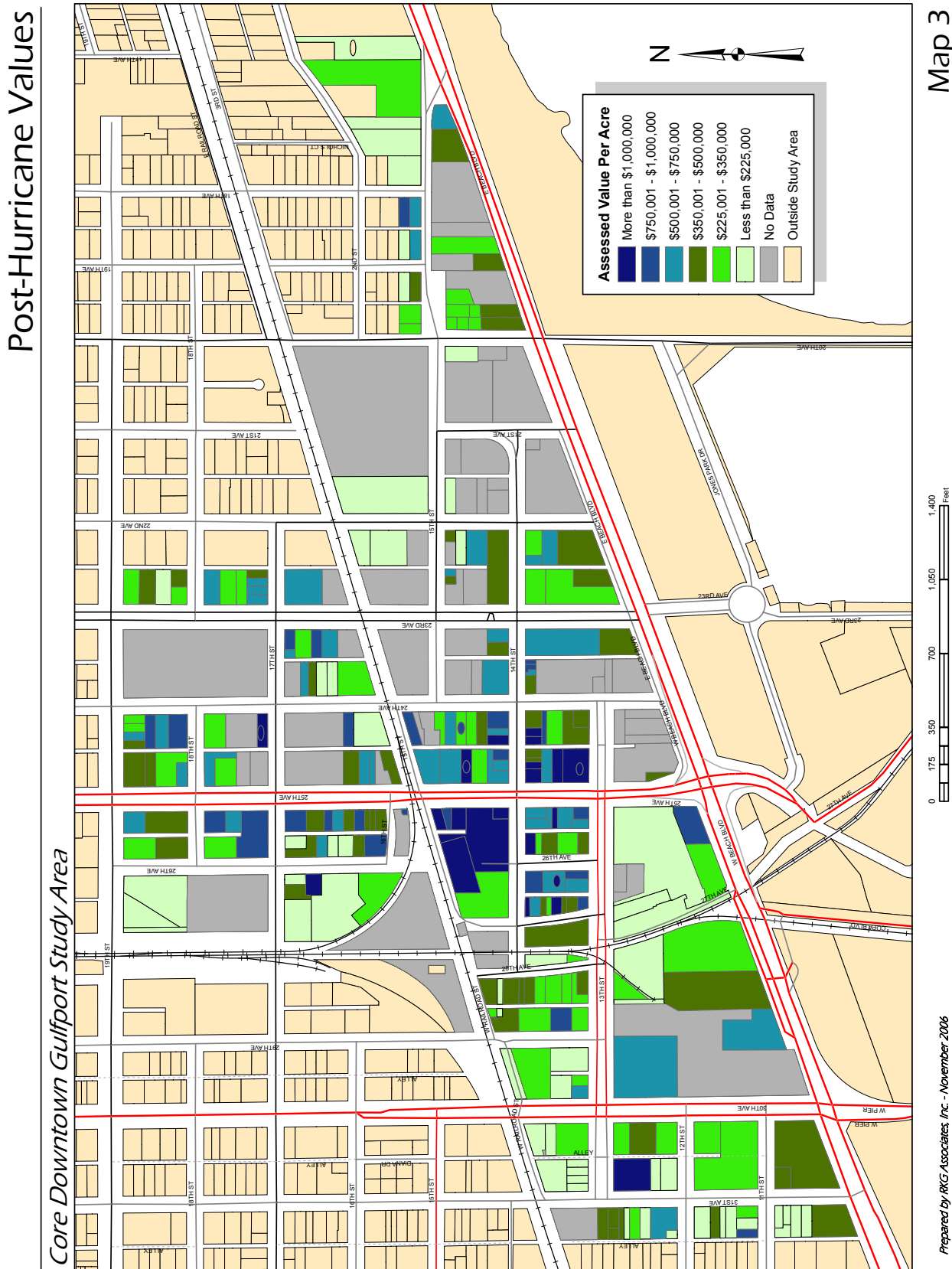
The estimated mean value (inclusive of land and building) per acre of land in the core downtown Gulfport study area is approximately \$420,500. This excludes the 57 properties for which there are no data, as well as the 24 outlier properties, of more than \$1 million, as presented in the following table and Map 3. One broker the consultants interviewed commented that pre-Katrina, an acre of land was selling in the \$150,000 range and that post-Katrina the speculative asking price was ten times that amount, indicating the potentially high assemblage costs for land in the downtown.

TABLE III - B - 3
Post-Katrina Total Values
per Acre Basis

	Count	Mean Value
No Data	57	\$0
More than \$1.0 million	24	\$4,098,000
Less than \$225,000	57	\$165,000
\$225,000 to \$350,000	56	\$296,000
\$350,000 to \$500,000	62	\$411,500
\$500,000 to \$750,000	48	\$618,500
\$750,000 to \$1.0 million	28	\$870,500
TOTAL	332	\$420,500

Source : Harrison County Assessor and RKG

a) MAP 3 – Post Hurricane Values



4. Pre Hurricane Land Utilization

In terms of land utilization, banking, other commercial uses and office uses all realized a decline in value of nearly 50% or more, post-Katrina. The overall decline for the study area was about 40%. The change in value, by land utilization, is presented in the following table. Map 4 presents land utilization, by property, pre-Katrina.

TABLE III - B - 4

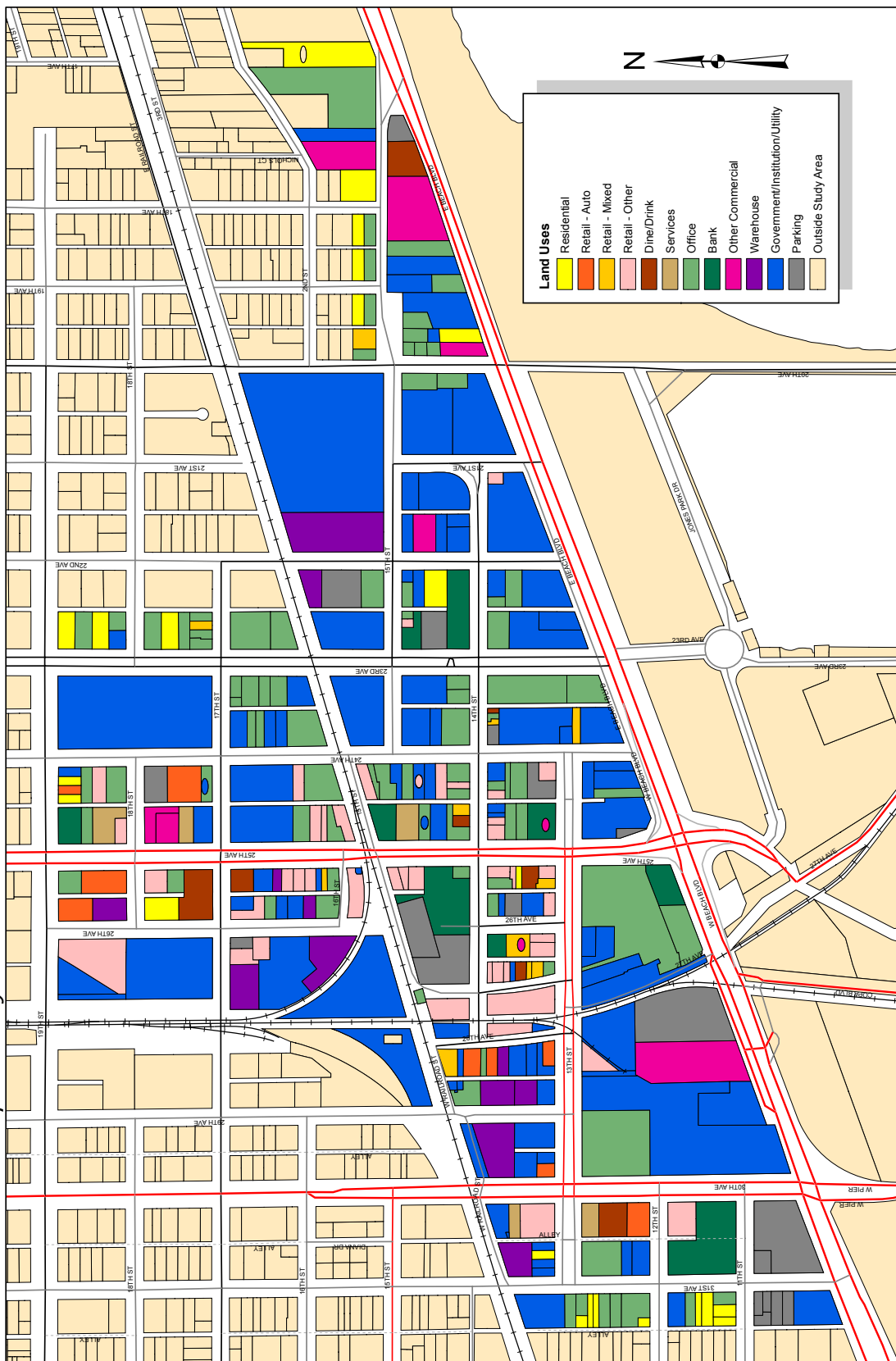
Land Utilization Value Comparisons	Count	Pre Value	Post Value	Percent Change	Land Acres	% of Total
Warehouse/Industrial	12	\$1,900,016	\$1,681,678	-11.5%	5.95	4.5%
Retail - Other	43	\$5,450,981	\$4,472,159	-18.0%	8.32	6.3%
Retail - Mixed Use	11	\$1,011,609	\$551,085	-45.5%	1.22	0.9%
Retail - Auto	9	\$1,031,127	\$710,984	-31.0%	2.39	1.8%
Retail - Dine and Drink	8	\$1,777,730	\$1,662,458	-6.5%	2.25	1.7%
Residential	23	\$2,513,043	\$1,625,816	-35.3%	5.03	3.8%
Parking	19	\$6,703,926	\$6,588,351	-1.7%	8.70	6.6%
Office	86	\$22,688,149	\$11,998,780	-47.1%	25.14	19.2%
Other Commercial	9	\$5,723,177	\$2,810,183	-50.9%	5.58	4.3%
Govt/Institutional/Utility	98	\$4,001,182	\$3,985,347	-0.4%	59.07	45.1%
Services	5	\$645,415	\$500,287	-22.5%	1.47	1.1%
Banking	9	\$19,390,426	\$6,874,732	-64.5%	5.94	4.5%
TOTAL	332	\$72,836,781	\$43,461,860	-40.3%	131.06	100.0%

Source : Harrison County Assessor and RKG

a) MAP 4 – Pre Hurricane Land Utilization

Pre-Hurricane Land Utilization

Core Downtown Gulfport Study Area



Map 4

Prepared by RKG Associates, Inc. - November 2006

B. Change in Values and Assessments

According to the Harrison County Assessor's records (in 2005 pre-Katrina), there were approximately 30,675 property parcels in the City, about one-half of which were single-family owner-occupied residential units. The total "estimated true value" of these parcels was slightly more than \$2.9 billion that contributed more than \$45 million in property taxes⁸ to the City, the County and the school district(s).

TABLE III - A - 1
PRE and POST KATRINA Assessments
2005

PRE KATRINA	Code	Type	Property Count	Estimated True Value	Assessed Value	TOTAL TAXES
G = Old Gulfport	Class 1	SF Owner	8,423	\$760,647,018	\$76,065,314	\$9,762,222
	Class 2	All Other	8,966	\$1,033,874,747	\$155,081,905	\$19,903,212
		Subtotal	17,389	\$1,794,521,765	\$231,147,219	\$29,665,434
GO = Gulfport w/ County School	Class 1	SF Owner	6,952	\$542,829,971	\$54,283,395	\$6,076,483
	Class 2	All Other	6,334	\$574,102,769	\$86,115,604	\$9,639,781
		Subtotal	13,286	\$1,116,932,740	\$140,398,999	\$15,716,264
TOTAL GULFPORT	Class 1	SF Owner	15,375	\$1,303,476,989	\$130,348,709	\$15,838,706
	Class 2	All Other	15,300	\$1,607,977,516	\$241,197,509	\$29,542,992
		Total	30,675	\$2,911,454,505	\$371,546,218	\$45,381,698
2006						
POST KATRINA						
G = Old Gulfport	Class 1	SF Owner	8,206	\$601,870,570	\$60,187,622	\$7,724,479
	Class 2	All Other	9,267	\$733,923,325	\$110,089,118	\$14,128,837
		Subtotal	17,473	\$1,335,793,895	\$170,276,740	\$21,853,317
GO = Gulfport w/ County School	Class 1	SF Owner	6,966	\$520,515,560	\$52,051,938	\$5,826,694
	Class 2	All Other	6,502	\$557,152,129	\$83,573,034	\$9,355,165
		Subtotal	13,468	\$1,077,667,689	\$135,624,972	\$15,181,859
TOTAL GULFPORT	Class 1	SF Owner	15,172	\$1,122,386,130	\$112,239,560	\$13,551,173
	Class 2	All Other	15,769	\$1,291,075,454	\$193,662,152	\$23,484,003
		Total	30,941	\$2,413,461,584	\$305,901,712	\$37,035,176
CHANGE in ASSESSMENTS						
G = Old Gulfport	Class 1	SF Owner	(217)	(\$158,776,448)	(\$15,877,692)	(\$2,037,743)
	Class 2	All Other	301	(\$299,951,422)	(\$44,992,787)	(\$5,774,374)
		Subtotal	84	(\$458,727,870)	(\$60,870,479)	(\$7,812,117)
GO = Gulfport w/ County School	Class 1	SF Owner	14	(\$22,314,411)	(\$2,231,457)	(\$249,789)
	Class 2	All Other	168	(\$16,950,640)	(\$2,542,570)	(\$284,615)
		Subtotal	182	(\$39,265,051)	(\$4,774,027)	(\$534,405)
TOTAL GULFPORT	Class 1	SF Owner	(203)	(\$181,090,859)	(\$18,109,149)	(\$2,287,532)
	Class 2	All Other	469	(\$316,902,062)	(\$47,535,357)	(\$6,058,990)
		Total	266	(\$497,992,921)	(\$65,644,506)	(\$8,346,522)

Source : Harrison County, MS, Assessor's Office and RKG

The 2006 post-Katrina assessments reflect a modest increase in the number of property parcels, likely reflecting FEMA temporary housing (trailers), but an "estimated true value" of \$2.4 billion, a decline of nearly one-half billion in value, representing a decline of 17% in value. Consequently, the estimated property taxes in 2006 post-Katrina are slightly more than \$37 million, a decline of more than 18%, and \$8 million, from pre-Katrina levels.

Hardest hit in Gulfport is the taxing district "G," which is generally synonymous with old Gulfport (south of Interstate 10) and the core downtown district, which at a tax decline of \$7.8 million made up nearly 94% of the citywide decline. In the core downtown area, there are approximately 22 Class 1 parcels and another 310 Class 2 parcels, representing nearly \$72.8 million in market value and an estimated \$1.4 million in total property taxes in the pre-Katrina year of 2005. The post-Katrina market value for these properties is estimated to be

⁸ These property taxes do not account for any adjustments for elderly, disabled or other personal exemptions or reductions.

\$43.5 million, or a decline of a little more than \$29 million in value. This decline in market value and subsequent decline in assessments results in an estimated loss of property tax revenue of nearly \$560,000.⁹ This decline in property taxes represents a 40% decline, well ahead of the 18% decline across the City as a whole.

TABLE III - A - 2
PRE and POST KATRINA Assessments

PRE KATRINA	Code	Type	Property Count	Land Value	Building Value	Assessed Value	TOTAL TAXES
Core Downtown	Class 1	SF Owner	22	\$804,035	\$1,587,642	\$239,168	\$30,695
	Class 2	All Other	310	\$18,814,984	\$51,630,120	\$10,566,766	\$1,356,139
	Total		332	\$19,619,019	\$53,217,762	\$10,805,933	\$1,386,833
2006							
POST KATRINA							
Core Downtown	Class 1	SF Owner	22	\$804,035	\$700,415	\$150,445	\$19,308
	Class 2	All Other	310	\$18,898,984	\$23,058,426	\$6,293,612	\$807,722
	Total		332	\$19,703,019	\$23,758,841	\$6,444,057	\$827,030
CHANGE in ASSESSMENTS							
Core Downtown	Class 1	SF Owner	0	\$0	(\$887,227)	(\$88,723)	(\$11,387)
	Class 2	All Other	0	\$84,000	(\$28,571,694)	(\$4,273,154)	(\$548,417)
	Total		0	\$84,000	(\$29,458,921)	(\$4,361,877)	(\$559,803)

Source : Harrison County, MS, Assessor's Office and RKG

Conclusions – The core downtown represented \$10.8 million in assessed value, pre-Katrina and declined by 40% to \$6.4 million in assessed value post-Katrina. By comparison, the citywide decline in assessment value was only 18%, declining from \$371.5 million pre-Katrina to \$306 million post-Katrina. As a result, the contribution in assessed value of the core downtown declined from a 3% representation of the citywide assessed value pre-Katrina to a 2% representation post-Katrina.

While the overall decline in assessed value of the core downtown, at 40%, is high, the impact this had relative to the rest of the City, is minimal. This perhaps reflects the vacant and deferred maintenance of many downtown properties, prior to Katrina, but it also speaks to the nominal contribution, as measured in assessed value, of these properties. From a fiscal perspective, the City has a stronger reliance on returned sales tax as a source of revenue than it does on property tax.

This would suggest that there might be some flexibility in “freezing” City property taxes on selected downtown properties as an incentive to stimulate redevelopment and reinvestment in order to encourage retail development, spending and the generation of additional sales tax dollars.

⁹ These property taxes do not account for any adjustments for elderly, disabled or other personal exemptions or reductions.

Appendix B: Design Team Information

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